

**TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES
February 9, 2004
Room 2E21 of the SC Department of Revenue, 10:30 a.m.**

ATTENDANCE:

Committee Members in Attendance: Frans Mustert, Chairman; John Curry, Susan Cruse, David Warren, Toni Nance, Rod Swaim and Susie Surkamer

Staff in Attendance: Damita Jeter, TERC Staff;

Guests in Attendance: John Hoefler, Willoughby and Hoefler and Bree Amerson, Municipal Association of SC

CALL TO ORDER /ADMINISTRATIVE TASKS/UPDATES:

- **Minutes:** The Committee approved the January 5, 2004 minutes as submitted.
- **Travel Vouchers:** The Committee submitted their travel vouchers to Mrs. Jeter.
- **Ethics Forms:** The Statement of Economic Interest is due on April 15, Mrs. Jeter said. She distributed the forms, and most members completed and remitted back to Mrs. Jeter. She mailed those members who were absent their forms and requested they complete them and return at the next meeting.
- **Website Update:** Mrs. Nance, as chair of the Website Committee, updated the Committee on the progress of TERC's potential website. She showed them the content of the site thus far and discussed additions and changes. She said the site would be www.atax.sc.gov and the website committee had hopes we could go live by mid-March at the latest.
- **Legislative Changes:** John Hoefler, TERC's legal counsel, provided members a list of the draft legislation, which included an amendment from January's meeting which addresses, in part, the high concentration areas amount of \$900,000 being increased annually by the CPI. The Committee decided that Mrs. Jeter could publish the actual dollar amount on the forms and instructions each year, as well as in the newsletter and on the website.

Other discussion included:

- Mr. Curry stated that all applications needed to have a tourism facet and that needed to be addressed in the legislative changes.
- Several Committee members questioned the reality of having the bill pass the legislature this session. Mr. Hoefler said that in mid-March or April, ideally, we should have a Representative introduce it in the House Ways and Means Committee. Others commented that it should probably be attached to SCDOR's tax bill.
- The Committee passed a motion by Mr. Curry to change Section 6-4-5 (5B) to include "and the operation thereof," when addressing the promotion of the arts and cultural events designed to attract tourism.

- The Committee concluded that its time would be best spent addressing the draft legislation by a subcommittee via conference call. After the subcommittee put the draft legislation into a final format, it would send to the Committee for final review and comment. The subcommittee consists of John Curry, Lanneau Siegling, Frans Mustert and Susie Surkamer. Damita Jeter, Tom Sponseller and John Hoefler were also asked to participate in the conference call.
- **Florence County:** Mr. Mustert and Mr. Hoefler updated the Committee on the letter sent to Florence County and the State Treasurer's Office as a result last month's meeting asking the Treasurer's Office to withhold funds.
- **Hilton Head Island:** Mrs. Jeter informed the Committee that the Town of Hilton Head complied with its request to include its local accommodations tax committee in the approval of projects receiving accommodations tax funding.

REVIEW OF CORRESPONDENCE/QUESTIONS

- **City of Aiken:** Mrs. Cruse and Mr. Warren discussed with the Committee the City of Aiken's request to use accommodations tax funds to purchase a trolley. After some discussion, the Committee concluded that there was not enough proof from the City that the trolley would be used primarily for tourism. The Committee approved a motion by Mrs. Cruse that the City of Aiken's request to use accommodations tax funding be denied based on the fact the City was not high concentration of tourism and the City should find funds elsewhere.
- **Orangeburg County:** Orangeburg County has not filled the vacancies on their local accommodations tax committee. The Committee passed a motion to draft a letter telling them fill the vacancies by March 15 or the Committee will ask the State Treasurer's Office to impose penalties.

REVIEWED BY MARK WILLIAMS/JOHN CURRY:

- **Richland County:** The Committee questioned how one of their members related to hospitality. After review, their committee list was approved. A letter will be drafted tell them.
- **Darlington County:** The Committee had questioned why the County had a negative balance and no money was put in the general fund. After learning that all funds go to tourism, the Committee passed a motion approving their accounting procedures, but only if all funds were used for tourism. A letter will be drafted telling them.

REVIEWED BY ROD SWAIM/SUSIE SURKAMER:

- **City of Cayce:** The Committee decided to question the Brookland-Cayce Foundation's World War II memorial for \$1,000, specifically, how this project promotes, attracts and provides for tourists. After review of their explanation, they approved the project. A letter will be drafted telling them such.
- **Clarendon County:** The County had various balancing errors, a column was omitted from their report and the Committee questioned the makeup of their local advisory committee. After reviewing the information the County remitted, the Committee

approved of their explanations. A letter will be drafted telling them such.

- **Town of Lexington:** The Committee decided to question the Town of Lexington's Concerts in the Park, FunFest of Lexington and Taste of Lexington. Specifically, the Committee wants to know how these projects attract, provide and promote tourism. Also, the Committee will request them to provide such data as overall budget, percentage of tourism, overall attendance, etc. After additional information sent from the Town, the Committee approved these projects. A letter will be drafted telling them such.
- **Town of St. George:** The Committee requested more information on the Klauber Building Committee renovation expenditure of \$3,000 and the Town's expenditure of lights at I-95 for \$9,932.66, specifically why the local committee did not approve this expenditure. After reviewing the explanations sent to them by the Town, the Committee approved of these projects. A letter will be drafted telling them such.

REVIEWED BY SUSAN CRUSE/DAVID WARREN:

- **Aiken County:** The Committee had requested information regarding the differences on the report and the detail form. After reviewing this information, the Committee approved the report. A letter will be drafted telling them such.
- **Newberry County:** The Committee had questioned several projects from this entity. After review of the supplemental information, the Committee approved the projects. A letter will be drafted telling them such.
- **City of Greenville:** The City added an additional column, and now their report is hard to understand. The Committee asked the City to clarify this information, as well as their committee compliance. After review of the supplemental information, the Committee approved. A letter will be drafted telling them such.
- **City of Hardeeville:** The City's form is not balanced, which the Committee will address in its letter to them. Also, the Committee would like to question the expenditure of "Display Flags," for \$9,375. The explanation is American Flags in front of businesses. The Committee will request who is the recipient of funds and more detailed information on this questionable expenditure. The expenditure coding also seems inappropriate. The Committee make up needs to be addressed – 1) they need to remit the new form, and 2) they need to possibly switch a couple of members around in order to be in compliance. After reviewing supplemental information, the Committee approved all issues above, however, they passed a motion to request the State Treasurer's Office to withhold funds for the Display Flags, which, although a wonderful patriotic gesture, does not fit the qualifications of Section 6-4-10.

REVIEWED BY TONI NANCE/LANNEAU SIEGLING:

- **Florence County:** All questionable expenditures were approved. The discrepancies between the City and County's statistical data was also approved, however, the Committee will draft a letter asking them to obtain more information about number of tourists, overall attendance, budget, etc.
- **City of Florence:** The discrepancies between the City and County's statistical data was also approved, however, the Committee will draft a letter asking them to obtain more information about number of tourists, overall attendance, budget, etc.

REVIEW OF FY 02-03 REPORTING FORMS

REVIEWED BY SUSAN CRUSE/DAVID WARREN:

- **Anderson County** – approved
- **City of Anderson** – approved
- **City of Newberry** – approved
- **City of Beaufort, City of Clemson, City of Aiken, Oconee County, City of Greenwood, Greenwood County** – carried over to March meeting.

REVIEWED BY TONI NANCE/LANNEAU SIEGLING:

- **Berkeley County:** Mrs. Jeter will write a letter to them about their balancing errors and the makeup of the membership committee. It seems as they have one person too many, and need another lodging person. Also, she will change the category errors internally.
- **Chester County:** The Committee decided to ask the County for further information on their 65% recipients as well as the composition of the hospitality sector of their local committee.
- **City of Gaffney:** Several category numbers (Peach Festival) need to be changed internally. There were also discrepancies between their detail form and report on a couple of different projects.
- **City of Georgetown:** The Committee discovered that the City has carry forward funds that need to be spent. The Committee will draft them a letter asking for an explanation.
- **Georgetown County:** There are several project category numbers that need to be changed internally. The Committee will also ask them for the number of visitors vs. tourists on their reporting forms.
- **Kershaw County:** Project numbers will be changed internally.
- **Pickens County:** The Committee will request the County resubmit the reporting form and include project category numbers, which were not included with their last report. The Committee also questioned the compliance of the local committee and why the 30% funds were carried forward. Mrs. Jeter will draft a letter asking for an explanation.
- **Colleton County:** The Committee will draft a letter asking about the non profit status of one of their 65% recipients, as well as requesting a local accommodations tax committee list. Mrs. Jeter will change some project category numbers internally.
- **Cherokee County:** This entity held all of their funds, including the 30% monies, to fund a walking trail between two historic battlefields. The Committee concluded that the 65% funds could be used for this, but the 30% had to be allocated to a non profit organization for tourism promotion. A letter will be drafted telling them this.

REVIEWED BY MARK WILLIAMS/JOHN CURRY:

City of Columbia, City of Myrtle Beach, City of North Myrtle Beach, City of Rock Hill, Horry County, Orangeburg County, Town of Duncan, Town of Pawley's Island, Town of Springdale, York County, City of Orangeburg, City of Conway, Laurens County, Town

of Walterboro, City of Sumter, Sumter County – all carried over to March meeting.

REVIEWED BY ROD SWAIM/SUSIE SURKAMER:

- **City of Charleston**- approved
- **City of Dillon** – approved
- **City of North Charleston** – approved
- **Town of Edisto Island** – approved
- **Town of Hilton Head Island** – approved
- **Town of Isle of Palms** – approved
- **Town of Moncks Corner** – approved
- **Town of Mt. Pleasant** – approved
- **Town of Seabrook Island** – approved
- **Town of Summerton** – approved.
- **City of Folly Beach** – approved.
- **Dillon County:** After reviewing their report, it seems that the recipients of the 65% funds benefit the County more so than the unincorporated areas, when more than likely, most of the County's accommodations tax funds come from the unincorporated areas. The Committee will write a letter questioning this, along with asking them to send the list of local accommodations tax committee members.
- **Town of Sullivans Island:** The Town needs to explain why they reflected a carry forward amount last year, but nothing on this year's form. They also need to remit their local accommodations tax report.

Other Business: Mrs. Nance asked the Committee to pay close attention when reviewing the project category numbers. She said that the SCPRT statistical data is only as good as the information from where it comes, so she asked the committee to please review and change anything that might be improperly categorized.

The next meeting scheduled of the TERC is scheduled for March 8, 2004 at 10:30 a.m. at the SCDOR, Room 2E21.

There being no other business, the Committee adjourned.

Respectfully Submitted,

Damita S. Jeter

Damita S. Jeter, TERC Staff