

**TOURISM EXPENDITURE REVIEW COMMITTEE  
MEETING MINUTES  
December 12, 2005  
Room 2E21, SCDOR  
10 a.m.**

**ATTENDANCE:**

**Committee Members in Attendance:** Frans Mustert, Chairman, Rod Swaim, John Curry, Susan Cruse, Susie Surkamer, Kevin Yokim, Toni Nance, Mark Williams, Lisa Martin.

**Staff in Attendance:** Damita Jeter, TERC Staff.

**Counsel in Attendance:** John Hoefler, Willoughby and Hoefler

**Guests in Attendance:** Vicki Fletcher, Pendleton Historic District; Gary Cannon, Municipal Association of S.C.; Tim Winslow, SC Association of Counties.

**CALL TO ORDER /ADMINISTRATIVE TASKS/UPDATES:**

- **Travel Vouchers:** The Committee submitted their travel vouchers to Mrs. Jeter.
- **Minutes Approval:** The Committee motioned to approve the November 7, 2005 meeting minutes with the addition of Toni Nance added to the list of committee members in attendance.
- **Welcome of New Member.** Lisa Martin was introduced and welcomed as a new TERC member, appointed by the Governor at the recommendation of the SC Travel and Tourism Coalition.
- **Governor's Conference** – The Committee discussed the Governor's Conference on Travel and Tourism, held at the Sanctuary on Kiawah Island, February 6-9. TERC's allotted time is 10:45 a.m. on Wednesday, February 9. TERC would adhere to the same question and answer format as in past years. Mrs. Nance will serve as emcee of the panel. Mrs. Jeter will email the rooming information again to TERC members.
- **The Committee then went into executive session to discuss confidential attorney/client information. The Committee voted in executive session to file an appeal the Administrative Law Court's decision regarding Myrtle Beach and TERC's decision to withhold funds for fireworks usage based on the entity being for profit.**
- **Senate Bill 0027:** The situation with S.B. 0027 has not changed. The House of Representatives has yet to vote on the Governor's veto of this legislation. It will decide in January whether or not to override the veto or sustain it. Now is the time for all interested parties to contact their legislators.
- **TERC Cleanup Language:** Gary Cannon of the Municipal Association of SC said he was concerned with the proposed TERC cleanup language. S.B. 641 would allow municipalities to use up to 50% of local accommodations tax funds for operational expenses such as police, fire, etc. even in areas of non high concentration of tourism areas, and he wanted to make sure that the TERC cleanup language would not hinder the passage of this bill. He said they were also concerned about the \$900,000 threshold that is

in the current statute regarding areas of high concentration of tourism. Chairman Mustert explained that TERC had no concern with local accommodations taxes. Additionally, he explained that the \$900,000 was adopted from the Blue Laws and Mr. Cannon said that MASC had opposed it at the time. Mr. Cannon said he would try to get with Mr. Tom Sponseller further and discuss the potential legislation.

- **State Treasurer's Office.** TERC sent a letter to Mr. Paul Jarvis of the State Treasurer's Office as a follow up to his appearance at TERC's November meeting regarding the state not distributing the funds withheld per TERC's direction. The letter encouraged Mr. Jarvis to begin distributing the funds per Section 6-4-35 (B1c) or TERC would discuss options with legal counsel.
- **Walterboro Question:** The City of Walterboro's accommodations tax committee has requested TERC's opinion on it using accommodations taxes for installation of landscaping and lighting. It states that the Department of Transportation will not furnish lighting or landscaping at several interstate exits that need it. TERC voted to request the City submit clarifying information regarding whether or not the funds would be used for infrastructure or maintenance. Chairman Mustert will also pose the question to John Hoefler regarding whether or not the use of accommodations taxes to fund lighting and landscaping is appropriate.
- **Town of Moncks Corner** – The Town asked TERC whether or not atax funds would be appropriate to help install and purchase a heating and a.c. unit in a tourism-related building, or if the funds could be used for advertising and promotion. TERC voted that either would be appropriate, although the funds for advertising would probably be a better use.
- **Oconee County (FY 03-04 Report)**– TERC had asked for correspondence regarding several expenditures. After many months of partial answers, TERC received information from the County. However, from the information presented, TERC did not have enough information to determine if the expenditures for Walhalla Partners for Progress - \$20,000.00 and the Westminster Recreation Department - \$9,000.00 – were appropriate, therefore, TERC voted to direct the State Treasurer's Office to withhold funds in the amount of \$29,000.00. Recently, TERC received the subsequent information it requested, at which time, TERC determined that the funds for Partners for Progress would still not be appropriate because it was for a restroom project, which is only allowable in areas of non high concentration of tourism. Therefore, TERC voted to maintain its original vote regarding the Walhalla Partners for Progress and will request the State Treasurer's Office to withhold funds in the amount of \$20,000.00

**The Committee then reviewed the following entities FY 04-05 Accommodations Tax Reporting Forms. The following have been sent letters questioning various items such as their 65% expenditures, their 30% recipients, accurate coding, balancing issues, their local committee compliance, and various questions from entities. Those entities who were sent letters questioning lighting and landscaping will receive an opinion from TERC after it confers with its attorney. Those from which TERC voted to withhold funds will receive the chance to provide additional information in person at a TERC meeting or via written correspondence:**

- **Susan/Lisa**– Aiken County, City of Anderson, City of Greenville, Jasper County (**TERC voted to withhold funds for PRT maintenance to a recreation facility**), City of Newberry, City of Seneca, Hardeeville (**TERC**

**voted to withhold funds for the purchase of equipment), City of Greenwood, Oconee County (TERC voted to withhold funds for restroom purchases), Greenville County**

- **Mark/John** – N. Myrtle Beach, Orangeburg, Rock Hill (TERC voted to deny funds for the construction of a tennis center), Darlington County, Laurens County, Orangeburg County, Duncan (TERC voted to deny funds for the purchase of a shuttle bus for the middle tiger YMCA), Surfside Beach.

- **Kevin/Lanneau** – Berkeley County, Cherokee County, City of Camden, City of Cayce, City of Gaffney, Clarendon County, Pickens County, Richland County, Town of Lexington, Springdale,

- **Rod/Susie** – Edisto Beach, Hilton Head, St. George, Sullivans Island,

John Curry and Mark Williams will review Lake City for next month and Lanneau Siegling and Kevin Yokim will review York County for next month.

Mrs. Jeter distributed reporting forms for review in January.

She will send letters to delinquent reporters telling them that they must report by the end of December or the state treasurer's office will be withholding funds.

Beaufort County and City of Easley had both been questioned regarding their 03-04 reporting forms and have yet to send information back. TERC voted to request the state treasurer's office to deny funds after registered mail was sent. The issue will be dealt with in January.

**The next meeting of TERC will be held January 9, 2006 at 10 a.m. at SCDOR.**

**There being no other business, the meeting adjourned.**

**Respectfully Submitted,**

*Damita S. Jeter*

**Damita S. Jeter, TERC Staff**