

**TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES
January 9, 2006
Room 2E21, SCDOR
10 a.m.**

ATTENDANCE:

Committee Members in Attendance: Frans Mustert, Chairman; Lanneau Siegling, Vice Chairman, Rod Swaim, John Curry, Lisa Martin, Susie Surkamer, Kevin Yokim, Toni Nance.

Staff in Attendance: Damita Jeter, TERC Staff.

Counsel in Attendance: John Hoefler, Willoughby and Hoefler

Guests in Attendance: Tom Sponseller.

CALL TO ORDER /ADMINISTRATIVE TASKS/UPDATES:

- **Minutes Approval:** The Committee motioned to approve the minutes from the December 12, 2005 meeting.
- **History of Ataxes:** John Curry shared the history of state accommodations taxes with the group. Lanneau Siegling suggested Mr. Curry draft a one-page summary that TERC can post on its website.
- **Governor's Conference:** TERC discussed the Governor's Conference, which will be held in February at the Sanctuary on Kiawah Island. TERC discussed its panel discussion and the question and answer session it will be facilitating.
- **Myrtle Beach Appeal:** The next step in the appeal process is circuit court. Mr. Hoefler advised TERC that the process could take up to two years.
- **S.B. 027:** When the legislature reconvenes in January, it will take up the issue of whether or not to sustain the Governor's veto on S.B. 027.
- **TERC Cleanup Language:** Frans Mustert and Tom Sponseller met with Burnie Maybank, then director of SCDOR, and Meredith Cleland, SCDOR. TERC is once again requesting that SCDOR insert its cleanup language on its BAT bill this legislative session. However, Mr. Sponseller informed the Committee that both the Municipal Association of SC and the SC Association of Counties opposed the legislation on the basis of the \$900,000 high concentration threshold. Mr. Sponseller stated that Senator Leatherman had introduced a bill that would allow local accommodations taxes to be used for additional county and municipal services such as police, fire, etc. TERC will invite the new director to its next meeting.
- **State Treasurer's Office:** TERC voted to go into executive session to discuss confidential matters with its attorney. When TERC adjourned from executive session, it voted to draft a letter to Grady Patterson, State Treasurer, regarding TERC's concern that funds withheld for noncompliance are not being redistributed.
- **Oconee County:** The County had asked TERC whether or not a historical marker recognizing a Native American trail could be fundable. TERC voted to request the County send them more tourism impact information. After re-examining the issue of the

County funding Walhalla Partners for Progress for a restroom project at a local park, TERC voted to deny the use of funds based upon the statute's definition of proper use of expenditures in a high concentration of tourism area only, and Revenue Ruling 98-22's support of that. Frans Mustert will call Senator Alexander to tell him TERC's reason for denying the expenditure.

- **Beaufort County/City of Easley:** Both of these TERC had previously questioned regarding various expenditures and neither has responded to date. TERC voted to correspond with Beaufort County that because extensive efforts had been made to get additional information it needed to make a proper determination, it had no choice but to request funds be withheld. However, it voted to withhold funds from the City of Easley because the original expenditure of \$6,000.00 was for street banners, which is not allowable.
- **Late Reports:** TERC voted to withhold funds for no remittance of reports with the following: Greenwood County, Beaufort County, City of Easley.

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 TERC had regarding certain expenditures. 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 – (ALL HELD OVER TO NEXT MEETING) – City of Aiken, City of Beaufort, City of Clemson, City of Greer, Newberry County

Kevin/Lanneau – Lexington County, Colleton County, City of Georgetown, Spartanburg County, City of Spartanburg

Mark/John- City of Columbia, City of Hartsville, Horry County (**issue will be revisited at the March meeting**), Myrtle Beach, Pawley's Island, Town of Ridgeland (**TERC voted to withhold \$1,000.00 for an expenditure used to fund increased seating at youth baseball tournaments**)

Rod/Susie – Charleston, Florence County, Isle of Palms (**TERC voted to withhold funds in the amount of \$118.28 for bank charges**), Mt. Pleasant (**TERC voted to withhold \$15.95 for bank charges. Additionally, TERC voted to withhold \$2,000.00 for funds awarded to the Charleston Symphony Orchestra League. The additional information the Town provided stated it had no visitors to the event.**)

The next meeting of TERC will be held March 13 at 10 a.m. at SCDOR.

There being no other business, the meeting adjourned.

Respectfully Submitted,

Damita S. Jeter

Damita S. Jeter, TERC Staff