

**TOURISM EXPENDITURE REVIEW COMMITTEE
MEETING MINUTES
March 13, 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, Susan Cruse, Kevin Yokim, Toni Nance, Mark Williams, Ed Riggs.

Staff in Attendance: Damita Jeter, TERC Staff.

Counsel in Attendance: John Hoefler, Willoughby and Hoefler

Guests in Attendance: Tim Winslow, SC Association of Counties; Gary Cannon, Municipal Association of SC; Betsy Marchant of Sen. Thomas Alexander's Office; Eleanor Porter, City of Rock Hill; John Taylor, Rock Hill PRT

CALL TO ORDER /ADMINISTRATIVE TASKS/UPDATES:

- **Minutes Approval:** The Committee motioned to approve the minutes from the January 9, 2006 meeting.
- **Travel Vouchers and Statement of Economic Interest Forms:** The Committee remitted travel vouchers to Mrs. Jeter. Members also completed statement of economic interest forms and returned to Mrs. Jeter.
- **Governor's Conference:** TERC discussed the Governor's Conference, which was held in February at the Sanctuary on Kiawah Island. Questions that resulted from the Governor's Conference (specifically Robin Hood provision questions) will be inserted in the next newsletter.
- **TERC voted to go into executive session to discuss confidential matters with its attorney. When TERC adjourned from executive session, no votes were taken.**
- **TERC's Interpretation of High Concentration Language:** The Committee discussed TERC's interpretation of high concentration of tourism language based on Revenue Ruling 98-22 and other policy documents that TERC had always relied upon. After some discussion the committee voted to table the issue until its next meeting and do some more research on the matter.
- **Senate Bill 985:** Mr. Cannon explained to TERC that Senate Bill 985 would allow local governments who did not qualify as "high concentration areas" to use local accommodations taxes (up to 20%) to provide county and municipal operation and services such police, fire, etc.
- **Oconee County:** TERC re-examined the issue of the County funding Walhalla Partners for Progress for a restroom project at a local park, which TERC had previously 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.

After some discussion, TERC voted to discuss the issue some more and alert the State Treasurer's Office to delay withholding funds until TERC had researched the issue more.

- **Late Reports:** The Treasurer's Office has received notice to withhold funds from Beaufort County and Greenwood County. Neither one has remitted an accommodations tax reporting form for FY 04-05.

- **Beaufort County:** The Committee finally received a response from the County regarding TERC's questions on its FY 03-04 accommodations tax reporting form concerning Friends of Hunting Island and St. Helena Episcopal Church. Although the two expenditures appear to be compliant with the additional explanation, TERC is concerned that it has difficulty receiving communication from the County. It will write a letter and copy the County Council Administrator and Council Chair.

- **City of Rock Hill:** TERC had previously directed the State Treasurer's Office to withhold funds in the amount of \$30,000.00 for an expenditure to the Rock Hill SCPRT for the construction of a tennis facility. However, after the discussion of the issue with City representatives, TERC voted to reverse its original decision regarding the tennis facility, based on the City's proof of economic and tourism impact. However, the City of Rock Hill should understand that this does not set a precedent for future decisions and should the City use accommodations tax funds to construct sports facilities in the future, TERC would once again refer to Section 6-4-10 of the S.C. Code of Laws, which does not mention construction of sports facilities, when making a decision on the appropriateness of such expenditures.

The Committee then reviewed correspondence received from the following entities' regarding their FY 04-05 Accommodations Tax Reporting Forms. The following had 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.

Susan/Lisa – City of Greenville (requested an extension and will be reviewed next meeting), City of Seneca (questioned the 30% designee. TERC agreed to allow the City to use a local radio station as the 30% designee this year, will tell them to send the funds to a proper nonprofit in the future.), City of Hardeeville (TERC voted to approve all explanations to questionable expenditures on Hardeeville's report; however, it reaffirmed its position to direct the STO to withhold funds for the purchase of equipment in the amount of \$5,000.00), City of Greenwood (TERC approved questions it had previously), Greenville County (question again BJU and Bonnie Amies expenditures and exact use of funds), City of Newberry (TERC approved questions it had previously), Jasper County (TERC voted to send a letter to the County stating if it did not receive the correspondence it requested, it would direct the STO office to withhold funds based on noncompliance), City of Simpsonville (TERC will ask exact use of funds for the expenditures of Simpsonville Art League and Simpsonville Arts Council)

Kevin/Lanneau – Berkeley County (TERC approved questions it had previously), City of Camden (TERC approved questions it had previously), City of Cayce (TERC approved questions it had previously), Clarendon County, (TERC approved questions it had previously), City of Gaffney (TERC approved questions it had previously), Pickens County (To date, TERC has not received information it had

previously questioned. The Committee voted to correspond with the County that it had 30 days to comply or TERC would direct the STO to withhold funds.), Town of Lexington (TERC questioned again specifically how funds were spent for the “concerts in the park” series.

Mark/John- Darlington County (TERC approved questions it had previously), Town of Duncan (TERC voted to reaffirm its position to withhold funds for shuttle bus for the YMCA in the amount of \$14,000.00), N. Myrtle Beach (TERC approved questions it had previously), City of Orangeburg (the City voluntarily uses a local advisory committee. TERC will write a letter thanking them for running applications by this local committee and request the city meet compliance with the local committee, Laurens County (TERC approved questions it had previously), Rod/Susie – Edisto Beach (TERC approved questions it had previously), Hilton Head Island (TERC approved questions it had previously), Sullivans Island (TERC voted to allow the Town another 60 days to fill vacancies on its local committee now that TERC has advised it that committee members must be a resident OR have a professional alliance with the Town.)

TERC reviewed the following’s FY 04-05 Accommodations Tax Reporting Forms. They will be 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 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: City of Aiken (coding issues corrected internally, City of Beaufort, (need committee list and coding issues corrected internally) City of Clemson, Newberry County,

Kevin/Lanneau –Chester County, (TERC approved a motion to withhold funds of \$343.30 and \$541.42 expended to the Chester News and Reporter for advertising to potential applicants.), Kershaw County

Mark/John – Horry County (questioning Little River Chamber, Loris Chamber and Aynor Chamber and well as funds held for Beach re-nourishment)

Rod/Susie (All held over until next meeting)- City of Dillon, Dillon County, City of Goose Creek, Town of Santee

The next meeting of TERC will be held May 8 at 10 a.m. at SCDOR.

There being no other business, the meeting adjourned.

Respectfully Submitted,

Damita S. Jeter

Damita S. Jeter, TERC Staff