RECALLED

May 12, 2016

**H. 5011**

Introduced by Reps. Clemmons, Fry, Johnson, Duckworth, Hardee, Anderson, Goldfinch, George, Hayes, H.A. Crawford and Ryhal

S. Printed 5/12/16--S.

Read the first time April 28, 2016.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

This bill would have no state expenditure or revenue impact on the general fund, federal funds, or other funds.

Due to the permissive nature of this bill, the local revenue impact is undetermined.

**Explanation of Fiscal Impact**

**Local Revenue**

This bill adds Section 4-10-980, which states that the local option tourism development fee may be renewed and imposed within a municipality in the same manner as authorized for the initial imposition of the fee. Any reimposition of the fee is effective immediately upon the termination of the fee previously imposed.

The tourism development tax may only be imposed by a municipality located in a county where revenue from the state accommodations tax is at least $14 million in a fiscal year. Based upon the Department of Revenue’s Information Letter #16-3, currently only Horry County meets this criteria. Therefore, only municipalities in Horry County may impose this tax and Myrtle Beach is the only municipality that imposes the local option tourism development fee. The bill provides for the method by which a qualifying municipality may reimpose an existing fee. Upon expiration, the bill would allow for Myrtle Beach to reimpose the fee. However, this will be dependent upon the outcome of the required referendum. Due to the permissive nature of this bill, the local revenue impact is undetermined.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 4‑10‑980 SO AS TO PROVIDE FOR THE REIMPOSITION OF THE LOCAL OPTION TOURISM DEVELOPMENT FEE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 9, Chapter 10, Title 4 of the 1976 Code is amended by adding:

“Section 4‑10‑980. The fee authorized in this article may be renewed and imposed within a municipality in the same manner as authorized by this article for the initial imposition of the fee. If the fee is reimposed pursuant to Section 4‑10‑930(A)(2), the referendum on the question of reimposition of the fee must not be held earlier than within the calendar year which is two years before the calendar year in which the fee then in effect is scheduled to terminate. Notwithstanding Section 4‑10‑930(D) and (E), any reimposition of the fee is effective immediately upon the termination of the fee previously imposed. Revenues from the reimposition must be expended for the same purposes as set forth in this article, and the provisions of Section 4‑10‑970(A)(2) apply immediately upon reimposition.”

SECTION 2. This act takes effect upon approval by the Governor.

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