**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 1‑7‑180 SO AS TO PROVIDE DEFINITIONS, TO PROVIDE THAT A TWO DOLLAR SURCHARGE IS IMPOSED FOR EACH ENTRY BY EACH CUSTOMER ADMITTED TO AN ADULT BUSINESS, TO PROVIDE FOR RECORDING AND REMITTANCE, TO CREATE THE “SOUTH CAROLINA SEX TRAFFICKING VICTIMS FUND”, TO PROVIDE SERVICES FOR VICTIMS OF SEX TRAFFICKING, AND TO PROVIDE THAT THE DEPARTMENT SHALL ALLOCATE ALL REVENUE COLLECTED FROM THE SURCHARGE TO THE SOUTH CAROLINA SEX TRAFFICKING FUND.

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

SECTION 1. Article 1, Chapter 7, Title 1 of the 1976 Code is amended by adding:

“Section 1‑7‑180. (A) As used in this section:

(1) ‘Adult business’ means a business that:

(a) is an adult business as defined in Section 57‑25‑120(7);

(b) provides live nude entertainment or live nude performances for an audience of two or more individuals.

(c) permits the consumption of beer, wine, liquor, or other alcoholic beverages on the premises.

(2) ‘Department’ means the Department of Revenue.

(3) ‘Nude’ means:

(a) entirely unclothed; or

(b) clothed in a manner that exposes to public view, at any time, the bare female breast below a point immediately above the top of the areola, genitals, pubic region, or buttocks, even if partially covered by opaque material or completely covered by translucent material, including swim suits, lingerie, or latex covering.

(B) A two dollar surcharge is imposed for each entry by each customer admitted to an adult business. This surcharge is in addition to all taxes and fees imposed on the business. The surcharge is not content‑based but imposed to address the secondary harmful effects created by adult businesses so that the State can fulfill its compelling interest to uphold community standards of decency.

(C) Each adult business shall record daily, in the manner required by the department, the number of customers admitted to the business. The business shall maintain the records for the period required by the department and make the records available for inspection and audit upon request by the department. The business shall remit the surcharge to the department with its sales tax return documents.

(D) This section does not require an adult business to impose a surcharge on a customer of the business. A business has discretion to determine the manner in which the business derives the money required to remit the surcharge imposed pursuant to this section.

(E) There is created the ‘South Carolina Sex Trafficking Victims Fund’. The revenue collected from the surcharge imposed pursuant to this section must be allocated to the fund. This fund is separate and distinct from the general fund of the State and all other funds. Earnings on this fund must be credited to it and any balance in this fund at the end of a fiscal year carries forward in the fund in the succeeding fiscal year. The fund also may receive donations and grants from public and private sources. Revenues credited to this fund must be used only by the Office of the Attorney General to provide services to victims of sex trafficking. The Office of the Attorney General shall adopt rules specifying the manner in which money from the fund is distributed.”

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

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