

STATE OF SOUTH CAROLINA
COUNTY COUNCIL FOR RICHLAND COUNTY
ORDINANCE NO. 025-03HR

AN ORDINANCE AMENDING THE RICHLAND COUNTY CODE OF ORDINANCES, CHAPTER 23, TAXATION, SO AS TO ADD A NEW ARTICLE FOR THE PURPOSE OF ESTABLISHING AND COLLECTING A LOCAL HOSPITALITY TAX IN RICHLAND COUNTY, SOUTH CAROLINA.

WHEREAS, Richland County, South Carolina (the “County”) wishes to build and enhance the facilities that serve the tourists who visit the County; and

WHEREAS, Article 7 of Chapter 1 of Title 6 of the Code of Laws of South Carolina 1976, as amended (the “Code”), authorizes local governing bodies by ordinance to impose a Local Hospitality Tax (as defined herein) not to exceed two percent (2%) on the gross proceeds of sales of prepared meals and beverages; and

WHEREAS, the County finds that a Local Hospitality Tax upon the sales of prepared meals and beverages sold in establishments in the County will result in revenues that will be used for the dedicated purpose of improving services and facilities for tourists, which constitutes a public purpose of the County; and

WHEREAS, the County finds that the following facilities, among others, promote and attract tourists to the greater Columbia area of Richland County and are proper recipients of the revenue generated by the Local Hospitality Tax: Columbia Museum of Art, Historic Columbia, Edventure, Township Auditorium, the State Farmers’ Market, and a new recreation complex.

Pursuant to the authority granted by the Constitution and the General Assembly of the State of South Carolina, BE IT ENACTED BY THE COUNTY COUNCIL FOR RICHLAND COUNTY:

SECTION I. The Richland County Code of Ordinances, Chapter 23, Taxation, is hereby amended by adding a new Article to read as follows:

ARTICLE VI. LOCAL HOSPITALITY TAX

Sec. 23-65. Definitions.

Richland County means the County and all of the unincorporated areas within the geographical boundaries of the County and all of the incorporated municipalities of the County.

Local Hospitality Tax means a tax on the sales of prepared meals and beverages sold in establishments or sales of prepared meals and beverages sold in establishments licensed for on-premises consumption of alcoholic beverages, beer, or wine, within the incorporated municipalities and the unincorporated areas of the County.

Prepared Meals and Beverages means the products sold ready for consumption either on or off premises in businesses classified as eating and drinking places under the Standard Industrial Code Classification Manual and including lunch counters and restaurant stands; restaurants, lunch counters, and drinking places operated as a subordinate facility by other establishments; and bars and restaurants owned by and operated for members of civic, social, and fraternal associations.

Sec. 23-66. Local Hospitality Tax.

A Local Hospitality Tax is hereby imposed on the sales of prepared meals and beverages sold in establishments within the incorporated municipalities and the unincorporated areas of the County. The Local Hospitality Tax shall be in an amount equal to two percent (2%) of the gross proceeds of sales of prepared meals and beverages sold in

establishments located within the unincorporated areas of the County and within the boundaries of the incorporated municipalities which have consented, by resolution adopted by their governing body, to the imposition of the Local Hospitality Tax in the amount of two percent (2%). The Local Hospitality Tax shall be in an amount equal to one percent (1%) of the gross proceeds of sales of prepared food and beverages sold in establishments located within the boundaries of the incorporated municipalities within the County which do not give their consent to the imposition of the Local Hospitality Tax. Provided, however, the County shall not impose a local hospitality tax on those municipalities that have adopted a two percent (2%) Local Hospitality Tax prior to July 1, 2003.

Sec. 23-67. Payment of Local Hospitality Tax.

(a) Payment of the Local Hospitality Tax established herein shall be the liability of the consumer of the services. The tax shall be paid at the time of delivery of the services to which the tax applies, and shall be collected by the provider of the services. The County shall promulgate a form of return that shall be utilized by the provider of services to calculate the amount of Local Hospitality Tax collected and due. This form shall contain a sworn declaration as to the correctness thereof by the provider of the services.

(b) The tax provided for in this Article must be remitted to the County on a monthly basis when the estimated amount of average tax is more than fifty dollars (\$50.00) a month, on a quarterly basis when the estimated amount of average tax is twenty-five dollars (\$25.00) to fifty dollars (\$50.00) a month, and on an annual basis when the estimated amount of average tax is less than twenty-five dollars (\$25.00) a month.

(c) The provider of services shall remit the Local Hospitality Tax, when due, to the County on the 20th of the month, or on the next business day if the 20th is not a business day.

Sec. 23-68. Local Hospitality Tax Special Revenue Fund.

An interest-bearing, segregated and restricted account to be known as the "Richland County Local Hospitality Tax Revenue Fund" is hereby established. All revenues received from the Local Hospitality Tax shall be deposited into this Fund. The principal and any accrued interest in this Fund shall be expended only as permitted by this ordinance.

Sec. 23-69. Distribution of Funds.

(a) (1) The County shall distribute the Local Hospitality Tax collected and placed in the "Richland County Local Hospitality Tax Revenue Fund" to each of the following agencies and purposes ("Agency") in the following amounts during fiscal year 2003-2004:

Columbia Museum of Art	\$650,000
Historic Columbia	250,000
EdVenture Museum	100,000
County Promotions	200,000

(2) The amounts specified above shall be paid quarterly beginning October 1, 2003.

(3) As a condition of receiving its allocation, each Agency must annually present to the County an affirmative marketing plan for the inclusion of all citizens of Richland County and must also annually offer some "free" or discounted services to Richland County citizens. If an Agency fails to comply with these requirements, its portion of the Local Hospitality Tax shall be retained in the Richland County Local Hospitality Tax Revenue Fund and distributed as provided in subsection (d) below.

(4) In the event Local Hospitality Tax revenues are not adequate to fund the Agencies listed above in the prescribed amounts, each Agency will receive a proportionate share of the actual revenues received, with each Agency's

share to be determined by the percentage of the total revenue it would have received had the revenues allowed for full funding as provided in subsection (a)(1) above.

(b) In each of fiscal years 2004-2005 and 2005-2006, the Local Hospitality Tax shall be distributed to each Agency named above in the same amounts and on the same terms and conditions, together with a three percent (3%) increase in each of fiscal year 2004-2005 and 2005-2006.

(c) Beginning in fiscal year 2006-2007, the amount of Local Hospitality Tax to be distributed annually to each Agency named above shall be established as equal to the percentage of the total funds collected annually based on a trend analysis of the first three years considering any aberration due to implementation.

(d) All Local Hospitality Tax revenue not distributed pursuant to subsections (a) – (c) above shall be retained in the Richland County Local Hospitality Tax Revenue Fund and distributed as directed by County Council for projects related to tourism development, including, but not limited to, the planning, development, construction, promotion, marketing, operations, and financing (including debt service) of the State Farmer's Market (in lower Richland County), Township Auditorium, a new recreation complex (in northern Richland County), recreation capital improvements, Riverbanks Zoo, and other expenditures as provided in Article 7, Chapter 1, Title 6, Code of Laws of South Carolina 1976 as amended.

Sec. 23-70. Re-distribution of the County's General Fund.

A portion of the general fund revenue that was historically appropriated for the agencies and purposes identified in Section 23-69, subsections (a) and (d), shall in fiscal year 2004 be appropriated in an amount equivalent to one-quarter mill to each of the following entities, subject to approval of the general fund budget: 1) the Richland County Conservation Commission, and 2) the Neighborhood Redevelopment Commission. Thereafter, beginning in fiscal year 2005, an amount equivalent to one-half mill shall be appropriated to each of these two agencies, subject to approval of the general fund budget. Each such entity shall be established and accounted for as a Special Revenue Fund. There shall be no additions to the Statutory and Contractual Agencies funded through the County's General Fund Budget, except as required by state or federal law.

Sec. 23-71. Oversight and Accountability.

Any organization or agency receiving Hospitality Tax funds must submit a report of expenditures and the impact on tourism for the preceding calendar year and a plan for the upcoming year to the Richland County Administrator on or before March 1 of each year. Such report shall be on a form provided by the County.

Sec. 23-72. Inspections, Audits and Administration.

For the purpose of enforcing the provisions of this ordinance, the County Administrator or other authorized agent of the County is empowered to enter upon the premises of any person subject to this ordinance and to make inspections, examine, and audit books and records. It shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon twenty-four (24) hours' written notice. In the event that an audit reveals that the remitter has filed false information, the costs of the audit shall be added to the correct amount of tax determined to be due. All operational and administrative costs associated with the billing and collection of the Local Hospitality Tax will be charged to the "Richland County Local Hospitality Tax Special Revenue Fund". The County Administrator or other authorized agent of the County may make systematic inspections of all service providers that are governed by this ordinance within the County to ensure compliance with this ordinance. Records of inspections shall not be deemed public records.

Sec. 23-73. Violations and Penalties.

(a) It shall be a violation of this Article to:

- (1) fail to collect the Local Hospitality Tax as provided in this Article,
- (2) fail to remit to the County the Local Hospitality Tax collected, pursuant to this Article,
- (3) knowingly provide false information on the form of return submitted to the County, or
- (4) fail to provide books and records to the County Administrator or other authorized agent of the County for the purpose of an audit upon twenty-four (24) hours' notice.

(b) The penalty for violation of this Article shall be five percent (5%) per month, charged on the original amount of the Local Hospitality Tax due.

SECTION II. Severability. If any section, subsection, or clause of this ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections, and clauses shall not be affected thereby.

SECTION III. Conflicting Ordinances Repealed. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION IV. Effective Date. This ordinance shall be enforced from and after July 1, 2003.

RICHLAND COUNTY COUNCIL

By: _____
Bernice G. Scott, Chair

Attest this _____ day of
_____, 2003.

Michielle R. Cannon-Finch
Clerk of Council

RICHLAND COUNTY ATTORNEY'S OFFICE

Approved As To LEGAL Form Only.
No Opinion Rendered As To Content

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Public Hearing: April 21, 2003
Second Reading: April 21, 2003
Third reading: May 6, 2003