

ORDINANCE NO. _____

AN ORDINANCE CREATING TITLE 11 OF THE CODE OF THE TOWN OF BATESBURG LEESVILLE TO ADOPT THE LOCAL HOSPITALITY TAX.

WHEREAS, Article 7 of Chapter 1 of Title 6 of the Code of Laws of South Carolina, 1976, as amended (the "Act"), 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 establishes the manner in which such taxes may be imposed; and

WHEREAS, the Council of the Town of Batesburg Leesville finds that a Local Hospitality Tax upon the sales of prepared meals and beverages sold in establishments in the Town will result in revenues that will be used for the dedicated purpose of improving services and facilities for tourists and the citizens of the Town of Batesburg Leesville; and

WHEREAS, the Staff of the Town of Batesburg Leesville has proposed an amendment to the Town Code of the Town of Batesburg Leesville which would allow the Town of Batesburg Leesville to collect a Local Hospitality Tax as set forth in the South Carolina Code sections referenced above to finance the construction of these projects; and

WHEREAS, the Council of the Town of Batesburg Leesville has concluded that the adoption of the proposed amendment to the Code of the Town of Batesburg Leesville is essential to the general health, safety, welfare and economic stability of the Town and is in the best interest of its citizens;

NOW, THEREFORE, THE COUNCIL OF THE TOWN OF BATESBURG LEESVILLE HEREBY ORDAINS THAT:

Section 1: Code of the Town of Batesburg Leesville shall include a new section and shall read as set forth in Exhibit "A," which is attached hereto and incorporated herein by reference. These taxes are enacted for the following purposes: tourism-related buildings; tourism-related cultural, recreational, or historic facilities; highways, roads, streets, and bridges related to tourism development; advertisements and promotions related to tourism development; or water and sewer infrastructure to serve tourism-related demand as more particularly set forth in Exhibit "B" which is attached hereto and incorporated herein by reference.

EXHIBIT "A"

Title 11 Chapter 1. **Local Hospitality Tax.**

(a) **Authority.** This tax is enacted pursuant to the Code of Laws of South Carolina, 1976, as amended, §§6-1-700 - 6-1-770, which provides in part that a local governing body may impose, by ordinance, a local hospitality tax, not to exceed two percent of the charges for food and beverages sold in establishments with the Town.

(b) **Purpose and Intent.** This local hospitality tax is enacted to preserve the general health, safety, and welfare of the general public within the Town of Batesburg Leesville, South Carolina, and to specifically improve and increase tourism-related activities and facilities and to enhance the quality of life in the Town of Batesburg Leesville for its citizens and its visitors. The revenue generated by the local hospitality tax must be used exclusively for the following purposes: (1) Tourism-related buildings, including, but not limited to, civic centers, coliseums, and aquariums; (2) cultural, recreational, or historic facilities; (3) highways, roads, streets, and bridges providing access to tourist destinations; (4) advertisements and promotions related to tourism development; or (5) water and sewer infrastructure to serve tourism-related demand. Further, no amount of the revenue of the local hospitality tax may be used for the operation and maintenance of items (1) through (5) including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities. More specifically, the revenue generated by this tax shall be used for the purposes set forth in Exhibit "B" only.

(c) **Imposition of Local Hospitality Tax.** A uniform tax equal to two percent (2%) is hereby imposed on the gross proceeds derived from the sale 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, and is imposed on every person engaged in the business of furnishing food and beverage services, whether dine in or take out, within the Town of Batesburg Leesville. In addition, the local hospitality tax shall be imposed on all food and beverages prepared or modified by convenience stores, fast food service outlets, or grocery stores within the Town of Batesburg Leesville.

(d) **Accounting for Local Hospitality Tax.** All proceeds derived from the local hospitality tax must be kept in a separate fund segregated from the Town of Batesburg Leesville general fund known as the Local Hospitality Tax Budget, of which all monies collected and expended by the Town under this chapter shall be itemized. All monies transferred to another fund shall be used in a manner consistent with state law and the provisions of this chapter. Any and all funds in the local hospitality tax budget, including any interest as may

accrue thereon, shall be used solely for the purposes as set forth in S.C. Code 1976, § 6-1-730, as the same may from time to time be amended.

(e) **Payment of Local Hospitality Tax.** Payment of the local hospitality tax shall be the responsibility of the consumer of the services described in Section 38 - 11(c). This tax shall be paid at the time of the delivery of the services or items to which the tax applies and shall be collected by the provider or seller of the service(s), or item(s).

(f) **Remittance to the Town of Batesburg Leesville.** The taxes collected by the seller or provider of the services or items as required in Section 38 - 11(e) shall be remitted to the Town of Batesburg Leesville Business License Administrator as set forth herein along with such return or form as may be established by the Town of Batesburg Leesville Business License Administrator for such purpose. When the estimated amount of average tax is more than fifty dollars (\$50.00) per month, that seller or provider shall remit the amount due on a monthly basis. When the estimated amount of average tax is twenty five dollars (\$25.00) to fifty dollars (\$50.00) per month, that seller or provider shall remit on a quarterly basis. When the estimated amount is less than twenty five (\$25.00) per month, that seller or provider shall remit on an annual basis.

(g) **Payment Due Dates.** Taxes and required reports shall be submitted to the Town of Batesburg Leesville Business License Administrator by the twentieth (20th) day of the month following the due date of the tax payment and shall cover sales of the previous month, quarter, and/ or year depending on the seller's monthly average tax. Any taxes not timely remitted shall be subject to a penalty of five percent (5%) of the unpaid tax for each month or portion thereof after the due date until paid. The failure to collect from patrons the tax imposed by this Section shall not relieve any establishment subject to this Section from making the required remittance.

(h) **Penalties for Violations.** Any person violating any provision of this Section shall be deemed guilty of an offense and shall be subject to punishment under the appropriate sections of the Code of the Town of Batesburg Leesville upon conviction. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent taxes, penalties, and costs provided for herein.

(i) **Expenditure of Future Proceeds.** As part of the annual budget process, the Town Manager shall report to Town Council regarding the annual revenue received from this tax and the annual expenditures.

(j) **Inspections, Audits and Administration.** For the purpose of enforcing this chapter, the license official or other authorized agent of the town is empowered to enter upon the premises of any person or entity subject to this chapter and to make inspections, and examine and audit books and records. It shall be unlawful for any person or entity to fail or refuse to make available the necessary books and records during normal business hours upon 24 hours' written notice. In the event an audit reveals that false information has been filed by the remitter, the cost of the audit shall be added to the correct amount of fees determined to be due. The license official or other authorized agent may make systematic inspections of all establishments within the town to ensure compliance with this chapter. Records of inspections shall not be deemed public records. The license official shall administer the provisions of this chapter and make reasonable regulations relating to its administration.

(k) **Definitions.** The following words, terms, and phrases, when used in this chapter, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

Establishments means businesses, mobile or fixed-based, within the Town which sell prepared meals, food, and beverages for consumption. The term includes restaurants, bars and lounges, hotel and motels with restaurants and/or lounge facilities, caterers, ice cream shops, bakery shops, and other food service facilities including convenience and grocery stores.

Prepared meals, and beverages mean, the product/s prepared or modified by an establishment, which, at the time of sale, is ready for consumption by members of the public.

(l) **Exemptions.** The local hospitality tax does not apply to organizations that are exempt from collecting state sales tax.

EXHIBIT "B"

Items to be funded by Local Hospitality Tax:

1. Revitalization and beautification of the Batesburg-Leesville Business Districts.
2. Rehabilitation of the Haynes Auditorium.
3. Improvements to Town of Batesburg-Leesville owned parks.
4. Marketing and promotion of Town sponsored events.

Section 2: All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent necessary to give the provisions of this ordinance full force and effect.

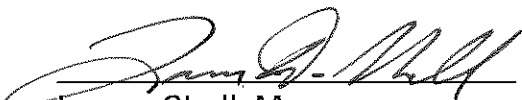
Section 3: This ordinance shall become effective following second reading. The Local Hospitality Tax shall commence being collected by the providers of the services on January 1, 2019, and remittance of the Local Hospitality Tax to the Town of Batesburg Leesville shall commence in the manner referenced in Section 38-11(f.)

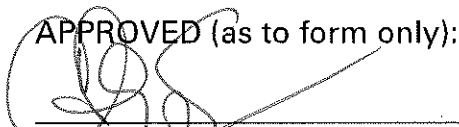
ADOPTED by the Council of the Town of Batesburg Leesville by a majority of the members of the entire governing body, whether present or not, a "positive majority," at regular meeting held this 10th day of Sept, 2018, at which a quorum was present and voting.

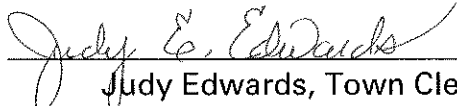
INTRODUCTION AND FIRST READING: August 13, 2018

PUBLIC HEARING: September 10, 2018

SECOND READING AND ADOPTION: September 10, 2018


Lancer Shull, Mayor

APPROVED (as to form only):

Christian G. Spradley, Town Attorney

ATTEST:

Judy Edwards, Town Clerk