R2025-04: A RESOLUTION TO AUTHORIZE EXECUTION OF CONSENT TO SETTLEMENT AGREEMENT

Applicant/Purpose: Staff/ to authorize settlement.

Brief:

- The City of Myrtle Beach along with other municipalities including Charleston and Hilton Head, among others, as well as Horry County and Charleton County, brought suit against Airbnb and its affiliates, as well as other short-term rental platforms, seeking to recover unpaid business license fees as well as unpaid accommodations tax and hospitality fees which the plaintiffs allege should have collected and remitted to each jurisdiction.

- Airbnb has agreed to pay a lump sum to the plaintiffs for the unpaid business license fees, accommodation taxes and hospitality fees up to and including September 30, 2024.

- After September 30, 2024, Airbnb will collect applicable accommodations taxes and hospitality fees in each of the plaintiff jurisdictions and will remit the collected taxes to plaintiffs in accordance with the applicable law in each jurisdiction.

- After September 30, 2024, Airbnb will obtain applicable business licenses from each jurisdiction and will pay the applicable business license tax based on Airbnb's income attributable to each jurisdiction.

Public Notification: Normal meeting notification.

Alternatives:

- Deny proposed resolution.

Financial Impact: Settlement will result in substantial lump sum payment for unpaid fees and taxes as well as increased annual revenue going forward.

Manager's Recommendation:

- To authorize execution of consent to settlement agreement.

RESOLUTION R2025-04

CITY OF MYRTLE BEACH	)	**A RESOLUTION TO AUTHORIZE EXECUTION OF CONSENT TO SETTLEMENT AGREEMENT**
COUNTY OF HORRY	)	
STATE OF SOUTH CAROLINA	)	

WHEREAS, the City of Myrtle Beach, South Carolina (the "City") is a plaintiff in that certain civil action, City of Charleston, South Carolina, et al. v. Airbnb, Inc., et al., Case No. 2021-CP-10-1650, now pending in the Charleston County Court of Common Pleas (the "STR Action"); and

WHEREAS, the STR Action is designed to recover from Airbnb and other online short term rental platforms unpaid business license fees, accommodation taxes and hospitality fees and achieve defendants' compliance in the future; and

WHEREAS, the Plaintiffs in the STR Action and Defendant Airbnb, Inc., and its subsidiaries and affiliates (collectively, "Airbnb"), have negotiated the claims underlying the STR Action as to Airbnb and arrived at a proposed settlement agreement (the "Settlement Agreement"); and

WHEREAS, the Settlement Agreement must be approved by all Plaintiffs to the STR Action; and

WHEREAS, the City is willing to give its written consent to the Settlement Agreement provided that Airbnb executes the same and the required written consents of other Plaintiffs have been given;

NOW, THEREFORE, BE IT RESOLVED that the City Attorney is hereby authorized to provide written consent to the Settlement Agreement, the delivery and effectiveness of same being conditioned upon its execution by Airbnb.

SIGNED AND SEALED THIS 11th DAY OF FEBRUARY, 2025.

_____
BRENDA BETHUNE, MAYOR

ATTEST:

_____
JENNIFER ADKINS, CITY CLERK