

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

AN ORDINANCE REPEALING ORDINANCES NO. 2019-22, 2019-23 AND 2019-24 , ADOPTED MARCH 7, 2019, TO RESTORE CITY HOSPITALITY FEES AND LOCAL ACCOMMODATIONS TAXES TO THE STATUS AND THE RATES THEY HELD PRIOR TO THE ADOPTION OF THE FOREGOING ORDINANCES

WHEREAS, the City of Myrtle Beach (the "City"), acting under constitutional and statutory authority of local governments to implement uniform service charges, adopted its Hospitality Fee by Ordinance No. 96-16 on February 13, 1996, establishing Article VI, Div. 3 (the "Hospitality Fee Ordinance") of the Code of Ordinances of the City of Myrtle Beach (the "City Code") and levying a charge of one percent (1.0%) on all sales receipts deriving from transient accommodations, prepared foods and beverages, and admissions; and,

WHEREAS, the City, acting under the authority of SC Code Title VI, Article 5, adopted its Local Accommodations Tax by Ordinance 2001-58 on January 8, 2002, establishing Chapter 2, Article VI, Div. 4 of the City Code (the "Local Accommodations Tax Ordinance") and levying a charge of one-half percent (0.5%) on all sales receipts deriving from transient accommodations; and,

WHEREAS, on March 7, 2019, the City adopted Ordinance 2019-22 amending the Local Accommodations Tax Ordinance, §2-273, to increase the rate of the Local Accommodations Tax from 0.5% to 3.0%; and,

WHEREAS, on March 7, 2019, the City, acting under the authority of SC Code Title VI, Article 7, further adopted Ordinance No. 2019-23 establishing Chapter 2, Article VI, Div. 7 of the City Code (the Local Hospitality Tax Ordinance") and levying a tax of two percent (2.0%) on sales of prepared foods and beverages; and,

WHEREAS, on March 7, 2019, the City further adopted Ordinance No. 2019-24 amending Article VI, Div. 3 of the City Code, §2-260, providing for a credit for the benefit of any taxpayer who, by the operation of the aforementioned Hospitality Fee Ordinance, Local Accommodations Tax Ordinance and Hospitality Tax Ordinance, would be subject to paying a Hospitality Fee and either or both of the Local Accommodations Tax and Local Hospitality Tax; and,

WHEREAS, the City subsequently took legal action to enjoin the County from continuing to collect inside the corporate limits of the municipalities its 1.5% hospitality fee, a uniform service charge adopted in 1996 with the consent of the municipalities in Horry County for the expressed purpose of financing the Road Improvement and Development Effort ("RIDE") programs, and

WHEREAS, as a result of the legal proceedings, the County, the City and all of the affected municipalities in Horry County reached a Settlement Agreement in Principle, which has since been approved by a Circuit Court order under which the County will

1 continue to collect its 1.5% hospitality fee County-wide, but will remit to the municipalities
2 all funds collected inside their respective corporate limits, less a 1% fee for
3 administration; and,
4

5 WHEREAS, the municipalities have agreed to give consent to the County's continued
6 collection of its hospitality fee under these and other conditions, and to repeal the
7 additional fees and taxes they adopted under authority of SC Code Title 6, Chapters 5
8 and 7, in 2019, so that they will continue to collect only those fees and taxes they had in
9 effect prior to January 1, 2019;

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12 NOW, THEREFORE, be it ordained by the governing body of the City of Myrtle Beach, in
13 Council duly assembled, that

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15 Sec. 1. Article VI, Division 4, of the City Code is hereby amended with respect to §2-273
16 by reducing the rate of taxation from three percent (3.0%) to one-half percent (0.5%).
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18 Sec. 2. Article VI, Division 7 of the City Code is hereby repealed in its entirety.
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20 Sec. 3. Article VI, Division 3, of the City Code is hereby amended with respect to Sec. 2-
21 260, by striking the language added by Ordinance 2019-24, to wit, "[u]nder a
22 program established by the Manager, a taxpayer who concurrently pays to the City
23 both the Hospitality Fee provided herein and either (a) a Local Accommodations Tax
24 under authority of South Carolina Code, Title 6, Chapter 1, Article 5, the Local
25 Accommodations Tax Act, or (b) a Local Hospitality Tax under authority of South
26 Carolina Code, Title 6, Chapter 1, Article 7, the Local Hospitality Tax Act, or (c) both
27 taxes, is entitled to a credit, to be in the amount of the Hospitality Fees paid
28 hereunder, against the Local Hospitality Tax or the Local Accommodations Tax
29 levied within the same time period."
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31 Sec. 4. Should conflicts arise between this ordinance and other ordinances, this
32 ordinance shall prevail with respect to the conflicting sections.
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34 Sec. 5. Should any provision of this ordinance be determined to be invalid, such
35 determination shall not invalidate the remaining provisions thereof.
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37 Sec. 6. This ordinance shall take effect at 11:59 p.m. on the evening of December 31,
38 2020.
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43 _____
44 BRENDA BETHUNE, MAYOR

45 ATTEST:

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48 JENNIFER ADKINS, CITY CLERK
49

50 1st Reading: 12-1-2020

51 2nd Reading: