



## ACCOMMODATIONS TAX ADVISORY COMMITTEE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

### 2024 Accommodations Tax Grant Application

**All applications must be fully completed and submitted electronically to the Town of Hilton Head Island no later than 4:00 p.m. on Friday, September 1, 2023.**

This application package includes the following:

1. Guideline for Applications
2. Accommodations Tax Funds Application
3. Accommodations Tax Advisory Committee Members
4. Announcement of Application Preparation Workshop
5. Meeting Schedule
6. Copy of Accommodations Tax Laws

Applications will first be subjected to Town Staff and Committee review for compliance with the law as to eligibility. For those applications passing the initial review, the applicants will be asked to make personal presentations at Committee hearings. These presentations are scheduled for **October 12 and October 19, 2023**. Each applicant will be notified by email (please make sure to provide a valid email address) of the time scheduled for its presentation.

The Committee requests each applicant to adhere strictly to the guidelines and requirements provided herein.

**Failure to correctly complete the application in its entirety, including the necessary board resolution and financial data, may disqualify what may be an otherwise qualifying application.**

### GUIDELINES FOR APPLICATIONS FOR ACCOMMODATIONS TAX FUNDS

#### A. INTRODUCTION

1. As applicable to Hilton Head Island, the State law (see copy attached and section 6-4-10 in particular) specifies three groups, in general, which are entitled to receive bed tax funds after other mandated distributions have been made from the total funds available:

- a. Town government: "Based on the estimated percentage of costs directly attributed to tourists," Town expenditures for "the criminal justice system, law enforcement, fire protection, solid waste collection and health facilities when required to serve tourists and tourist facilities." See 6-4-10(b) and (b.4).
  - b. Qualified groups advertising and promoting tourism in order to develop and increase tourism. See 6-4-10(b.1).
  - c. Qualified sponsors of arts and cultural events and for construction, maintenance, and operation of facilities for civic and cultural activities. See 6-4-10(b.2 and b.3).
2. The law requires that the funds be used for **tourism-related expenditures** "primarily in the geographical area ... (of Hilton Head Island)." See 6-4-10(d). Therefore, the committee will not look with favor on applications for funds to be spent outside the Town or for activities or enterprises conducted outside the Town. The Accommodations Tax Advisory Committee will consider how applications either drive tourism to the Town or enhance our visitors' experience.
  3. **Applications must be filed by the publicly announced filing deadline.**  
The Committee may, for extraordinary reasons which prevent timely filing, extend the filing deadline.

## **B. NOTES REGARDING THE APPLICATION**

### **1. Summary of Grant Request**

- a. Provide the organization name and the name of the project/event.
- b. Provide the requested contact information for the organization and a primary contact.
- c. List the organization's total annual budget and its 2024 grant request amount.
- d. Provide a brief description of the intended use of the grant and outline how the money would be used. *The Committee uses this as a cover page summary – applicants will have an opportunity to provide more detail in the application.*
- e. Describe how the organization either drives tourism to the Island or enhances the visitor experience. Show how this is currently being measured. *This provides the Committee with the necessary insight as to how the organization/event impacts the general tourism industry on the Island.*
- f. Provide the annual number of patrons served by the organization/event. Also provide the total number of tourists served in this total annual number. *This provides the Committee with an estimated tourist ratio which may be used to determine grant award allocation based off TERC recommended practices.*

### **2. Description of Operations**

- a. Describe the organization/event purpose and overall operation.
- b. The description must state what is intended to be accomplished by Accommodation Tax funds, and the source and amount of other funds to be committed to the operations.
- c. Describe the impact to the organization should it not be fully funded for the 2024 grant request.

- d. The "Impact on or Benefit to Tourism" statement should be supported by data and other records or history insofar as possible. All applicants must be able to provide the number of visitors served on an annual basis, or at the event for which funds are requested, and state how this number is calculated. Whenever possible, applicants should provide additional data on how its attendance numbers drive tourism. *(The State's legal definition of a "visitor" is someone who travels from beyond the government's limits, i.e., outside the Town of Hilton Head Island; however, strong consideration will be given to the State's Tourism Expenditure Review Committee (TERC) preferred definition that a "tourist" is someone who travels from outside a 50-mile radius.)*
- e. Per State requirements, please show how the grant request would be classified (as a percentage) by the categories listed. The total amount must equal 100%.
- f. To qualify for an award, all planned expenditures must fall into the categories described in Section B.5 of this application (Section 6-4-10 of State Law). Please ensure that the entire grant request is eligible and adequately described in Sections B.1-4 of this application. All details described must reconcile with the total request.

### **3. Funding**

- a. Provide a brief description on how the organization is currently funded.
- b. As a percentage, show how the current funding is categorized.
- c. Please list the top 3 sources of public funding applied for, or received, for 2023 and 2024.

### **4. Financial Guarantees and Procedures**

- a. Applicants must include a copy of their organization's official minutes wherein the organization approves the application and commits the organization to financial responsibility for carrying it out to the stage of completion contemplated in the application, should funding be approved.
- b. State whether the organization follows the Town's procurement guidelines, its own procurement guidelines, or does not follow procurement guidelines. For reference, a link to the Town's Standard Operating Procedures for Procurement/Contracting has been provided from within the on-line application portal.

### **5. Measuring Effectiveness:**

- a. Provide a description of how the prior ATAX funds were used, and to what extent the organization's objectives were achieved. Numerics are encouraged. Bullets or an outline format may be used.
- b. Describe how the organization plans to reduce its dependency on ATAX funds in the future or increase its impact on tourism.

### **6. Executive Summary:**

- a. Please use the link in the application portal to access and complete the "ATAX Effectiveness" form to report uses of the organization's prior ATAX grant, if applicable. When completing the form, reference the Categories in Section B.5 of this application, and report on the specifics of each Category awarded to your organization in its most recent ATAX grant. If you choose to create your own format for the Executive Summary instead of using the ATAX Effectiveness form, please reference the form and use the criteria as a guideline.

## **7. Application Submission**

- a. Requests for funding must be submitted by a non-profit organization. Applications cannot be accepted from individuals, for-profit entities, or ad-hoc committees. Proof of non-profit status must accompany first time applications, e.g., IRS 501 (c) (3) letter.
- b. The full name, postal mailing address, email address and telephone number of a primary contact person, given the authority and responsibility to represent the application before the Committee, must be included in this section.

# ACCOMMODATIONS TAX FUNDS REQUEST APPLICATION

*Applications will not be accepted if submitted after 4:00 P.M. on September 1, 2023*

**How does the organization/event either drive tourism to Hilton Head Island or enhance the visitor experience on Hilton Head Island? How is this impact being measured? (100 words or less)**

- A. Total Number of Physical Tourists Served:** \_\_\_\_\_  
(A Tourist is considered a non-resident, traveling more than 50 miles to the Town of Hilton Head Island)
- B. Total Number of Physical Visitors Served:** \_\_\_\_\_  
(A Visitor is considered a non-resident, who travels 50 miles or less to visit the Town of Hilton Head Island)
- C. Total Number of Physical Residents Served:** \_\_\_\_\_  
(A Resident is considered any person who claims their property address within the limits of the Town of Hilton Head Island as their primary residence.)
- D. Total Number of Physical Patrons Served (A+B+C=D)** \_\_\_\_\_

**How was the Number of Visitors Documented? (250 words or less)**

(Please explain if you had virtual events and approximately how many visitors attended).

**B. DESCRIPTION OF OPERATIONS:**

1. For state reporting purposes, give a brief description of the organization. (250 words or less)

2. Describe in detail how the requested grant funding would be used? (250 words or less)

3. **What impact would partial funding have on the activities if full funding were not received? What would the organization change to account for partial funding?** (100 words or less)

4. **What is the expected economic impact and benefit to the Island's tourism?** (100 words or less)

5. In order to comply with the State's *Tourism Expenditure Review Committee* annual reporting requirements, **please classify the current grant request into the following authorized categories:**

- |  |         |
|--|---------|
| 1 – <u>Destination Advertising/Promotion</u>   | _____ % |
| <i>Advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity</i>   |         |
| 2 – <u>Tourism-Related Events</u>  | _____ % |
| <i>Promotion of the arts and cultural events</i>   |         |
| 3 – <u>Tourism-Related Facilities</u>  | _____ % |
| <i>Construction, maintenance and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities</i>  |         |
| 4 – <u>Tourism-Related Public Services</u>   | _____ % |
| <i>The criminal justice system, law enforcement, fire protection, solid waste collection and health facilities when required to serve tourists and tourist facilities (This is based on the estimated percentage of costs directly attributed to tourists. It also includes public facilities such as restrooms, dressing rooms, parks and parking lots)</i> |         |
| 5 – <u>Tourist Public Transportation</u>   | _____ % |
| <i>Tourist shuttle transportation</i>  |         |
| 6 – <u>Waterfront Erosion/Control/Repair</u>   | _____ % |
| <i>Control and repair of waterfront erosion</i>  |         |
| 7 – <u>Operation of Visitor Information Centers</u>  | _____ % |
| <i>Operating visitor information centers</i>   |         |

Total: 100 %

6. If not covered elsewhere in the application, please describe measures the organization has already taken, is currently taking, and/or will be taking with other like tourism service providers to (a) explore opportunities for collaborative promotional or operational efforts to collectively enhance tourism, (b) better leverage spending to drive tourism, and/or (c) to provide a venue of service not otherwise available to tourists and visitors to the Town of Hilton Head Island.

**7. Additional comments**

**C. FUNDING:**

1. Please describe how the organization is currently funded. (100 words or less)

2. Please also estimate, as a percentage, the source of the organization's total annual funding.

_____ Government Sources	_____ Private Contributions, Donations & Grants
_____ Corporate Support, Sponsors	_____ Membership Dues, Subscriptions
_____ Ticket Sales, or Sales & Services	_____ Other

3. Has the organization requested other ATAX or any other funding from other public sources or organizations? If so, please list top 3 sources and amounts.



**D. FINANCIAL INFORMATION:**

---

Fiscal year disclosure:                      Start Month: \_\_\_\_\_ End Month: \_\_\_\_\_

**Financial Statement Requirements:**

1. The upcoming fiscal year's operating budget for the organization.
2. The previous two fiscal years and current year-to-date profit and loss reports for the organization.
3. The previous two fiscal years and current year-to-date balance sheets.
4. The previous two years and current year IRS Form 990 or 990T.

**E. FINANCIAL GUARANTEES AND PROCEDURES:**

---

1. Provide a copy of the **official minutes** wherein the organization approves the submission of this application.
2. Indicate whether your organization follows Town procurement guidelines or has its own procurement guidelines which are utilized and followed in the expenditure of ATAX grant funds.
  - ☐ Follow Town procurement guidelines
  - ☐ Utilize and follow organization's own procurement guidelines
  - ☐ Our organization does have or follow procurement guidelines

**F. MEASURING EFFECTIVENESS:**

---

If you received 2022 or 2023 HHI ATAX funds

1. **List any ATAX award amounts received in 2022 and/or 2023? How were the ATAX funds used? To what extent were your objectives achieved? The ATAX Effectiveness Measurement spreadsheet available in the application portal will show the numerics. Use the space below for verbal comments. (200 words or less)**

2. **What impact did this have on the success of the organization/event and how did it benefit the community? (200 words or less)**

3. **How does the organization measure the effectiveness of both the overall activity and of individual programs?** (200 words or less)

**G. Executive Summary:**

**Provide an executive summary using the ATAX Effectiveness Measurement spreadsheet provided via a link in the application portal, or your own format. If creating your own format, please refer to the ATAX Effectiveness Measurement spreadsheet and use the criteria as a guideline.** (1300 words or less)



**ACCOMMODATION TAX ADVISORY COMMITTEE**  
**TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

---

**APPLICATION FINAL CHECKLIST**

(Complete and return this list with the application)

- ☐ The application is being filed by the **September 1, 2023, 4:00 PM** deadline.
- ☐ We have reviewed and followed the application guidelines.
- ☐ We have provided a Board Resolution approving this application.
- ☐ We have supplied all required Financial Data necessary to complete this application.
- ☐ We will be prepared to make a verbal presentation to the Committee and answer questions when we are scheduled to do so.

## ACCOMMODATIONS TAX ADVISORY COMMITTEE

NAME & SEAT	TERM EXPIRATION
<b>Stephen Arnold</b> Hospitality	<b>June 30, 2022</b> (7/19-6/22) & (7/22-6/25)
<b>John Farrell</b> Hospitality	<b>June 30, 2024</b> (10/20-6/21) & (7/21-6/24)
Keith Schlegel At-Large	<b>June 30, 2026</b> (7/23-6/26)
<b>James Fluker</b> At-Large	<b>June 30, 2024</b> (8/18-6/21) & (7/21-6/24)
<b>Cecil Eck</b> Lodging	<b>June 30, 2026</b> (4/23-6/23 & 7/23-6/26)
<b>Margaret Johnson</b> Lodging	<b>June 30, 2024</b> (7/21-6/24)
Martin Lesch Cultural	<b>June 30, 2026</b> (7/23-6/26)

# NOTICE

## ACCOMMODATIONS TAX ADVISORY COMMITTEE

will hold a workshop

August 10, 2023 at 2:00 p.m.

in the

Benjamin M. Racusin Council Chambers

The purpose of this workshop is to assist potential applicants with completing the applications for Accommodations Tax funds.

It is suggested that potential applicants attend this session.

Please contact the Committee Secretary

Shena Smith

at (843) 715-3241 or [shenas@hiltonheadislandsc.gov](mailto:shenas@hiltonheadislandsc.gov)

if you have any questions or concerns.

NOTE: A Town Council quorum may result in the event four or more Council members attend this meeting.

# ACCOMMODATIONS TAX ADVISORY COMMITTEE 2023 SCHEDULE

Thursday	April 6	9:00 a.m. – DMO Budget & Marketing Plan Presentation	Council Chambers
Thursday	July 6	9:00 a.m. – Swearing in of members & Election of officers	Council Chambers
Monday	July 31	8:00 a.m. – Grant Application available for electronic filing	<a href="http://www.hiltonheadislandsc.gov">www.hiltonheadislandsc.gov</a>
Thursday	August 10	2:00 p.m. – ATAX Applicant Workshop	Council Chambers
Friday	September 1	4:00 p.m. – Application Deadline	<a href="http://www.hiltonheadislandsc.gov">www.hiltonheadislandsc.gov</a>
Thursday	September 28	9:00 a.m. – Preliminary Review of Applications	Council Chambers
Thursday	October 12	9:00 a.m. – 4:30 p.m. Applicant Hearings	Council Chambers
Thursday	October 19	9:00 a.m. – 4:30 p.m. Applicant Hearings	Council Chambers
Thursday	November 2	9:00 a.m. – Review and Recommendations	Council Chambers

**Note: Town Council will meet to award the Accommodations Tax Grant, date TBD.**

## **CHAPTER 4.**

### **ALLOCATION OF ACCOMMODATIONS TAX REVENUES**

#### **SECTION 6-4-5. Definitions.**

As used in this chapter:

- (1) "County area" means a county and municipalities within the geographical boundaries of the county.
- (2) "Cultural", as it applies to members of advisory committees in Section 6-4-25, means persons actively involved and familiar with the cultural community of the area including, but not limited to, the arts, historical preservation, museums, and festivals.
- (3) "Hospitality", as it applies to members of the committees in item (2), means persons directly involved in the service segment of the travel and tourism industry including, but not limited to, businesses that primarily serve visitors such as lodging facilities, restaurants, attractions, recreational amenities, transportation facilities and services, and travel information and promotion entities.
- (4) "Travel" and "tourism" mean the action and activities of people taking trips outside their home communities for any purpose, except daily commuting to and from work.

#### **SECTION 6-4-10. Allocation to general fund; special fund for tourism; management and use of special fund.**

The funds received by a municipality or a county in county areas collecting more than fifty thousand dollars from the local accommodations tax provided in Section 12-36-2630(3) must be allocated in the following manner:

- (1) The first twenty-five thousand dollars must be allocated to the general fund of the municipality or county and is exempt from all other requirements of this chapter.
- (2) Five percent of the balance must be allocated to the general fund of the municipality or county and is exempt from all other requirements of this chapter.
- (3) Thirty percent of the balance must be allocated to a special fund and used for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity. To manage and direct the expenditure of these tourism promotion funds, the municipality or county shall select one or more organizations, such as a chamber of commerce, visitor and convention bureau, or regional tourism commission, which has an existing, ongoing tourist promotion program. If no organization exists the municipality or county shall create an organization with the same membership standard in Section 6-4-25. To be eligible for selection the organization must be organized as a nonprofit organization and shall demonstrate to the municipality or county that it has an existing, ongoing tourism promotion program or that it can develop an effective tourism promotion program. Immediately upon an allocation to the special fund, a municipality or county shall distribute the tourism promotion funds to the organizations selected or created to receive them. Before the beginning of each fiscal year, an

organization receiving funds from the accommodations tax from a municipality or county shall submit for approval a budget of planned expenditures. At the end of each fiscal year, an organization receiving funds shall render an accounting of the expenditure to the municipality or county which distributed them.

(4)(a) The remaining balance plus earned interest received by a municipality or county must be allocated to a special fund and used for tourism-related expenditures. This section does not prohibit a municipality or county from using accommodations tax general fund revenues for tourism-related expenditures.

(b) The funds received by a county or municipality which has a high concentration of tourism activity may be used to provide additional county and municipal services including, but not limited to, law enforcement, traffic control, public facilities, and highway and street maintenance, as well as the continual promotion of tourism. The funds must not be used as an additional source of revenue to provide services normally provided by the county or municipality but to promote tourism and enlarge its economic benefits through advertising, promotion, and providing those facilities and services which enhance the ability of the county or municipality to attract and provide for tourists.

“Tourism-related expenditures” include:

1. advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;
2. promotion of the arts and cultural events;
3. construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities;
4. the criminal justice system, law enforcement, fire protection, solid waste collection, and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourists;
5. public facilities such as restrooms, dressing rooms, parks, and parking lots;
6. tourist shuttle transportation;
7. control and repair of waterfront erosion;
8. operating visitor information centers.

(c) Allocations to the special fund must be spent by the municipality or county within two years of receipt. If the allocations are not spent within two years, the municipality or county is subject to the provisions of Section 6-4-30(6). However, the time limit may be extended upon the recommendation of the county or municipality and approval of the South Carolina Accommodations Tax Oversight Committee in Section 6-4-30. An extension must include provisions that funds be committed for a specific project or program.

(d) In the expenditure of these funds, counties and municipalities are required to promote tourism and make tourism-related expenditures primarily in the geographical areas of the county or municipality in which the proceeds of the tax are collected where it is practical.

#### **SECTION 6-4-15. Use of revenues to finance bonds.**

A municipality or county may issue bonds, enter into other financial obligations, or create reserves to secure obligations to finance all or a portion of the cost of constructing facilities for civic activities, the arts, and cultural events which fulfill the purpose of this chapter. The annual



debt service of indebtedness incurred to finance the facilities or lease payments for the use of the facilities may be provided from the funds received by a municipality or county from the accommodations tax in an amount not to exceed the amount received by the municipality or county after deduction of the accommodations tax funds dedicated to the general fund and the advertising and promotion fund. However, none of the revenue received by a municipality or county from the accommodations tax may be used to retire outstanding bonded indebtedness unless accommodations tax revenue was obligated for that purpose when the debt was incurred.

**SECTION 6-4-20.** Administration account established; State Treasurer's duties; distribution of account revenues; exceptions to tourism spending mandate.

(A) An accommodations tax account is created to be administered by the State Treasurer.

(B) At the end of each fiscal year and before August first a percentage, to be determined by the State Treasurer, must be withheld from those county areas collecting four hundred thousand dollars or more from that amount which exceeds four hundred thousand dollars from the tax authorized by Section 12-36-2630(3), and that amount must be distributed to assure that each county area receives a minimum of fifty thousand dollars. The amount withheld from those county areas collecting four hundred thousand dollars or more must be apportioned among the municipalities and the county in the same proportion as those units received quarterly remittances in Section 12-36-2630(3). If the total statewide collections from the local accommodations tax exceeds the statewide collections for the preceding fiscal year, then this fifty-thousand-dollar figure must be increased by a percentage equal to seventy-five percent of the statewide percentage increase in statewide collections for the preceding fiscal year. The difference between the fifty thousand dollars minimum and the actual collections within a county area must be distributed to the eligible units within the county area based on population as determined by the most recent United States census.

(C) At the end of each fiscal year and before August first, the State Treasurer shall distribute to each county area collecting more than fifty thousand dollars but less than four hundred thousand dollars an additional fifteen thousand dollars. If the total statewide collections from the local accommodations tax exceed the statewide collections for the preceding fiscal year, this fifteen-thousand-dollar figure must be increased by a percentage equal to seventy-five percent of the statewide percentage increase in statewide collections for the preceding fiscal year. This amount must be distributed in the same manner as the fifty thousand dollars in subsection (B). The amount paid those qualified county areas under this subsection must be paid from the account created under this section.

(D) The amount withheld in excess must be distributed to the county areas whose collections exceed four hundred thousand dollars based on the ratio of the funds available to the collections by each county area.

(E) The accommodations tax funds received by a municipality or county in county areas collecting fifty thousand dollars or less are not subject to the tourism-related provisions of this chapter.

(F) Two percent of the local accommodations tax levied pursuant to Section 12-36-2630(3) must be remitted quarterly and equally to the eleven agencies designated by law and regional

organizations to administer multi-county tourism programs in the state tourism regions as identified in the promotional publications of the South Carolina Department of Parks, Recreation and Tourism. This remittance is in addition to other funds that may be allocated to the agencies by local governments.

(G) The State Treasurer may correct misallocations to counties and municipalities from accommodations tax revenues by adjusting subsequent allocations, but these adjustments may be made only in allocations made in the same fiscal year as the misallocation.

**SECTION 6-4-25.** Advisory Committee; guidelines for expenditures; annual reports; reports to Accommodations Tax Oversight Committee.

(A) A municipality or county receiving more than fifty thousand dollars in revenue from the accommodations tax in county areas collecting more than fifty thousand dollars shall appoint an advisory committee to make recommendations on the expenditure of revenue generated from the accommodations tax. The advisory committee consists of seven members with a majority being selected from the hospitality industry of the municipality or county receiving the revenue. At least two of the hospitality industry members must be from the lodging industry where applicable. One member shall represent the cultural organizations of the municipality or county receiving the revenue. For county advisory committees, members shall represent the geographic area where the majority of the revenue is derived. However, if a county which receives more in distributions of accommodations taxes than it collects in accommodations taxes, the membership of its advisory committee must be representative of all areas of the county with a majority of the membership coming from no one area.

(B) A municipality or county and its advisory committee shall adopt guidelines to fit the needs and time schedules of the area. The guidelines must include the requirements for applications for funds from the special fund used for tourism-related expenditures. A recipient's application must be reviewed by an advisory committee before it receives funds from a county or municipality.

(C) Advisory committees shall submit written recommendations to a municipality or county at least once annually. The recommendations must be considered by the municipality or county in conjunction with the requirements of this chapter.

(D) Municipalities and counties annually shall submit to the South Carolina Accommodations Tax Oversight Committee:

(1) end-of-the-year report detailing advisory committee accommodations tax recommendations;

(2) municipalities or county's action following the recommendations;

(3) list of how funds from the accommodations tax are spent, except for the first twenty-five thousand dollars and five percent of the balance in Section 6-4-10(2) allocated to the general fund. The list is due before October first and must include funds received and dispersed during the previous fiscal year;

(4) list of advisory committee members noting the chairman, business address if applicable, and representation of the hospitality industry including the lodging industry and cultural interests.

(E) The regional tourism agencies in Section 6-4-20 annually shall submit reports on their budgets and annual expenditure of accommodations tax funds pursuant to this chapter to the Accommodations Tax Oversight Committee.

**SECTION 6-4-30.** Repealed by 2003 Act No. 96, Section 3.MM, eff June 18, 2003.

**SECTION 6-4-35.** Tourism Expenditure Review Committee.

(A) There is established the Tourism Expenditure Review Committee consisting of eleven members as follows:

- (1) one member appointed by the Speaker of the House;
- (2) one member appointed by the President Pro Tempore of the Senate;
- (3) the Director of the South Carolina Department of Parks, Recreation and Tourism, or his designee, ex officio;
- (4) eight members appointed by the Governor as follows:
  - (a) one member on the recommendation of the South Carolina Association of Tourism Regions;
  - (b) one member on the recommendation of the South Carolina Association of Convention and Visitors Bureaus;
  - (c) one member on the recommendation of the South Carolina Travel and Tourism Coalition;
  - (d) one member on the recommendation of the Municipal Association of South Carolina;
  - (e) one member on the recommendation of the South Carolina Association of Counties;
  - (f) one member on the recommendation of the Hospitality Association of South Carolina;
  - (g) one member on the recommendation of the South Carolina Arts Commission; and
  - (h) one member at large.

Appointed members shall serve for terms of four years and until their successors are appointed and qualify, except that of those first appointed by the Governor, four shall serve for a term of two years and the term must be noted on the appointment. Regardless of the date of appointment, all terms expire July first of the applicable year. Members shall serve without compensation but may receive the mileage, subsistence, and per diem allowed by law for members of state boards, committees, and commissions. Vacancies must be filled in the manner of original appointment for the unexpired portion of the term.

(B)(1)(a) The Tourism Expenditure Review Committee shall serve as the oversight authority on all questionable tourism-related expenditures and to that end, all reports filed pursuant to Section 6-4-25(D)(3) must be forwarded to the committee for review to determine if they are in compliance with this chapter. The municipality or county must be notified if an expenditure is questioned, and the committee may consider any further supporting information the municipality or county may provide. If the committee finds an expenditure to be in noncompliance, it shall certify the noncompliance to the State Treasurer, who shall withhold

the amount of the expenditure found in noncompliance from subsequent distributions in accommodations tax revenue otherwise due the municipality or county. An appeal from an action of the committee under this subitem lies with the Administrative Law Judge Division.

(b) If the committee determines that a municipality or county has failed to file the reports required pursuant to Section 6-4-25(D)(3), it may impose a fee of five hundred dollars a month or part of a month for each month the report is not filed, but not more than five thousand dollars. The committee shall certify the penalty to the State Treasurer, who shall withhold the amount of the penalty from subsequent distributions otherwise due the municipality or county. An appeal from an action of the committee under this subitem lies with the Administrative Law Judge Division.

(c) Allocations withheld must be reallocated proportionately to all other recipients.

(2) The committee has jurisdiction to investigate and research facts on written complaints submitted to it with regard to the appropriate tourism-related expenditures and resolve these complaints as provided in item (1) of this subsection.

(3) The committee shall forward copies of information submitted by the local governments and regional tourism agencies pursuant to Section 6-4-25 arising under the tourism provisions of this chapter to the Department of Parks, Recreation and Tourism, which shall publish an annual report on the information submitted.