

1983 WL 181835 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

April 7, 1983

**\*1 SUBJECT: Taxation and Revenue—Purposes For Which Tax Imposed By Pending Bill H.2186 To Be Applied.**

The tax generated by H.B.2186 for municipalities can be expended to fund municipal purposes such as fire and police protection provided the same are furnished as a result of tourism or in the promotion of tourism.

Honorable Edward W. Simpson, Jr.  
Member  
House of Representatives  
District No. 3—Pickens County

**QUESTION:**

Does House Bill 2186 provide that a municipality may expend the proceeds of the tax there authorized for police and fire protection and other municipal purposes?

**APPLICABLE LAW:**

Pending House Bill 2186.

**DISCUSSION:**

You inquire whether a municipality may appropriate and spend the proceeds of the tax provided in the bill for general municipal purposes such as police and fire protection. The purpose of the bill is set forth in Section 1 as follows:

‘The General Assembly finds that areas of the State which have a high concentration of tourism activity may also be required from time to time 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 purpose of this act is not to provide an additional source of revenue for counties and municipalities required 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.’ (Emphasis added)

The bill thus provides revenue to a city to fund the costs of services connected with tourism.

Section 2(B) further provides that:

‘The funds received by the municipality must be allocated to a special fund and used only for tourism-related expenditures. The term ‘tourism-related expenditures’ includes the following types of expenditures: advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity; promotion of the arts and cultural events; construction, maintenance, and operation of facilities for civic and cultural activities; construction and maintenance of utilities for such facilities; criminal justice system and fire protection; public facilities such as restrooms, dressing rooms, parks and parking lots as needed for the tourism industry; tourist shuttle transportation; solid waste and health facilities; control and

repair of waterfront erosion, and operating visitor information centers. These funds shall not provide an additional source of revenue for municipalities to pay for services normally provided by the municipality in behalf of its citizens, except when used to promote tourism and enlarge its economic benefits to enhance the ability of the municipality to attract and provide tourists.' (Emphasis added)

\*2 The express declaration is that the revenue must be used for tourism-related expenses. The funds therefore can be used to fund the cost of municipal services such as fire and police protection provided the same are furnished as a result of tourism or in the promotion of tourism.

CONCLUSION:

The tax generated by H.B.2186 for municipalities can be expended to fund municipal purposes such as fire and police protection provided the same are furnished as a result of tourism or in the promotion of tourism.

Joe L. Allen, Jr.  
Deputy Attorney General

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