

AN ORDINANCE TO SUPPLEMENT THE CODE OF ORDINANCES, DORCHESTER COUNTY, SOUTH CAROLINA, BY ADDING A NEW SECTION 40-102, ET SEQ. TO CHAPTER 40 IMPOSING A LOCAL HOSPITALITY TAX

It is hereby ordained by Dorchester County Council, duly assembled, that the Code of Ordinances, Dorchester County, South Carolina, is hereby supplemented to add a new Section 40-102, et seq. to Chapter 40, which shall read as follows:

Sec. 40-102 – Definitions

“County” means Dorchester County, South Carolina and all of the unincorporated areas and the incorporated municipalities within the geographical boundaries of Dorchester County, South Carolina.

“Local hospitality tax” means a tax on the sales 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 in the County.

“Act” means the “Local Hospitality Tax Act” codified in S.C. Code Ann. Sec. 6-1-700, et seq., as amended.

Sec. 40-103 - Local hospitality tax.

A local hospitality tax is hereby imposed on the sales of prepared meals and beverages sold in establishments within the County. The local hospitality tax shall be in an amount equal to two percent of the gross proceeds of sales of prepared meals and beverages sold in establishments located within the unincorporated areas of the County. The local hospitality tax shall be in an amount equal to one percent of the gross proceeds of sales of prepared food and beverages sold in establishment located within the boundaries of any incorporated municipalities within the County which have not imposed a local hospitality tax prior to the effective date of this Ordinance. The County shall not impose a local hospitality tax on those municipalities that have adopted a two percent local hospitality tax prior to the effective date of this Ordinance; The

cumulative rate of the County and municipal local hospitality taxes imposed for any portion of the County may not exceed two percent.

Sec. 40-104 -Payment of local hospitality tax.

(a)

Payment of the local hospitality tax established herein, shall be the liability of the purchaser of the prepared meals and beverages. The local hospitality tax shall be paid at the time of purchase of prepared meals and beverages to which the local hospitality tax applies, and shall be collected by the provider of prepared meals and beverages (also known as the "provider of the services" or "service providers"). The County shall promulgate a form of return that shall be utilized by the provider of the services to calculate the amount of the local hospitality tax collected and due to the County. This form shall contain a sworn declaration as to the correctness thereof by the provider of the services.

(b)

The local hospitality tax provided for in this Ordinance must be remitted to the County on a monthly basis when the estimated amount of average local hospitality tax is more than \$50.00 a month, on a quarterly basis when the estimated amount of average local hospitality tax is \$25.00 to \$50.00 a month, and on an annual basis when the estimated amount of average local hospitality tax is less than \$25.00 a month. The closing date for monthly payments is the last day of the month; the closing dates for quarterly payments are the last days of the months of March, June, September and December, and the closing date for annual payments is the last day of December.

(c)

The provider of the services shall remit the local hospitality tax collected, when due, to the County by the 20th day of the month following the closing date of the period for which the local hospitality tax payment is to be remitted. A payment is considered to be timely remitted to the County if the return has a U.S. mail postmark date on or before the date the report form is due. If the 20th day of the month falls on a Sunday or postal service holiday, then payments postmarked on the next business day will be accepted as timely filed.

Sec. 40-105 - Local hospitality tax special revenue fund.

An interest-bearing, segregated and restricted account to be known as the "Dorchester County Local Hospitality Tax Special Revenue Fund" (the "fund") is hereby established. All revenues received from the local hospitality tax shall be deposited into the fund. The principal and any accrued interest in the fund shall be expended only as permitted by this Ordinance and the Act.

Sec. 40-106 - Distribution of funds.

The County Council of the County shall distribute the revenue generated by the local hospitality tax shall be used solely for the purpose set forth in the Act.

Sec. 40-107 - Inspections, audits and administration.

For the purpose of enforcing the provisions of this Ordinance, the County administrator or other authorized agent of the County is empowered to require annual registration of businesses operating in the County for purposes of determining the applicability of this Ordinance, enter upon the premises of any person subject to this Ordinance and to make inspections and to examine and audit books and records. It shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon 24 hours' notice. In the event that an audit reveals that the provider of the services has filed false information, the costs of the audit shall be added to the correct amount of local hospitality tax determined to be due. All operational and administrative costs associated with the billing and collection of the local hospitality tax will be charged to the fund. The County administrator or other authorized agent of the County may make systematic inspections of all providers that are governed by this Ordinance to ensure compliance with this Ordinance.

Sec. 40-108 - Violations and penalties.

(a)

It shall be a violation of this Ordinance to:

- (1) Fail to collect the local hospitality tax as provided in this Ordinance;
- (2) Fail to remit to the County the local hospitality tax collected, pursuant to this Ordinance;

- (3) Knowingly provide false information on the form of return submitted to the County; or
 - (4) Fail to provide books and records to the County administrator or other authorized agent of the County for the purpose of an audit upon 24 hours' notice.
- (b) Any unpaid assessment of hospitality tax shall be subject to a five percent per month penalty, charged on the original amount of the local hospitality tax due.
- (c) Any person violating any provision of this Ordinance shall be guilty of a misdemeanor and, upon conviction, shall be punished by a fine not to exceed \$500.00, or imprisoned for a term of not to exceed 30 days.

Sec. 40-109 – Effective Date.

The local hospitality tax imposed by this Ordinance shall commence January 1, 2017.

Approved and adopted at 3rd and final reading this 8th day of August, 2016.

C. David Chinnis, Chairman
Dorchester County Council

First Reading: 05/02/2016
Second Reading: 06/06/2016
Public Hearing 08/08/2016
Third Reading: 08/08/2016

ATTEST:

Sally K. Hebert, Clerk to Council