

**STATE OF SOUTH CAROLINA
COUNTY OF HORRY
TOWN OF SURFSIDE BEACH**

**RESOLUTION #19-197 TO ESCROW NEW REVENUES
GENERATED FROM LOCAL ACCOMMODATIONS
AND HOSPITALITY TAXES**

WHEREAS, the Town Council of the Town of Surfside Beach has heretofore adopted Ordinance No. 19-0890 dated March 12, 2019, for the purpose of imposing a 3% tax on the gross proceeds derived from the rental or charges for accommodations furnished to transients within the Town's corporate limits as permitted by S.C. Code Ann. § 6-1- 500, *et seq.*; and

WHEREAS, the Town Council of the Town of Surfside Beach has heretofore adopted Ordinance No. 19-0889 dated March 12, 2019, for the purpose of imposing a 2% tax on the sales of prepared meals and beverages within the Town's corporate limits as permitted by S.C. Code Ann. § 6-1- 700, *et seq.*; and

WHEREAS, the Town Council of the Town of Surfside Beach has enacted no ordinance adopting a budget providing for the use of the revenues which will be generated under Ordinance No. 19-0889 and Ordinance No. 19-0890; and

WHEREAS, the Town is a member of a proposed class of plaintiffs in that certain civil action styled "City of Myrtle Beach, For Itself and a Class of Similarly Situated Plaintiffs, vs. Horry County," brought in the Court of Common Pleas for Horry County in Civil Action Number 2019-CP-26-01732 ("Class Action"); and

WHEREAS, the Town is informed and believes that Horry County, as the defendant in the Class Action, has challenged the adequacy of security provided by the City of Myrtle Beach with respect to the Court's orders dated June 21, 2019, and July 10, 2019, enjoining Horry County from collecting a uniform service charge of 1.5% on the sales of accommodations and prepared meals and beverages within the corporate limits of the City effective August 10, 2019; and

WHEREAS, the Town is informed and believes that the City of Myrtle Beach, as the named Plaintiff in the Class Action, is holding in escrow the additional revenues it receives from the local accommodations tax and local hospitality tax that it is imposing under its own ordinances adopted pursuant to S.C. Code Ann. §6-1-520 and S.C. Code Ann. §6-1-720, which take into account credits for preexisting fees and deductions for the amount in tax revenues it was already receiving in preexisting accommodations and/or hospitality taxes pursuant to previously enacted ordinances; and

WHEREAS, the Town, as an identified member of the purported class in the Class Action and as a municipality specifically covered by the Court's injunction orders against Horry County, and to provide assurance to the Court and security for the injunction as it relates to the Town of Surfside Beach during the pendency of the injunction, is willing to record by ledger and escrow the additional revenues it receives from the local accommodations tax and local hospitality tax that it is imposing under Ordinance No. 19-0889 and Ordinance No. 19-0890, the amount of which will take into account revenues the Town was already receiving in preexisting accommodations and hospitality taxes and/or fees pursuant to previously enacted ordinances,

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Town Council hereby directs the Town Administrator to record by ledger and hold in escrow

during the pendency of the injunction, the sums representing the additional revenue derived from the taxes imposed under Ordinance No. 19-0889 and Ordinance No. 19-0890, received from and after August 1, 2019, having deducted from same the amount in revenues the Town was already receiving under preexisting accommodations and hospitality taxes and/or fees pursuant to previously enacted ordinances.

2. This resolution is made pursuant to S.C. Code Ann. §5-7-260.

BE IT SO RESOLVED THIS _____ DAY OF JULY, 2019.

TOWN OF SURFSIDE BEACH

Robert F. Childs, III, Mayor

David L. Pellegrino, Mayor Pro Tempore

Bruce Dietrich, Town Council

Mark L. Johnson, Town Council

Ron Ott, Town Council

Debbie Scoles, Town Council

Randle M. Stevens, Town Council

Attest:

Debra E. Herrmann, CMC
Town Clerk