

STATE OF SOUTH CAROLINA)
COUNTY OF LEXINGTON)
TOWN OF SWANSEA)

ORDINANCE NO. _____

AN ORDINANCE FOR THE PURPOSE OF ESTABLISHING A LOCAL HOSPITALITY TAX TO APPLY TO ALL ESTABLISHMENTS WHICH SELL PREPARED MEALS AND BEVERAGES LOCATED WITHIN THE TOWN OF SWANSEA AS PROVIDED FOR IN SECTION 6-1-720 OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED AND OTHER MATTERS RELATING THERETO.

WHEREAS, the Town of Swansea, South Carolina (the “Town”) wishes to build and enhance the facilities that serve tourists who visit the Town; and

WHEREAS, the Town wants to more strongly support the public services that are available to tourists in order to promote and further encourage tourism in the Town; and

WHEREAS, Article 7 of Chapter 1 of Title 6 of the Code of Laws of South Carolina 1976, as amended (the “Code”), authorizes local governing bodies by ordinance to impose a local hospitality tax not to exceed two percent (2%) on the gross proceeds of sales of prepared meals and beverages sold in establishments within the Town (the “Local Hospitality Tax”); and

WHEREAS, the Town finds that the County of Lexington, South Carolina does not impose the Hospitality Tax within the Town. Accordingly, the Town is authorized to impose the Hospitality Tax at a rate of two percent (2%) of the charges for Prepared Food and Beverages in accordance with the provisions of the Act.

WHEREAS, the Town finds that a two percent (2%) Local Hospitality Tax upon the sales of prepared meals and beverages sold in establishments in the Town, will result in revenues which will be used for the dedicated purpose of improving services and facilities for tourists which constitutes a public purpose of the Town; and

WHEREAS, the imposition of the Local Hospitality Tax must be by an ordinance adopted by a positive majority vote of the Town Council of the Town (the “Council”); a positive majority vote means a vote for adoption by the majority of the members of the entire Council, whether present or not; however, if there is a vacancy in the membership of the Council, a positive majority vote of the entire Council as constituted on the date of the final vote on the imposition is required;

NOW THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SWANSEA, SOUTH CAROLINA in council assembled and by the authority thereof by a positive majority of the Mayor and Council, pursuant to Section 6-1-700, et. seq. of the Code, as follows:

Section 1. There is hereby imposed a Local Hospitality Tax of two percent (2%) on the gross proceeds derived from the sales of prepared meals and beverages sold in or by establishments within the Town.

Section 2. The tax imposed by this Ordinance shall be collected from any patron when he tenders payment for his meal or beverage and shall be held in trust for the benefit of the Town until the same is paid to the Treasurer of the Town as hereinafter provided. Payment of the Local Hospitality Tax established herein shall be remitted by every establishment subject to this Ordinance, to the Treasurer of the Town, along with such return or form as may be established by the Town for such purposes, not later than the twentieth day of the month following the closing date of the period for which the tax payment is to be remitted. Any tax not timely remitted shall be subject to a penalty of ten percent (10%) of the sum owed for each period or portion thereof until paid. The failure to collect from patrons the Local Hospitality Tax imposed by this Ordinance shall not relieve any establishment subject to this Ordinance from making the required remittance.

The Local Hospitality Tax provided for in this Ordinance must be remitted to the Treasurer of the Town on a monthly basis when the estimated amount of average Local Hospitality Tax is more than fifty (\$50) dollars a month, on a quarterly basis when the estimated amount of average Local Hospitality Tax is twenty-five (\$25) dollars to fifty (\$50) dollars a month, and on an annual basis when the estimated amount of average Local Hospitality Tax is less than twenty-five (\$25) dollars 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.

Section 3. There is hereby established an interest bearing, segregated and restricted account to be known as the Local Hospitality Tax Account (the "Account"), into which all revenues received by the Town from the Local Hospitality Tax shall be deposited. Any and all funds in the Account, including any interest as may accrue thereon, shall be used solely for the purposes permitted by this Ordinance and under the Code, including as a funding source to pay Obligations (as defined below) issued by the Town. Obligations means bonds, certificates of participation, leases or other forms of obligations approved by the Town Council payable or secured by the proceeds of the Local Hospitality Tax. It shall be the responsibility of the Council to ensure that any and all money expended from the Account shall be spent for the purposes permitted under the Code.

Section 4. So long as any Obligation is outstanding that the Town has designated as being secured or payable from the Local Hospitality Tax, the Local Hospitality Tax shall continue to be collected by the Town.

Section 5. For the purpose of enforcing this Ordinance, the Treasurer of the Town or other authorized agent of the Town is empowered to enter upon the premises of any person or entity subject to this Ordinance and to make inspections, and examine and audit books and records. It shall be unlawful for any person or entity to fail or refuse to make available the necessary books and records during normal business hours upon 24 hours written notice. In the event that an audit reveals that false information has been filed by an establishment subject to this Ordinance, the cost of the audit shall be added to the correct amount of Local Hospitality Tax determined to be due. The Treasurer or other authorized agent may make systematic inspections of all establishments within the Town that are governed by this Ordinance to ensure compliance with

this Ordinance. The Treasurer shall administer the provisions of this Ordinance and make reasonable regulations relating to its administration.

Section 6. This Ordinance is subject to the constitution and laws of the State of South Carolina. If any section, phrase, sentence or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

Section 7. This Ordinance shall become effective upon second reading. The Local Hospitality Tax shall commence being collected by the establishments subject to this Ordinance on July 1, 2025, and remittance of the Local Hospitality Tax shall commence in the manner referenced in Section 2 herein.

DONE AND RATIFIED IN MEETING DULY ASSEMBLED, BY POSITIVE MAJORITY, THIS _____ DAY OF _____, 2025.

First Reading _____ (Yeas: ____; Nays: ____)

Second Reading _____ (Yeas: ____; Nays: ____)

Mayor

ATTEST:

Clerk