



## **Accommodations Tax Advisory Committee**

11:00 a.m., Wednesday,  
October 27, 2021

Council Chambers 1207 Palm Boulevard  
Isle of Palms, South Carolina

### **Public Comment:**

Citizens may provide public comment here:  
<https://www.iop.net/public-comment-form>

### **Agenda**

1. **Call to Order** and acknowledgment that the press and the public had been duly notified of the meeting in accordance with the Freedom of Information Act.

2. **Approval of Previous Meeting's Minutes** - September 8, 2021

3. **Financial Statements** – Debbie Suggs, City Treasurer

#### **4. Old Business**

Discussion and consideration of alternatives for the allocation of 30% of the ATAX funds collected that must be used for advertisement and promotion of tourism currently managed by the Charleston Visitors Bureau.

#### **5. New Business**

a. Discussion of new reporting requirements by the Tourism Expenditure Review Committee

b. Presentation of accounting of expenditures from FY21 30% ATAX allocation distributed to the Charleston Visitor's Bureau - Helen Hill, CEO of the CVB

c. Presentation and consideration of FY22 budget of proposed expenditures by the Charleston Visitor's Bureau - Helen Hill, CEO of the CVB

#### **6. Miscellaneous**

Date of next meeting: 11:00 a.m., November \_\_\_\_, 2021

#### **7. Adjournment**



## **ACCOMMODATIONS TAX ADVISORY COMMITTEE**

**11:00am, Wednesday, September 8, 2021**

**1207 Palm Boulevard, Isle of Palms, SC and**

**broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>**

### **MINUTES**

#### **1. Call to order**

**Present:** Rusty Williamson, David Nelson, Doug Truslow, Ray Burns, Glenda Nemes, Malcolm Burgiss

**Absent:** Sally Muhlig

**Staff Present:** Administrator Fragoso, Treasurer Suggs

#### **2. Approval of the previous meetings' minutes – August 11, 2021**

**MOTION: Mr. Burgiss made a motion to approve the minutes of the August 11, 2021 meeting. Mr. Williamson seconded the motion. The minutes passed unanimously.**

#### **3. Financial Statements – Treasurer Suggs**

Treasurer Suggs said that not much has changed on the financial statements since July. There is approximately \$1.8M in cash. She reviewed the expenses for the month including costs associated with the public restroom, beach front trash barrel pickup, the staff meals on July 4<sup>th</sup> weekend, and playground equipment repair.

#### **4. Old Business**

##### **A. Discussion and consideration of alternatives for the allocation of the 30% of the ATAX funds collected that must be used for advertisement and promotion of tourism currently managed by the Charleston Visitors Bureau**

Mr. Nelson stated that he supports the work of the CVB, likes the work they have done and continue to do for the Isle of Palms. He believes the results speak for themselves. He believes it would unwise for the City to organize another group to spend the money allotted for advertising the island and its offerings. Mr. Burgiss and Mr. Williamson also spoke in favor of the work being done by the CVB.

Ms. Nemes said she would like to see a hybrid option whereby the CVB could continue its work and the City could create DMO that would be focused on tourism management as well as working to benefit those business owners that do not have CVB membership.

Mr. Truslow believes the issue needs to be looked at more. He said, “I want to go on record as saying I care about our beaches. I want to see that our tax money is spent appropriately. It may be able to be spent for the beaches, beautification, for safety from the Fire Department, Police Department, trash pickup, what’s in the best interest of our community. We can have murals. We may be able to spend some of our money better for the beach mats, the blue beach mats that go over to the actual beach, but without having anybody to look at it and look at the hard numbers, I just cannot condone continuing without even caring to look further.”

Mr. Burns expressed what he believed to be the problems and suggested corrective actions. He believes there is little oversight and accountability in how the money is spent by the CVB. He has not seen where a budget has ever been offered for approval or can accounting of how the money were spent given to the City. He said there is no agreement between the City and the CVB that expresses common goals and objectives. He also does not think it fair that short-term rental owners pay into ATAX but receive no direct referral benefit from the CVB unless they are members. He also noted that despite the fact that Town of Sullivan’s Island and the City of Folly Beach pay significantly less to the CVB out of their ATAX allocations, they are treated the same as the Isle of Palms with regards to the advertising of area beaches. He would like to see goals and objectives that focus on the off-season and supporting all island businesses. He proposed that the CVB assign a staff liaison to attend all ATAX meetings to report on their activities and expenditures. He would like City Council to reapportion the monies given to the CVB so that some funds can be used to create a website similar to [visitfolly.com](http://visitfolly.com) to highlight all island businesses.

Helen Hill of the CVB stated that she would act as the CBV staff liaison to the ATAX Committee. She would very much like to discuss goals and objectives with them as well as set up a stand-alone website as mentioned that would feed into the ExploreCharleston website. It would be up to City Council to determine which businesses could be listed on the site. Ms. Hill said she would present an action plan of measurable goals to the Committee at their October meeting with a focus on the off-season and group sales.

Ms. Nemes said she would like to entertain additional options for this website endeavor.

Administrator Fragoso reminded the Committee of their charge from City Council: “It was study and research what the current relationship is, how it can be improved, and also research alternatives to the CVB, which is I think what the Committee has been doing for the past several months. Just looking at pros and cons, what are the other alternatives, are there any unintended consequences with creating a DMO, can the relationship between the City and the CVB be improved, and if so, what would that look like. What does success look like at the end of a successful relationship whether it is the CVB or a separate DMO? So I think that this is part of this whole discussion and future discussions is part of doing that due diligence and exercise so you all could bring to Council a recommendation of how to move forward either improving the current structure and current relationship or doing something different. I think that it is important advice and recommendation that should be looked at from every single angle. What would happen if the City establishes a new DMO and the City’s accommodations taxes start to decrease? Do we have some mitigating efforts put in place to address that if it comes to happen?

So all of that should be part of the discussion about what the City will do in the future for the use of that 30%, which is, as you know, pretty clear in State law that it has to be used for marketing and promotion and advertising. So I think that with the Chair's, if I am understanding correctly, it's just wanting to continue to entertain an in-depth conversation about what the options are and what a better or more structured relationship with the CVB would look like to help you all make an informed decision about what to do next."

5.      **New Business** – none

6.      **Miscellaneous Business**

The next meeting of the ATAX Committee will be Wednesday, October 26, 2021 at 11am.

7.      **Adjournment**

Mr. Burgiss made a motion to adjourn, and Mr. Nelson seconded the motion. The meeting was adjourned at 12:12pm.

Respectfully submitted,

Nicole DeNeane  
City Clerk

## MEMORANDUM

TO: Municipalities/Counties Subject to Reporting Requirements for Accommodations Tax

FROM: Tourism Expenditure Review Committee

DATE: August 24, 2021

SUBJECT: Revised Reporting Form and Requirements

At its meeting held August 9, 2021, the Tourism Expenditure Review Committee ("TERC") adopted a revised reporting form for use by municipalities and counties required to submit annual reports to TERC under S. C. Code §6-4-25. This form, copy attached, replaces the form previously used.

Some of the revisions are made to better organize the previously required information and reflect that the certification applies to all expenditures of accommodations tax revenues.

Other revisions add reporting requirements, including a requirement that documentation be provided supporting the designation of a non-profit organization under S.C. Code §6-4-10(3) that engages in the "advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity." These organizations are the recipients of accommodations tax revenues generally referred to as the "30 percent funds." The documentation required to be provided includes the annual proposed budget for such organization, which needs to be reviewed by the local accommodations tax advisory committee and approved by the municipal or county council, and the accounting submitted to the municipal or county council at the end of the fiscal year under this code section. It will also include any other documentation provided to a council by a designated organization that demonstrates that it has, or can develop, "an effective tourism promotion program." An example of such a document would be a marketing plan adopted by the designated organization.

The South Carolina Supreme Court, in its opinion in *DomainsNewMedia.com LLC vs. Hilton Head Island-Bluffton Chamber of Commerce*, Opinion Number 27803 issued May 23, 2018, has emphasized the importance of the statutory provisions governing review of expenditures of accommodations tax (specifically including those made from the 30 percent funds) at both the local and state level. These revised reporting requirements are consistent with that emphasis.

Should you have any questions about the revised form and reporting requirements, you can contact Damita Holcomb at [Damita.holcomb@dor.sc.gov](mailto:Damita.holcomb@dor.sc.gov) or by calling 843-992-7232.

**City of Isle of Palms**  
**State Accommodations Tax**  
**Balance Sheet**  
**as of September 30, 2021**

	9/30/2020	9/30/2021
CASH @ BB&T	\$ (5,768)	\$ (34,594)
CASH @ SC LOCAL GOVERNMENT INVESTMENT POOL	1,511,230	1,813,708
ACCOUNTS RECEIVABLE	-	-
AMOUNTS DUE FROM OTHER FUNDS	-	-
	<hr/>	<hr/>
TOTAL ASSETS	1,505,461	1,779,114
	<hr/>	<hr/>
ACCOUNTS PAYABLE	1,076	1,120
AMOUNTS DUE TO OTHER FUNDS	-	28,979
	<hr/>	<hr/>
TOTAL LIABILITIES	1,076	30,099
	<hr/>	<hr/>
FUND BALANCE Beginning	1,680,864	1,798,371
Excess Revenues Over/(Under) Expenditures	(176,478)	(49,355)
FUND BALANCE	1,504,386	1,749,015
	<hr/>	<hr/>
TOTAL LIABILITIES & FUND BALANCE	\$ 1,505,461	\$ 1,779,114
	<hr/>	<hr/>

**City of Isle of Palms**  
**State Accommodations Tax**  
**Revenue Statement for the 3 Months Ending September 30, 2021**  
**Fiscal Year Ending June 30, 2022**

Date	Description	Total
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**Revenues**

September Quarterly Payment from State	-
December Quarterly Payment from State	-
March Quarterly Payment from State	-
June Quarterly Payment from State	-
YTD Interest Income	436

<b>Grand Total</b>	<u>436</u>
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**State Accommodations Tax**  
**Detailed Expense Statement for the 3 Months Ending September 30, 2021**  
Fiscal Year Ending June 30, 2022

		<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Description	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
<b>Public Restroom Operations</b>					
SCE&G	YTD electricity for restrooms	95	500		
IOP WSC	YTD water & irrigation	4,553	12,000		
Bltch, etc	YTD maintenance	2,385	45,080		
Port City Paper	YTD paper & cleaning supplies	2,426	7,500		
SCMIRF/Wright Flood	YTD property & flood insurance	2,476	7,000		
Quality Touch Cleaning	YTD cleaning	6,104	40,000		
IOP Payroll	YTD attendant	6,539	22,800		
		24,578	134,880		110,302
<b>Beach Barrel &amp; Front Beach Business District Trash Pickup</b>					
JLG Enterprise LLC	YTD trash pickup per contract	22,181			
		22,181	85,000		62,819
<b>Irrigation at Breach Inlet Sign</b>					
IOP WSC	YTD irrigation	123			
		123	600		477
<b>Beach Trash Barrels</b>					
Zoro Tools	1 barrel	76			
		76	7,500		7,424
<b>Repair 4500 linear feet of sidewalk in Front Beach Area</b>					
		-			
		-	70,000	-	70,000
<b>IOP website T-shirt Promo</b>					
		-			
		-	15,000	-	15,000

**State Accommodations Tax**  
**Detailed Expense Statement for the 3 Months Ending September 30, 2021**  
Fiscal Year Ending June 30, 2022

		<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Description	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
<b>Charleston CVB - 30% Tourism Promotion Funds</b>					
Charleston Area CVB	30% distribution for Sept Qtr	-			
Charleston Area CVB	30% distribution for Dec Qtr	-			
Charleston Area CVB	30% distribution for Mar Qtr	-			
Charleston Area CVB	30% distribution for Jun Qtr	-			
		-	675,474	-	675,474
<b>Transfer to IOP Marina for 75% of Bond Debt Service</b>					
		-	249,920	-	249,920
<b>4th of July Fireworks - Year 2022</b>					
		-	35,000	-	35,000
<b>4th of July Fireworks - Year 2021</b> (cancelled due to Covid-19)					
	carryover from FY21			16,702	
Costco, Walmart, Sams	staff meal	798			
		798	-	16,702	15,904
<b>Recreation Dept Replace or Add Playground Equipment as Needed</b>					
8/10/21 Peggs Recreation	replace rusted part on Bongo equip	1,036			
		1,036	10,000	-	8,964
<b>Sponsor Isle of Palms Beach Run (annually in July)</b>					
IOP Rec Building Fund	annual sponsorship	-			
		-	3,000	-	3,000
<b>Sponsor IOP Connector Run and Walk for the Child (annually in October)</b>					
		-	7,500	-	7,500

**State Accommodations Tax**  
**Detailed Expense Statement for the 3 Months Ending September 30, 2021**  
Fiscal Year Ending June 30, 2022

	<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
<b>Music in the Park</b>	-			
	-	4,000		4,000
<b>Easter Egg Hunt</b>				
	-	4,500		4,500
<b>Fund Salary &amp; Fringes for Police and all Beach Service Officers</b>				
		201,137	-	201,137
<b>Police Dept Body Armor</b>				
	-	7,100		7,100
<b>Replace 2 Police Patrol Vehicles</b>				
	-	82,000		82,000
<b>Digital License Plate Reader for parking enforcement</b>				
	-	50,000		50,000
<b>Police Department - replace Low Speed Vehicle</b>				
	-	17,000		17,000

**State Accommodations Tax**  
**Detailed Expense Statement for the 3 Months Ending September 30, 2021**  
Fiscal Year Ending June 30, 2022

	<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
Fire Dept Debt Service on 75' Ladder Truck				
	-	91,915		91,915
Fire Dept 1/3rd of SCBA equipment replacement				
	-	96,667		96,667
Fire Dept replace 1 Pickup Truck				
		42,000		42,000
Fire Dept Replacement ATV				
	-	25,000		25,000
Fund Salaries & Fringes for the Fire Department				
		157,334	-	157,334
Public Works - Replace z-track mower				
		15,000		15,000

**State Accommodations Tax**  
**Detailed Expense Statement for the 3 Months Ending September 30, 2021**  
Fiscal Year Ending June 30, 2022

	<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
<b>Vendor</b>	<b>Actual Expenditure</b>	<b>FY2022 Budget</b>	<b>Committee Approved</b>	<b>(Over)/ Under</b>

**Unexpended Projects/Miscellaneous**

2021 Carolina Coast Surf Club Surf Cam sponsorship	1,000		1,000	
Budget provision for expenditures recommended by Atax Committee		50,000		
Add/replace/maintain fixtures at Carmen Bunch Park		1,000		
Marina Public Dock		150,000		
Marina maintenance		50,000		
Miscellaneous/undesignated		1,500		

1,000	252,500	1,000	252,500
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**Grand Total**

49,792	2,340,027	17,702	2,307,937
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City of Isle of Palms																					
SC State Accommodations Tax - Distribution of Funds Received																					
						Total FY21	Jun-21	Mar-21	Dec-20	Sep-20	Total FY20	Jun-20	Mar-20	Dec-19	Sep-19	Total FY19	Jun-19	Mar-19	Dec-18	Sep-18	Total FY18
Total Payment Received From State						2,469,730	1,007,541	209,721	393,960	858,508	1,707,133	379,931	142,616	285,557	899,029	2,022,250	692,063	164,861	318,661	839,690	1,880,136
Percentage Increase from prior year						45%	165%	47%	38%	-5%	-16%	-45%	-13%	-10%	7%	8%	41%	0%	5%	3%	
Less 1/4 of \$25,000 (transferred to Gen Fund)						25,000	6,250	6,250	6,250	6,250	25,000	6,250	6,250	6,250	6,250	25,000	6,250	6,250	6,250	6,250	25,000
Remainder						2,444,730	1,001,291	203,471	387,710	852,258	1,682,133	373,681	136,366	279,307	892,779	1,997,250	685,813	158,611	312,411	833,440	1,855,136
5% to General Fund						122,237	50,065	10,174	19,386	42,613	84,107	18,684	6,818	13,965	44,639	99,863	34,291	7,931	15,621	41,672	92,757
65% To Acc Tax Tourism Related						1,589,078	650,839	132,256	252,012	553,971	1,093,386	242,893	88,638	181,550	580,306	1,298,212	445,779	103,097	203,067	541,736	1,205,838
30% to Acc Tax Tourism Promotion (CVB):						733,416	300,387	61,041	116,313	255,674	504,640	112,104	40,910	83,792	267,834	599,175	205,744	47,583	93,723	250,032	556,541
						2,444,730	1,001,291	203,471	387,710	852,258	1,682,133	373,681	136,366	279,307	892,779	1,997,250	685,813	158,611	312,411	833,440	1,855,136

**THE STATE OF SOUTH CAROLINA**  
**In The Supreme Court**

DomainsNewMedia.com, LLC, Respondent,

v.

Hilton Head Island-Bluffton Chamber of Commerce,  
Appellant.

Appellate Case No. 2016-000460

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Appeal from Beaufort County  
Michael G. Nettles, Circuit Court Judge

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Opinion No. 27803  
Heard October 19, 2017 – Filed May 23, 2018

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**REVERSED**

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Robert E. Stepp, Tina M. Cundari, and Bess J. DuRant,  
all of Sowell Gray Step & Laffitte, LLC, of Columbia,  
for Appellant.

Andrew S. Radeker and Taylor M. Smith, IV, both of  
Harrison & Radeker, P.A., of Columbia, for Respondent.

William W. Wilkins and Kirsten E. Small, both of  
Nexsen Pruet, LLC, of Greenville, for Amicus Curiae  
Myrtle Beach Area Chamber of Commerce.

Jay Bender, of Columbia, for Amicus Curiae South  
Carolina Press Association.

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**JUSTICE KITTREDGE:** This appeal presents the question of whether Appellant Hilton Head Island-Bluffton Chamber of Commerce (Chamber) is subject to the Freedom of Information Act (FOIA)<sup>1</sup> due to its receipt and expenditure of certain funds designated for promoting tourism, which we will refer to collectively as accommodation tax funds. The Chamber's receipt and expenditure of these funds is pursuant to, and governed by, the Accommodations Tax (A-Tax) statute and Proviso 39.2 of the Appropriation Act for Budget Year 2012–2013.

Respondent DomainsNewMedia.com, LLC (Domains) filed a declaratory judgment action, seeking a declaration and corresponding injunctive relief on the basis that the Chamber's receipt of these funds renders the Chamber a "public body" pursuant to FOIA, thus subjecting the Chamber to all of FOIA's requirements. The Chamber countered that FOIA did not apply, for the receipt, expenditure, and reporting requirements concerning these funds are governed by the more specific A-Tax statute and Proviso 39.2.

The trial court held that the Chamber was a public body and, thus, was subject to FOIA's provisions. We reverse. We hold, as a matter of discerning legislative intent, that the General Assembly did not intend the Chamber to be considered a public body for purposes of FOIA as a result of its receipt and expenditure of these specific funds.

## I.

FOIA was enacted to promote transparency in government. While declaring FOIA's purpose, the General Assembly stated "it is vital in a democratic society that public business be performed in an open and public manner so that citizens shall be advised of the performance of public officials and of the decisions that are reached in public activity and in the formulation of public policy." *Lambries v. Saluda Cty. Council*, 409 S.C. 1, 9, 760 S.E.2d 785, 789 (2014) (quoting S.C. Code Ann. § 30-4-15 (2007)). Thus, FOIA "must be construed so as to make it possible for citizens, or their representatives, to learn and report fully the activities of their public officials at a minimum cost or delay." S.C. Code Ann. § 30-4-15.

Subsequent to the passage of FOIA, the General Assembly enacted the A-Tax statute, which involves the administration of a state sales tax imposed on sleeping accommodations provided to overnight guests. S.C. Code Ann. § 12-36-920(A)

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<sup>1</sup> S.C. Code Ann. §§ 30-4-10 to -165 (2007 & Supp. 2017).

(2014 & Supp. 2017); S.C. Code Ann. §§ 6-4-5 to -35 (2004 & Supp. 2017). A portion of this tax is remitted to the local governments where it was collected and, in turn, they must expend the A-Tax funds in accordance with the statutory provisions governing allocation. *See* S.C. Code Ann. § 12-36-2630(3); S.C. Code Ann. §§ 6-4-10 to -35. Specifically, the A-Tax statute dictates that the local governments must select at least one organization—referred to as the designated marketing organization (DMO)—to manage the expenditure of the funds; however, the local governments must ensure the funds are "used only for advertising and promotion of tourism." S.C. Code Ann. § 6-4-10(3).

In this case, the Chamber was selected to be a DMO—to direct the expenditure of tourism funds—for several local governments and it received funds from the Department of Parks, Recreation, and Tourism (a PRT Grant). These public funds are at the center of this appeal and raise the question of whether the legislature intended the Chamber to be subject to FOIA on the singular basis that it expends these funds.

The Chamber is a nonprofit organization that was created in 1957. The Chamber's stated purpose is to promote the common interests of its members, stimulate the expanding regional economy, and enhance the quality of life for all. The Chamber offers private membership and conducts seminars, as well as other events, for the benefit of its members. These members pay dues and contribute to the Chamber's various projects.

In addition to these purely private activities, since 1983, the Chamber has served the Town of Hilton Head Island as its DMO.<sup>2</sup> To be eligible for selection, the Chamber was required to demonstrate to the local governments "that it has an existing, ongoing tourism promotion program or that it can develop an effective tourism promotion program." S.C. Code Ann. § 6-4-10(3). Moreover, the Chamber received a PRT Grant during the 2012–2013 fiscal year. The Chamber was required to submit a proposal to measure the success of its tourism marketing plan before it could be selected for the PRT Grant.<sup>3</sup>

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<sup>2</sup> The Chamber began serving as the DMO for the Town of Bluffton and Beaufort County in approximately 2001 and 2008, respectively.

<sup>3</sup> Only one specific proviso providing a PRT Grant is at issue—Proviso 39.2 contained in the Appropriation Act for Budget Year 2012–2013 (Proviso 39.2).

Domains is a website company, based out of Beaufort County, which has questioned the Chamber's expenditure of the accommodation tax funds. In November 2012, Domains sent a FOIA request to the Chamber for information regarding its staff membership, policies, minutes, and accounts. Oddly, most of the information requested by Domains extends beyond the expenditure of these tourism funds. For example, Domains requested the non-exempt minutes of *all* meetings and votes by the Chamber. The Chamber refused to provide the requested information on the basis that it was not a public body for FOIA purposes, as the expenditure of these discrete funds is governed by the A-Tax statute and Proviso 39.2 and the corresponding records are available to the public through the local governments or the State.<sup>4</sup>

Thereafter, Domains filed suit seeking declaratory and injunctive relief to establish that the Chamber was a public body under FOIA and to require production of the requested information concerning all the Chamber's activities. After the parties conducted discovery, cross-motions for summary judgment were filed. The trial court granted Domains' summary judgment motion and held that the Chamber was a public body under FOIA's definition. Relying on *Weston v. Carolina Research & Development Foundation*, 303 S.C. 398, 401 S.E.2d 161 (1991), the trial court concluded there was a diversion of public funds to a related organization with no public access to information regarding the expenditure of the funds. The Chamber appealed, and the appeal was certified to this Court pursuant to Rule 204(b), SCACR.

## II.

### A.

Domains argues that the Chamber's expenditure of public funds—through its role as DMO—causes it to fall within the plain language of FOIA and, moreover, it is considered a public body under the interpretation provided in *Weston*. The Chamber argues that public accountability for the expenditure of these funds has been provided through the A-Tax statute, as well as Proviso 39.2, such that the General Assembly did not intend for it to become a public body under FOIA, and furthermore, its provision of services as a marketing organization does not render it a public body for FOIA purposes under *Weston*.

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<sup>4</sup> It is important to note that FOIA applies to the governmental entities that administer these funds.

"The standard of review in a declaratory action is determined by the underlying issues." *Nationwide Mut. Ins. Co. v. Rhoden*, 398 S.C. 393, 398, 728 S.E.2d 477, 479 (2012) (citing *Felts v. Richland County*, 303 S.C. 354, 356, 400 S.E.2d 781, 782 (1991)). "The interpretation of a statute is a question of law." *Sparks v. Palmetto Hardwood, Inc.*, 406 S.C. 124, 128, 750 S.E.2d 61, 63 (2013) (citing *CFRE, L.L.C. v. Greenville Cty. Assessor*, 395 S.C. 67, 74, 716 S.E.2d 877, 881 (2011)). "This Court may interpret statutes, and therefore resolve this case, 'without any deference to the court below.'" *Brock v. Town of Mount Pleasant*, 415 S.C. 625, 628, 785 S.E.2d 198, 200 (2016) (quoting *CFRE*, 395 S.C. at 74, 716 S.E.2d at 881).

## B.

We are presented with the following question—did the legislature intend that the Chamber be a public body for FOIA purposes due to its receipt and expenditure of accommodation tax funds? While the Chamber technically expends public funds, we are firmly persuaded that the General Assembly did not intend the Chamber to be considered a public body for FOIA purposes based upon its receipt and expenditure of accommodation tax funds.

We begin with an analysis of FOIA. To further its purpose of a transparent government, "FOIA subjects a 'public body' to record disclosure." *Disabato, v. S.C. Ass'n of Sch. Adm'rs*, 404 S.C. 433, 442, 746 S.E.2d 329, 333 (2013). As this Court has recognized, "[i]f public bodies were not subject to the FOIA, governmental bodies could subvert the FOIA by funneling State funds to nonprofit corporations so that those corporations could act, outside the public's view, as proxies for the State." *Id.* at 455, 746 S.E.2d at 340. "Among those entities defined as a public body subject to the statute are 'any organization, corporation, or agency supported in whole or in part by public funds or expending public funds . . .'" *Id.* at 442, 746 S.E.2d at 333 (emphasis added) (quoting S.C. Code Ann. § 30-4-20(a)). FOIA's record disclosure requirement provides that a "person has a right to inspect, copy, or receive an electronic transmission of *any* public record of a public body" subject to certain exceptions. S.C. Code Ann. § 30-4-30(a) (emphasis added). A "public record" is defined to include "*all* books, papers, maps, photographs, cards, tapes, recordings, or other documentary materials regardless of physical form or characteristics prepared, owned, used, in the possession of, or retained by a public body" with certain exclusions. S.C. Code Ann. § 30-4-20(c) (emphasis added).

Moreover, FOIA imposes additional disclosure requirements on public bodies, such as all meetings must be open to the public, subject to limited exceptions. S.C. Code Ann. § 30-4-60. Also, a public body must provide advance notice of all meetings and keep written minutes, which include statutorily specified information. S.C. Code Ann. §§ 30-4-80, -90. In addition, FOIA provides that a citizen of the State may seek a declaratory judgment and injunctive relief to enforce the provisions of FOIA. S.C. Code Ann. § 30-4-100.

Thus, the General Assembly has evidenced its intent to ensure transparency is provided to the public with regard to the general expenditure of public funds.

### C.

We now turn our attention to the A-Tax statute and Proviso 39.2. With regard to the specific expenditure of the accommodation tax funds involved in this case, the General Assembly enacted section 6-4-10(3), which sets forth the following:

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. . . . 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. . . .

S.C. Code Ann. § 6-4-10(3) (emphasis added).<sup>5</sup> The reporting and accountability provisions directly governing the expenditure of these funds control the disposition of this appeal.

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<sup>5</sup> In addition, Proviso 39.2 requires the DMO to submit a proposal and final report regarding the expenditures:

Organizations applying for a grant must include in the grant application, information on how the organization proposes to measure

Under the A-Tax statute, to evidence compliance in expending these funds, a local government must fulfill several requirements. Importantly, the A-Tax statute provides three layers of review for these expenditures—a local advisory committee, a statewide oversight committee, and an expenditure review committee. First, it requires a local government receiving over \$50,000 in revenue from A-Tax funds to appoint an advisory committee "to make recommendations on the expenditure of revenue generated from the accommodations tax." *Id.* § 6-4-25(A).<sup>6</sup> Second, the local government must submit certain information to the South Carolina Accommodations Tax Oversight Committee, to include a "list of how funds from the accommodations tax are spent," which is due "before October first and must include funds received and dispersed during the previous fiscal year." *Id.* § 6-4-25(D). Finally, these reports are provided to the Tourism Expenditure Review Committee (TERC) for review to ensure that the local government complies with the basic requirements for expenditures set forth in the statute. *Id.* § 6-4-35; *Id.* § 6-4-25(D). TERC may consider "further supporting information" from the local government or find "an expenditure to be in noncompliance," resulting in certification to the State Treasurer who will withhold the noncompliant amount from the local government. *Id.* § 6-4-35(B)(1)(a). In

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the success of the marketing and public relations program, including the estimated return on investment to the state. . . . An organization receiving a grant must use the public and private funds only for the purpose of destination specific marketing and public relations designed to target international and/or domestic travelers outside the state to destinations within the state. . . . Grant recipients shall provide an annual report by November first, to the Chairmen of the Senate Finance Committee and the House Ways and Means Committee and the director of the Department of Parks, Recreation and Tourism on the expenditure of the grants funds and on the proposed outcome measures.

Act No. 288, 2012 S.C. Acts 402–03 (Proviso 39.2).

<sup>6</sup> The local governments in this case are subject to this provision, which requires the advisory committee to "submit written recommendations to a municipality or county at least once annually" and these "recommendations must be considered by the municipality or county in conjunction with the requirements of this chapter." S.C. Code Ann. § 6-4-25(C). The Chamber, as DMO, may provide the proposed budget to this committee for its review and recommendation before obtaining approval from the local government.

addition, TERC "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." *Id.* § 6-4-35(B)(2). Any citizen may file such a complaint.

Thus, these provisions provide that the local governments must select a qualified DMO to receive the funds designated for promoting tourism, but the local governments remain accountable for the expenditure of these funds as they must review and, if appropriate, approve the budget proposed by the DMO, receive an accounting of expenditures from the DMO, and submit evidence of their compliance to proper committees. Likewise, the expenditure of the funds received through the PRT Grant are provided in an annual report to the Senate Finance Committee, the House Ways and Means Committee, and the Department of Parks, Recreation, and Tourism.

#### **D.**

FOIA is a general statute; the A-Tax statute is a specific statute. "Where there is one statute addressing an issue in general terms and another statute dealing with the identical issue in a more specific and definite manner, the more specific statute will be considered an exception to, or a qualifier of, the general statute and given such effect." *Capco of Summerville, Inc. v. J.H. Gayle Const. Co.*, 368 S.C. 137, 142, 628 S.E.2d 38, 41 (2006) (citation omitted).

According to FOIA, any organization that is "supported in whole or in part by public funds or *expending public funds*" is a public body. S.C. Code Ann. 30-4-20(a) (emphasis added). Accommodation tax funds are, of course, public funds. Therefore, if we look only to FOIA as Domains suggests and go no further, it would appear that the Chamber is subject to FOIA as a public body. The subsequently enacted A-Tax statute and Proviso 39.2, however, provide a specific and comprehensive approach for the receipt, expenditure, and oversight of these funds. The presence of the specific A-Tax statute and Proviso 39.2 play the lead role in our disposition of this case.

Moreover, even in the absence of a specific statute, this Court has recognized that the applicability of FOIA to a non-governmental entity is more involved than classification as a public body due to the receipt of public funds. *See Weston v. Carolina Research & Dev. Found.*, 303 S.C. 398, 401 S.E.2d 161 (1991).

Both parties cite *Weston* in support of their respective positions. 303 S.C. 398, 401 S.E.2d 161. We find *Weston* supports the Chamber's position.<sup>7</sup> In *Weston*, this Court evaluated whether a nonprofit foundation—operated exclusively for the benefit of the University of South Carolina—was a public body pursuant to FOIA on the bases of four transactions in which public funds were transferred to the foundation. *Id.* We rejected the suggestion that the mere receipt or expenditure of public funds automatically and categorically transformed an otherwise private entity into a public body triggering the full panoply of FOIA requirements. We made clear that the mere receipt or expenditure of public funds did not mean "that the FOIA would apply to business enterprises that receive payment from public bodies in return for supplying specific goods or services on an arms length basis." *Id.* at 404, 401 S.E.2d at 165. We ultimately concluded in *Weston* that the nonprofit foundation in that case was a public body under FOIA, as the Court observed that the public needed access to the records of the organization "when a block of public funds is diverted *en masse* from a public body to a related organization, or when the related organization undertakes the management of the expenditure of public funds" as otherwise the public is unable to determine how the funds were spent. *Id.* Significantly, in that case, there was not a statute or proviso governing the procedure and oversight for the expenditure of the specific funds at

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<sup>7</sup> This is the main point of divergence with the dissenting opinion. While we take no issue with the important, indeed vital, goals served by FOIA, as we acknowledged above, the dissent would classify the Chamber as a public body for FOIA purposes simply as a result of its receipt of public funds. This is so, according to the dissent, because we must apply the plain language of one phrase in the FOIA statute. The dissent would apply all of FOIA to any organization that receives any public funds. While we acknowledge that in many instances the receipt of public funds will subject the organization to FOIA, the dissent's categorical rule is contrary to this Court's discernment of legislative intent in *Weston*. The dissent goes further and accuses us of "employ[ing] an elaborate analysis to avoid the plain language of the FOIA." Not so. We are remaining faithful to this Court's decisional framework in *Weston*, to which the legislature for more than a quarter century has not responded, much less superseded. If the dissent's "look only to FOIA" approach were dispositive, *Weston* could not stand as the Court held that FOIA does not always and automatically apply when public funds are received by an organization. As is our general stance, we elect to honor our precedents and respect the authority of the legislature to respond to (including superseding) our construction of statutes. If the General Assembly now disagrees with *Weston*, or our decision today, it lies within the province of the legislature to respond and overrule our precedents.

issue or mandating the public reporting and accountability as exists with respect to A-Tax funds and the PRT Grant.

Here, as noted, there is a specific statute (or proviso) that directs the local governments to select a DMO to manage the expenditure of certain tourism funds and requires the governments to maintain oversight and responsibility of the funds by approving the proposed budget and receiving an accounting from the DMO. Thus, this is not the situation found in *Weston* wherein the funds were intended to be given to a public body and, instead, were diverted to a private organization to be spent without oversight. Through the A-Tax statute (and Proviso 39.2) there are accountability measures in place and the public has access to information regarding how the funds are spent. Therefore, the concern in *Weston* regarding the lack of a legislatively sanctioned process mandating oversight, reporting, and accountability is not present in the expenditure of these funds.

We do agree with Domains that the A-Tax statute does not provide for the expanse of disclosure requirements that are available under FOIA. Indeed, Domains makes no pretense that FOIA would be imposed on the Chamber so that *all* of the Chamber's procedures and activities would be controlled by *all* of FOIA's provisions. This would subject the Chamber to all of the various requirements of FOIA, such as advance notice of meetings, in every area of the Chamber's activities. Unlike some other states, South Carolina's FOIA provisions do not provide a limitation to the extent of FOIA's reach within an organization once it is classified as a public body. *Compare* S.C. Code Ann. § 30-4-20(a) (stating "'Public body' means . . . *any organization*, corporation, or agency supported in whole or in part by public funds or expending public funds" (emphasis added)), *with* Tex. Gov't Code Ann. § 552.003(1)(A)(xii) (West 2013) (defining a "Governmental body" as including "*the part, section, or portion of an organization*, corporation, commission, committee, institution, or agency *that spends* or that is supported in whole or in part by *public funds*" (emphasis added)). The degree of oversight and reporting requirements are policy decisions which lie in the province of the legislature. Here, the General Assembly has specified a detailed process for the expenditure and accountability of these tourism funds and that determination is controlling.

### III.

Contrary to Domains' suggestion, the receipt and expenditure of these accommodation tax funds in no manner allows the Chamber (or any DMO) to spend public funds free from public accountability and oversight. We fully

appreciate the need for some measure of transparency and public accountability in the expenditure of public funds. Yet, in this case, the A-Tax statute and Proviso 39.2 set forth the General Assembly's determination of the required level of oversight, transparency, and accountability.

FOIA, of course, remains vibrant as it provides the General Assembly's determination for the optimum transparency in connection with the general expenditure of public funds. Following the passage of FOIA, the General Assembly enacted the more narrow and targeted A-Tax statute (and Proviso 39.2) to provide what it determined were the necessary accountability safeguards with regard to the expenditure of these specific funds while simultaneously protecting the private nature of the organizations selected to perform this marketing function. The General Assembly deemed these provisions sufficient to ensure that the funds are being properly expended, and Domains has presented no valid legal basis to contravene this legislative determination. Accordingly, the judgment of the trial court is reversed.

**REVERSED.**

**BEATTY, C.J., HEARN and JAMES, JJ., concur. FEW, J., dissenting in a separate opinion.**

**JUSTICE FEW:** The Freedom of Information Act (FOIA) applies to any "public body," which is defined as "any organization . . . expending public funds." S.C. Code Ann. § 30-4-20(a) (2007). The Hilton Head-Bluffton Chamber of Commerce agreed to serve as the organization to "receive" and "direct the expenditure" of accommodations sales tax revenues collected by the towns of Hilton Head and Bluffton and Beaufort County "for advertising and promotion of tourism" pursuant to subsection 6-4-10(3) of the South Carolina Code (Supp. 2017). In fiscal year 2013-14, as a representative year, the Chamber "expended" \$1,531,000 of these public funds to promote tourism. The FOIA provides any "person has a right to inspect . . . any public record of a public body." S.C. Code Ann. § 30-4-30(A)(1) (Supp. 2017). It requires no elaborate analysis to apply the plain words of the FOIA and reach the conclusion that the Chamber's agreement to expend these public funds renders it a public body subject to the record disclosure requirements of the FOIA.

The majority has employed an elaborate analysis to avoid the plain language of the FOIA under the guise of "discerning legislative intent." However, our law does not permit us to look outside the language of a statute unless there is an ambiguity in the statute. *See Smith v. Tiffany*, 419 S.C. 548, 555, 799 S.E.2d 479, 483 (2017) ("If a statute is clear and explicit in its language, then there is no need to resort to statutory interpretation or legislative intent to determine its meaning." (quoting *Timmons v. S.C. Tricentennial Comm'n*, 254 S.C. 378, 401, 175 S.E.2d 805, 817 (1970))); 419 S.C. at 556, 799 S.E.2d at 483 ("Absent an ambiguity, there is nothing for a court to construe, that is, a court should not look beyond the statutory text to discern its meaning."). The majority acknowledges there is no ambiguity, stating,

According to FOIA, any organization that is "supported in whole or in part by public funds or expending public funds" is a public body. Accommodation tax funds are, of course, public funds. Therefore, if we look only to FOIA as Domains suggests and go no further, it would appear that the Chamber is subject to FOIA as a public body.

Under *Smith* and *Timmons*, therefore, we must "look only to FOIA," because there is no ambiguity in it. Based on the plain language in subsection 30-4-20(a), the Chamber is a public body and therefore subject to the record disclosure requirements of the FOIA.

Even if we did look beyond the FOIA, however, the majority's justification for finding the Act does not apply in this circumstance fails. First, the majority's decision is inconsistent with the policy behind the FOIA, which is set forth in section 30-4-15 of the South Carolina Code (2007). The General Assembly found "it is vital in a democratic society that public business be performed in an open and public manner so that citizens shall be advised of the performance of public officials and of the decisions that are reached in public activity and in the formulation of public policy." § 30-4-15. Therefore, the General Assembly enacted the FOIA "to make it possible for citizens . . . to learn and report fully the activities of their public officials at a minimum cost or delay to the persons seeking access to public documents or meetings." *Id.*; see also *Brock v. Town of Mount Pleasant*, 415 S.C. 625, 628, 785 S.E.2d 198, 200 (2016) ("The essential purpose of FOIA is to protect the public from secret government activity.").

The majority states the accommodations tax statute and Proviso 39.2 "play the lead role in our disposition of this case" because they "provide a comprehensive approach for the receipt, expenditure, and oversight of these [public] funds." In other words, the majority finds the policy of the FOIA is fulfilled through the accommodations tax statute and Proviso 39.2. This conclusion is wrong. Although the accommodations tax statute does have specific provisions relating to the "receipt" and "expenditure" of public funds, its provisions concerning "oversight" of spending public funds fall far short of meeting the policy goals of the FOIA.

Specifically, the accommodations tax statute does not address the disclosure of records at the core of the FOIA policy. In fact, the statute's "three layers of review" the majority finds to be sufficient "oversight" is contrary to the policy. By placing the responsibility for the expenditure of public funds in the hands of a private entity such as the Chamber, and then relying on public officials for "oversight," with no right of access by the public, the accommodations tax statute actually inhibits citizens from being "advised of the performance of public officials and of the decisions that are reached in public activity," thereby frustrating—not furthering—the "vital" policy of open government.

To the extent the policy behind the FOIA could be furthered by "oversight" from public officials, the record in this case reveals the information provided to those public officials does not allow the officials to determine how the funds are being spent. For example, I asked counsel for the Chamber at oral argument about a specific line item contained in the Chamber's proposed budget for spending accommodations sales tax funds in fiscal year 2013-14. The line appears under the headings "Expenses" and "Digital Marketing," and reads, "SEM Marketing

[\$]200,000."<sup>8</sup> I asked, "In the town's relationship with the Chamber, . . . as a matter of course, the town doesn't know what the \$200,000 represents for SEM marketing?" Counsel responded, "Well, it may. I don't know." After several other questions and answers, counsel agreed with the following assertion:

Unless somehow the town takes the initiative to learn from the Chamber what the \$200,000 represents, then in our scenario, a member of the public would never be able to gain access to the individual vendors, whether they submitted bids, what were the bids, what was the highest bid, and on and on and on.

This demonstrates the reality that the accommodations tax statute does not allow the public to learn how public funds are being spent with any degree of specificity, and therefore the statute does not meet the policy goals of the FOIA.

Second, the majority relies heavily on the principle that a more specific statute (subsection 6-4-10(3)—the accommodations tax statute) controls the more general one (FOIA). That principle is inapplicable in this case because the two statutes do not address the same subject. In *Capco of Summerville, Inc. v. J.H. Gayle Construction Co.*, 368 S.C. 137, 628 S.E.2d 38 (2006), the case cited by the majority to support its application of the principle, we held the principle applied only if the statutes address "the identical issue." 368 S.C. at 142, 628 S.E.2d at 41. The FOIA requires that a public body disclose its records; the accommodations tax statute does not even address that issue.

Third, the majority's reliance on *Weston v. Carolina Research & Development Foundation*, 303 S.C. 398, 401 S.E.2d 161 (1991), is misplaced. We did not create any "decisional framework," *see supra* note 7, in *Weston* that permits us to ignore the plain language of the FOIA. Rather, we applied that plain language to transactions that are factually indistinguishable from the Chamber's receipt and expenditure of accommodations sales tax revenues in this case, and held the FOIA

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<sup>8</sup> SEM marketing—or search engine marketing—is defined as "a process by which multiple methods are utilized to improve market visibility and exposure for a brand, product or service" and includes "search engine optimization (SEO), social networking, bid placement, pay-per-click (PPC), contextual advertising, paid inclusion, geomapping, . . . as well as multiple media formats, such as YouTube and geospecific marketing, like Foursquare." Techopedia, *Search Engine Marketing (SEM)*, <https://www.techopedia.com/definition/25079/search-engine-marketing-sem> (last visited Apr. 2, 2018).

applies. We stated "the unambiguous language of the FOIA mandates that the receipt of support in whole or in part from public funds brings a corporation within the definition of a public body." 303 S.C. at 403, 401 S.E.2d at 164.

The majority in this case refers to the following passage from *Weston*:

[T]his decision does not mean that the FOIA would apply to business enterprises that receive payment from public bodies in return for supplying specific goods or services on an arm's length basis. In that situation, there is an exchange of money for identifiable goods or services and access to the public body's records would show how the money was spent. However, when a block of public funds is diverted en masse from a public body to a related organization, or when the related organization undertakes the management of the expenditure of public funds, the only way that the public can determine with specificity how those funds were spent is through access to the records and affairs of the organization receiving and spending the funds.

303 S.C. at 404, 401 S.E.2d at 165. The purpose of this passage was to point out different types of transactions and to explain that transactions made on an "arm's length basis" would not trigger the FOIA because "there is an exchange of money for identifiable goods or services and access to the public body's records would show how the money was spent." This passage was never intended to create any additional requirement—or a "more involved" analysis—to determine the applicability of the FOIA.

In contrast to the majority's proposition, the quoted language from *Weston* requires a finding that the FOIA does apply to the Chamber. The Chamber's agreement to expend these funds does not involve the type of "arm's length" transaction that is an "exchange of money for identifiable goods or services" we said in *Weston* would not be subject to the FOIA. Rather, the Chamber's decision to play this role required it to "manage and direct the expenditure of these tourism promotion funds," § 6-4-10, which is precisely the type of transaction we held in *Weston* is always subject to the FOIA, 303 S.C. at 404, 401 S.E.2d at 165 (finding the FOIA applies when an "organization undertakes the management of the expenditure of public funds"). As such, "the only way that the public can determine with specificity how those funds were spent is through access to the records and affairs

of the organization receiving and spending the funds." *Id.* Therefore, *Weston* does not support the majority's proposition that "the applicability of FOIA to a non-governmental entity is more involved than classification as a public body due to the receipt of public funds." In fact, *Weston* rejects the majority's proposition that there is any "decisional framework" for the FOIA except that set forth in the FOIA.

Finally, the majority expresses concern over the Chamber being exposed to other requirements under the FOIA if we find it is a public body. Those other requirements include open meetings, advanced notice of meetings, and the requirement that public bodies keep written minutes. *See* S.C. Code Ann. §§ 30-4-60, -80, and -90 (2007 & Supp. 2017). There are two simple solutions to this problem. One, if the Chamber does not wish to subject itself to all of the requirements of the FOIA, it may choose not to serve as the designated marketing organization to "receive" and "direct the expenditure" of accommodations sales tax revenues. Two, if the Chamber is unwilling to give up its position as the designated marketing organization, it can easily create a separate subsidiary or related entity devoted solely to that function. The majority's concerns are unfounded.

For these reasons, I respectfully dissent.

**From:** [Laurie Smith](#)  
**To:** [Desiree Fragoso](#); [Debbie Suggs](#)  
**Cc:** [Perrin Lawson](#); [Catherine Dority](#); [Helen Hill](#)  
**Subject:** Re: [EXTERNAL] TERC Reporting  
**Date:** Monday, September 20, 2021 1:32:30 PM  
**Attachments:** [City of Isle of Palms - TERC.pdf](#)

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[EXTERNAL]

Hi, Desiree and Debbie!

Hope you're staying dry on this rainy Monday. I had the opportunity last week to visit with TERC member, Dan Blumenstock, to review our plan for reporting through this new requirement. He was very pleased with our strategy and felt that these spreadsheets would more than meet their committee's expectations. Please find that information here, for your TERC reporting.

1. Spreadsheets containing FY 20/21 Actual and FY 21/22 Budget (you will have seen this report before), both specific to Isle of Palms. The PDF is attached below.
2. Our written Program of Work for FY 21/22 can be found by clicking this link:



[Program of Work FY 21-22.pdf](#)

Isle of Palms' role is integral in our regional marketing, media, and group sales efforts. Our community's regional approach to tourism provides buying power in competing against other, well-funded destinations. We appreciate our partnership and value the opportunity to lift our community.

Please call on me with any questions. I've also included our staff members who are frequently in touch with the city as an FYI for them.

Take care and hope to see you soon!

**The Explore Charleston team has relocated to 375 Meeting Street - come see us!**

**Laurie Lynn Alderson Smith**

**Chief Operating Officer**

Charleston Area Convention & Visitors Bureau  
375 Meeting Street | Charleston, S.C. 29403  
Ph: (843) 805-3063

On Fri, Sep 10, 2021 at 7:08 PM Laurie Smith <[lsmith@explorecharleston.com](mailto:lsmith@explorecharleston.com)> wrote:  
Yes ma'am, will do. Enjoy the weekend! Laurie

**The Explore Charleston team has relocated to 375 Meeting Street - come see us!**

**Laurie Lynn Alderson Smith**

**Chief Operating Officer**

Charleston Area Convention & Visitors Bureau  
375 Meeting Street | Charleston, S.C. 29403  
Ph: (843) 805-3063

On Fri, Sep 10, 2021 at 6:42 PM Desiree Fragoso <[desireef@iop.net](mailto:desireef@iop.net)> wrote:

Hi Laurie – Thank you for your email. To confirm, the CVB will provide the following:

1. an accounting of expenditures from FY21 (July 1, 2020 – June 30, 2021) of the City's 30% ATAX allocation provided to the CVB as the City's DMO for tourism promotion.
2. a budget of proposed/planned expenditures for FY22 (July 1, 2021 – June 30, 2022) to present to our ATAX Committee for approval at their next scheduled meeting, to ensure compliance for next year's report.

D.-

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**From:** Laurie Smith <[lsmith@explorecharleston.com](mailto:lsmith@explorecharleston.com)>  
**Sent:** Friday, September 10, 2021 3:17 PM  
**To:** Desiree Fragoso <[desireef@iop.net](mailto:desireef@iop.net)>; Debbie Suggs <[dsuggs@iop.net](mailto:dsuggs@iop.net)>  
**Cc:** Perrin Lawson <[plawson@cacvbmail.com](mailto:plawson@cacvbmail.com)>; Catherine Dority <[cdority@explorecharleston.com](mailto:cdority@explorecharleston.com)>; Helen Hill <[hhill@cacvbmail.com](mailto:hhill@cacvbmail.com)>  
**Subject:** [EXTERNAL] TERC Reporting

[EXTERNAL]

Good afternoon, ladies! Sure hope that you're healthy and doing well. We're all anxious to be out and about again. Fortunately, our visitors are feeling that way too!

I wanted to reach out and let you know that the CVB is aware of the new TERC requirement for reporting on your municipality's 30% accommodations tax specific to advertising & promotion. We are working now to pull together a report for you to include. I anticipate we'll have it ready within 10-days or so, with plenty of time for you to make your October 1 deadline.

Please let me know if you have any specific questions and we'll be back with you very soon!

Very best, Laurie

**The Explore Charleston team has relocated to 375 Meeting Street - come see us!**

**Laurie Lynn Alderson Smith**

**Chief Operating Officer**

Charleston Area Convention & Visitors Bureau

375 Meeting Street | Charleston, S.C. 29403

Ph: (843) 805-3063

## DESTINATION MARKETING

Destination Marketing has one goal: promote the Charleston area as the country's premier overnight destination. In developing and implementing Explore Charleston programs we ask ourselves how will this expenditure generate an overnight visitor. All area tourism economic activity flows from overnight visitation.

\$ 398,627.90

*Our marketing strategy had layered advertising mediums that evolved as we navigated the pandemic and associated recovery. Innovative electronic promotions were integral and print publications remained relevant.*

Depending on the campaign, television and direct mail were also incorporated.

*Titles in our print media plan for FY 20/21 included Travel & Leisure, Departures, Southern Living, Conde' Nast Traveler, Garden & Gun, Food Network, Vogue and various AAA publications. Wedding specific advertising placements included Grace Ormond, The Knot, and Heart of North Carolina.*

*Publications created in-house for promotion as response pieces included: the Charleston Area Visitors Guide, the Charleston Area Destination Planning Guide (group business), and a completely redesigned Charleston Area Wedding Guide.*

Explorecharleston.com remained a cornerstone in Explore Charleston's digital promotional efforts, including as we communicated with visitors about our industry's efforts to safely welcome guests back to the area. We had several websites that corresponded to the printed publications mentioned above, and these sites were routinely updated for content and creative.

*A robust social media presence was critical to support promotional campaigns and reach a diverse audience. Our team created informative, inspiring, customized editorial content for Instagram, Facebook, Twitter, Youtube and Pinterest, as well as our charlestononly.com/blog. Explore Charleston global followership grew by ~60K and exceeded 480K at year end.*

All creative was developed in-house to protect and properly convey the brand of the Charleston area. Ongoing investments were made in photography, videography, and written content.

*Explore Charleston's advertising is based on solid, current tourism research. Investments in research continued in FY 20/21 in order to inform sound advertising decisions. Various sources were utilized such as Destinations International, US Travel, TravelClick, Inntopia/Destimetrics, and Smith Travel Research. A new resource, Key Data, was introduced late in the fiscal year to enhance vacation rental analysis.*

*Locally, our paid partnership with the Office of Tourism Analysis in the Business Department at the College of Charleston ensured our ability to compile and analyze tourism metrics. The College played an integral role in capturing and collecting data as well, particularly through several unique surveys and customized reports about COVID-19's impact on traveler sentiment.*

*Improved and increased air service into Charleston International (CHS) remained a major focus for Explore Charleston. Over 4.8 million people traveled through our airport in 2019 and passenger volume was trending higher prior to Covid-19. In spring 2020, the pandemic reduced those numbers by 95%. Fortunately, strong market positioning and established airline partnerships enabled CHS to consistently outperform national averages in air service recovery throughout the year.*

Working with existing carriers to restore and expand service significantly enhanced our pandemic recovery efforts. JetBlue launched the state's first nonstop flight to California with service from CHS to Los Angeles. Partnerships were also forged with new carriers. Silver Airways initiated service at CHS in fall 2020. Breeze Airways, a brand new airline, selected Charleston as one of its inaugural launch cities, a major accomplishment for the region. Breeze serves 11 destinations from CHS.

## MEDIA RELATIONS

*Media Relations and communications about the Charleston area were critical components of the promotion of our community.*

\$ 63,897.51

Explore Charleston worked to maintain relationships with writers, editorial boards and other journalists throughout the downturn as well as to highlight the region's safe reopening and promote the Charleston experience through earned media.

*As interest in leisure travel grew and journalists started to travel again, we created unique and engaging itineraries for media visiting the region.*

Robust photo and video libraries were updated. These resources assisted journalists and broadcasters in telling their stories about our community.

*Paid advertorial opportunities with D Weddings and Hearst Magazines were implemented. Taking an advertorial approach complemented our other media efforts because it appeared editorial in nature, yet we were able to control the content.*

**Explore Charleston****FY 2020/21 Program of Work ACTUAL****Isle of Palms**

Business development through media relations powerhouse Lou Hammond Group continued to prove beneficial to expand the reach of media pitches and introduce new journalists to our community.

*Other development channels for Explore Charleston's media team included activity through the Society of American Travel Writers, US Travel Association, and the British Guild of Travel Writers.*

**GROUP SALES**

Sales initiatives intended to bring group business to Charleston County remained vital to Explore Charleston's program of work. **\$ 117,459.37**  
*With the near complete shutdown of group travel, our sales department dedicated itself to reenforcing and deepening its relationships with planners and executives in the corporate, association, and SMERF markets. This effort paid off as the number of inquiries, RFPs, and bookings increased significantly once travel perceptions began to improve in conjunction with the vaccine rollout. The old adage, "people do business with people they know" proved true, and our commitment to being readily accessible for our clients continues to pay dividends.*

Sports initiatives were especially important to rebuilding group business. Team competitions such as youth baseball, gymnastics competitions, volleyball tournaments, etc. comprised much of the group travel that occurred during the fiscal year.

*Promotion of area businesses that are able to service our convention / group business is an important piece of group promotion. Once a group has booked its accommodations, they then look for off-site function venues, dining, and tour options.*

**VISITOR SERVICES**

*Visitor Services expenditures for the operation of four area visitor centers (downtown Charleston, Kiawah Island, Mount Pleasant, North Charleston) continued.* **\$ 119,981.79**

Information distribution, directions, assistance in visitor planning, access to public facilities and general promotion of our community were day-to-day responsibilities as Centers reopened.

*Area tours were booked through our centers, spreading economic benefit to regional businesses.*

Last minute, same-day hotel rooms were also booked through the centers for our lodging partners as a notable percentage of travelers arrived in our area without lodging reservations.

**Visitor Information SUPPORT**

Serving visitors and callers via our 1-800 phone lines was critically important to our recovery efforts as we launched 'welcome back' campaigns. As more traditional advertising and media efforts resumed, visitor inquiries grew considerably both by phone, digital chat and social media. **\$ 31,182.17**

*Our Visitor Inquiry Service (VIS) operators served a pivotal role during hurricane season and throughout the pandemic. VIS operators continually gathered and disseminated the most up-to-date information to potential travelers to our community.*

Total Expenditure Applied to Municipality **\$ 731,148.75**

Total Atax Received per Municipality **\$ 545,133.00**

Difference **\$ 186,015.75**

## Explore Charleston

### FY 2021/22 Program of Work - City of Isle of Palms - BUDGET

	Expenses	Percentage of Expense
<b>DESTINATION MARKETING</b>		
<p>Destination Marketing has one goal: promote the Charleston area as the country's premier overnight destination. We ask ourselves one question: Will this expenditure generate an overnight visitor? All area tourism economic activity flows from overnight visitation: <i>Our marketing strategy has layered advertising mediums that are constantly evolving. Innovative electronic promotions are integral, yet print publications continue to be relevant.</i></p> <p>Depending on the campaign, radio, television, and billboard advertising may be utilized and direct mail may be employed. <i>Titles in our media plan for FY 21/22 include AFAR, Better Homes &amp; Gardens, Coastal Living, Condé Nast Traveler, ESSENCE Magazine, Garden &amp; Gun, Midwest Living, Smithsonian Magazine, Southern Living, Travel &amp; Leisure, and Western NC Magazine. Bon Appetit, Food Network, Food &amp; Wine and various AAA publications are also in our paid media schedule. Wedding specific advertising placements are planned with The Knot, Heart of North Carolina and Grace Ormonde.</i></p> <p>Marketing plans support our important group sales initiatives through placements with CONNECT and Northstar Meetings Magazine. Active involvement through Virtuoso and Signature Travel Network are also important pieces of our promotional strategy in getting these exclusive and highly-sought-after travel advisors to recommend our area to avid travelers.</p> <p><i>Publications created in-house for promotion through response pieces include Charleston Area Visitors Guide, Charleston Area Wedding Guide and the Charleston Area Destination Planning Guide for group business.</i></p> <p>Explorecharleston.com and CharlestonAreaBeaches.com are cornerstones in our promotional efforts. We have several other sites that correspond to the printed publications mentioned above, and sites are updated for content and creative daily. <i>A robust social media presence is critical to support promotional campaigns and reach a diverse audience. Our team creates inspiring, customized editorial content for Instagram, Facebook, Twitter, Youtube and Pinterest, as well as our charlestonly.com/blog. Explore Charleston has garnered hundreds of thousands of followers from across the world and consistently outperforms industry averages for audience engagement.</i></p> <p>All creative is developed in-house to protect the brand of the Charleston area and its islands. Ongoing investments in photography, videography, and written content keep the message fresh, and ensure complimentary voice and aesthetic. <i>All of our advertising is based on solid, current tourism research. Research is expensive, and necessary in making sound advertising decisions. Various sources are utilized such as Destinations International, US Travel, Key Data, TravelClick, Datafy, and Smith Travel Research.</i></p> <p>Locally, our paid partnership with the Office of Tourism Analysis in the Business Department at the College of Charleston has proved invaluable in ensuring our ability to synthesize, analyze, and impact our tourism metrics. The College plays an integral role in capturing and collecting data as well. <i>Improved and increased air service into Charleston International (CHS) continues to be a major focus for Explore Charleston. Working with Southwest, JetBlue, Alaska Airlines, Breeze Airways and legacy carriers has significantly expanded access to and from the region.</i></p> <p>Over 4.8 million people traveled through our airport in 2019 and passenger volume was trending higher prior to Covid-19. This effort is essential to keep ticket prices affordable through CHS so that we can continue to expand direct fly markets, strengthen tourism, and support regional economic development opportunities.</p>	\$ 428,613.55	56.74%
<b>MEDIA RELATIONS</b>		
<p><i>Media Relations and communications about the Charleston area are critical components of the promotion of our community:</i></p> <p>Relationship development is key in these efforts as we work with travel writers, editorial boards and other journalists to promote the Charleston experience through earned media.</p> <p><i>Creating unique and engaging itineraries for media visiting the region is essential in telling the Charleston area's story. Writers want new ideas and opportunities to continue producing fresh material for their readers.</i></p> <p>Robust photo and video libraries have been built and updated regularly to ensure content is current and relevant. This is essential as we work to assist journalists and broadcasters in telling their stories about our community. A picture is worth a thousand words.</p> <p><i>Paid, advertorial opportunities through D Weddings and Hearst are planned. Taking an advertorial approach complements our efforts because it appears editorial in nature, yet we are able to control the content.</i></p> <p>Business development through media relations powerhouse Lou Hammond Group continues to prove beneficial in attracting new journalists to our community.</p> <p><i>Other development channels for our media team include activity through the Society of American Travel Writers, the Public Relations Society of America, the US Travel Association, and the British Guild of Travel Writers. These groups provide invaluable opportunities to interact with media that we might not otherwise engage.</i></p>	\$ 69,737.64	9.23%
<b>GROUP SALES</b>		
<p>Sales initiatives intended to bring group business to Charleston County include:</p> <p><i>Over 39 vetted tradeshow, solely focused on lodging "fits" for our area such as corporate sales, association, government and incentive business, national and international tour operators, weddings, and SMERF (social, military, educational, religious, fraternal) markets.</i></p> <p>Sports initiatives are also crucial to group business, filling venues and hotel rooms countywide, whether it's a large event like the Volvo Car Open, or traveling team sports such as soccer clubs, gymnastics competitions, volleyball tournaments, etc.</p> <p><i>Promotion of area businesses that are able to service our convention / group business is an important piece of group promotion. Once a group has booked its accommodations, they then look for meeting venue, dining and tour options.</i></p>	\$ 128,053.69	16.95%

Explore Charleston

FY 2021/22 Program of Work - City of Isle of Palms - BUDGET

	<u>Expenses</u>	<u>Percentage of Expense</u>
Sales training for our industry partners is part of our programming. A meeting planner must first be sold on a destination, rather than a hotel, so it's important that hotel sales staff can talk knowledgeably about Charleston County.		
<b>VISITOR SERVICES</b>		
<i>Visitor Services expenditures for our operation of four area visitor centers (downtown Charleston, Kiawah Island, Mount Pleasant, North Charleston):</i>	\$ 105,211.01	13.93%
Information distribution, directions, assistance in visitor planning, access to public facilities and general promotion of our community are day-to-day responsibilities.		
<i>Area tours are booked through our centers, spreading economic benefit to regional businesses.</i>		
Last minute, same-day hotel rooms are also booked through the centers as our lodging partners look to book the day's remaining inventory.		
<i>Visitor Services also serve large groups that come to the Charleston area, via setting up mini Visitor Centers to help disseminate the same information that can be found in our "official" facilities.</i>		
<b>Visitor Information SUPPORT</b>		
Serving visitors and callers via our 1-800 phone lines is a vital link in supporting our marketing efforts. Ads are placed, articles are published, and our phone lines ring in response.	\$ 23,792.82	3.15%
<i>Our Visitor Inquiry Service (VIS) operators also serve a pivotal role during times of crisis, whether it is a weather event such as a hurricane, or more recently, the Covid-19 pandemic. VIS operators play a critically important role by continually gathering and disseminating the most up-to-date information to potential travelers to our community.</i>		
Total Expenditures	\$ 755,408.71	
Total Atax Budgeted to Receive from City of Isle of Palms in FY 2021/2022	\$ 598,279.00	
New Expenses Related to Isle of Palms Website and Other Programs (such as Coast is Clean)	\$ 157,129.71	20.80%
		120.80%