

HOSPITALITY TAX ADMINISTRATION

HOSPITALITY TAX FUND

The collection of Spartanburg County's 2% Local Hospitality Tax on prepared meals and beverages started on January 1, 2008. Business owners collect and remit the tax directly to Spartanburg County. The Local Hospitality Tax provides a dedicated revenue source and an appropriate means of funding tourist-related infrastructure and capital improvement projects. It is Council's intent to increase tourism. The tax was adopted by ordinance as authorized in Article 7 of Chapter 1 of Title 6 of the Code of Laws of South Carolina, 1976, as amended, and is generally referred to as the "Local Hospitality Tax Act".

FUND NUMBER: 23	HOSPITALITY TAX FUND - ADMINISTRATION					
FUNDING SOURCE(S)	FY 2006/07 ACTUAL	FY 2007/08 ACTUAL	FY 2008/09 ACTUAL	FY 2009/10 BUDGET	FY 2010/11 BUDGET	INC/DEC FY 11 - 10
Hospitality Tax	0	30,600	174,910	2,605,000	201,337	(2,403,663)
EXPENDITURES						
Personnel Services Expenditures	0	22,255	78,917	85,030	85,553	524
Operating Expenditures	0	2,457	1,188	17,041	16,133	(908)
Capital Outlay	0	2,395	-796	2,407,329	0	(2,407,329)
Other Expenditures	0	3,494	95,601	95,601	99,651	4,050
EXPENDITURE TOTAL	\$0	\$30,600	\$174,910	\$2,605,000	\$201,337	(\$2,403,663)
AUTHORIZED PERSONNEL	0	0	2	2	2	0

FY 2010/11 Budget Highlights & Initiatives

- Capital Outlay Expenditures decrease due to the removal of the set-aside for Hospitality Tax capital projects reserve. In prior fiscal years, excess funds were established as reserved for future capital projects. The FY 2010/11 budget fully utilizes all available revenues, negating the need for a reserve set-aside.
- Indirect cost allocation expenses increase slightly from the prior fiscal year.

Goal:

Sound fiscal management of Hospitality Tax Fund to ensure resources are directed to tourism related recreation and cultural activities in Spartanburg County

Objectives:

- Maintain a reserved fund balance of 1.25:1 for debt service coverage associated with the 2009 Certificates of Participation
- Provide adequate resources of operation and maintenance of Parks Commission tourism-based facilities
- Continue to maintain and update 5-year Hospitality Tax projections to ensure financial obligations will be met and an adequate fund balance maintained

OUTSIDE AGENCIES HOSPITALITY TAX FUND

Two outside agencies that promote an enhanced quality of life to the citizens of Spartanburg County have traditionally received funding subsidies: The Arts Partnership of Greater Spartanburg and the Spartanburg County Regional Museum.

The Arts Partnership of Greater Spartanburg, a successor to the Arts Council of Spartanburg, was a result of a county-wide cultural plan advancing culture by promoting arts in education, and increased availability, awareness, and accessibility to the arts, sciences, and humanities throughout the County. Spartanburg County contributes to the operational budget of this agency.

The Spartanburg County Regional Museum fosters education of the citizens and visitors of Spartanburg County on the history of this region. The museum is managed by the Spartanburg County Historical Association. Spartanburg County contributes to the operational budget of this agency.

FUND NUMBER: 23	OUTSIDE AGENCIES					
FUNDING SOURCE(S)	FY 2006/07 ACTUAL	FY 2007/08 ACTUAL	FY 2008/09 ACTUAL	FY 2009/10 BUDGET	FY 2010/11 BUDGET	INC/DEC FY 11 - 10
Hospitality Tax	0	0	0	0	466,150	0
EXPENDITURES						
Spartanburg County Regional Museum	0	0	0	0	39,150	39,150
Arts Partnership	0	0	0	0	227,000	227,000
Spartanburg Tourism Corporation	0	0	0	0	200,000	200,000
EXPENDITURE TOTAL	\$0	\$0	\$0	\$0	\$466,150	\$466,150
AUTHORIZED PERSONNEL	0	0	0	0	0	0

FY 2010/11 Budget Highlights & Initiatives

- Funding for Quality of Life related outside agencies is to be provided by the Hospitality Tax Fund beginning in FY 2010/11. These expenditures were formerly captured in the General Fund.
- Funding for the Spartanburg Tourism Corporation, a new Corporation was added.

HOSPITALITY TAX TRANSFERS

HOSPITALITY TAX FUND

This department provides for the transfer of Hospitality Tax Resources to other funds in direct support of tourism related activities including capital projects, operational expenses and repayment of debt.

FUND NUMBER: 23	HOSPITALITY TAX FUND - TRANSFERS					
FUNDING SOURCE(S)	FY 2006/07 ACTUAL	FY 2007/08 ACTUAL	FY 2008/09 ACTUAL	FY 2009/10 BUDGET	FY 2010/11 BUDGET	INC/DEC FY 11 - 10
Hospitality Tax	0	0	1,600,000	0	3,298,513	3,298,513
EXPENDITURES						
Personnel Services Expenditures	0	0	0	0	0	0
Operating Expenditures	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Other Expenditures	0	0	1,600,000	0	3,298,513	3,298,513
EXPENDITURE TOTAL	\$0	\$0	\$1,600,000	\$0	\$3,298,513	\$3,298,513
AUTHORIZED PERSONNEL	0	0	0	0	0	0

FY 2010/11 Budget Highlights & Initiatives

- FY 2010/11 transfer to the Capital Improvement Plan includes \$500,000 for Tyger River Regional Park and \$1,200,000 for the Outdoor Adventure Center project.
- This department now includes a transfer to the Parks Commission Fund (\$207,925) to support operational costs associated with Tyger River Regional Park.
- This department includes a transfer to the Debt Service Fund (\$1,270,673) for the repayment of principle and interest for Hospitality Tax Certificates of Participation (COPs).