

CITY OF BEAUFORT

ACCOMODATIONS TAX (ATAX) FREQUENTLY ASKED QUESTIONS (FAQ'S)

1. What is the Accommodations Tax (ATAX)?

South Carolina established in the 1980's a two percent tax on overnight accommodations in addition to the statewide sales tax. State law stipulates how those monies are to be allocated. A small portion of the Accommodations Tax (ATAX) money stays in the local municipality or county where it is collected. The remainder must be used to attract and provide for tourists and must be spent on tourism-related expenditures that promote tourism and attract visitors.

2. Who decides how to spend the money?

State law requires local governments that receive more than \$50,000 annually from the tax, such as the City of Beaufort, to establish an advisory committee to review requests for Accommodations Tax grant awards and to submit recommendations to the local government body for approval. The goal is to reduce political pressures and to increase local accountability. Ultimately, the City Council makes the decision on how to spend the money.

3. What is the Beaufort Tourism Development Advisory Committee (TDAC)?

The TDAC is an advisory body appointed by Beaufort City Council to:

- Conduct interviews as needed
- Recruit appropriate applicants for Accommodations Tax grants
- Screen the requests
- Submit recommendations to the Beaufort City Council.

The Fiscal Year 2022 Tourism Development Advisory Committee includes:

- Vimal Desai (chair)
- Jonathan Sullivan
- Ron Callari
- Edouard Binot
- Matthew McAlhaney
- Jane Sidwell
- *Vacant Seat*

4. How did the TDAC decide who to recommend for funding for Fiscal Year 2022?

Applications were made available on the City website on July 22nd and published in the Island News on July 22nd and July 29th, 2021. All prospective applicants were required to attend one of two ATAX Workshops that were held on August 3rd and 12th by Zoom video conference. The deadline for submittal of applications was August 24, 2021. Committee members reviewed each application

and considered how the funding request fit into overall mission to promote tourism according to the state's tax guidelines and the overall direction of City Council. Applicants were then required to make presentations to the committee on September 2nd, providing details of their project or event and answering questions from the committee. A priority of the committee is to maximize each grant dollar as far as possible. For instance, marketing materials and promotions that included an Internet component (website, Facebook, other social media, etc.) earn more attention than print-only projects. Projects that demonstrated partnerships with other organizations also earn greater attention.

5. What is the Beaufort City Council's role in this?

The City Council received Tourism Development Advisory Committee (TDAC) recommendations and approved the ATAX grant awards on October 12, 2022.

6. What organizations received ATAX grant awards?

This year, Fiscal Year 2022, the City of Beaufort budgeted \$183,135.66 in accommodations tax funds for grant awards. The grantees and amount are:

- \$130,000 to the Beaufort Port Royal CVB/DMO Destination Marketing
- \$20,000 to the Beaufort Port Royal CVB/DMO Sales Plan
- \$3,750 to the Port Royal Sound Foundation for the Maritime Center outdoor exhibits
- \$15,000 to SC Low Country & Resort Islands Tourism Committee for promotion of the City of Beaufort and the Lowcountry
- \$12,731 to the Beaufort Sports Council for sales initiatives
- \$654 to the Friends of the Spanish Moss Trail for rack cards
- \$1,000 to the Historic Beaufort Foundation for the Verdier House Museum Marketing