
R2020-52: TO REPEAL RESOLUTION R2020-047, ADOPTED ON DECEMBER 1, 2020, RATIFYING AND RETROACTIVELY CONSENTING TO CERTAIN Horry County Ordinances (Collection of 1.5% Hospitality Fee).

Applicant/Purpose: Finance / Repeal Resolution 2020-047, which gave retroactive consent to Horry County to continue to collect its 1.5% hospitality fee inside the corporate limits of the City.

Brief:

- The County's 1.5% hospitality fee was adopted in 1996 w/ the consent of municipalities to fund the RIDE program. Each municipality gave consent to the County to collect the fee within their corporate limits, provided:
 - The fee would be used to fund the RIDE program.
 - The fee would sunset upon the maturity of the projected debt issue for the RIDE program (01/01/2017).
 - In 2016 & 2018, the County took unilateral action to continue collecting the fee beyond 01/01/2017, & the final retirement of the RIDE debt.
- Legal action followed & eventually culminated in a Settlement Agreement in Principle (SIP) between all parties (as subsequently approved by the Circuit Court).

Issues:

- In compliance w/ the SIP, the City adopted R2020-047 to give retroactive consent to the County to resume collections of the 1.5% hospitality fee & its rental car fee inside the corporate limits.
- On December 2, 2020, the SC Supreme Court reversed the Circuit Court's approval of the SIP, saying that the parties' leaving the decision as to distribution of the Common Fund to the Circuit Court meant there was not a meeting of the minds and therefore, there could be no settlement agreement.
- It is now necessary to repeal R2020-047 to withdraw the consent pending the negotiation of new settlement terms that will be acceptable to the Court.

Public Notification: Normal notification of a resolution.

Alternatives: None considered.

Financial Impact: No direct impact.

Manager's Recommendation: I recommend approval.

Attachment(s): Proposed resolution.

RESOLUTION R2020-052

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

Resolution R2020-052 repealing
Resolution R2020-047, adopted on
December 1, 2020, which ratified and
retroactively consented to certain
Horry Ordinances (collection of 1.5%
Hospitality Fee).

WHEREAS, the City of Myrtle Beach (the "City") 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 City is a signatory to that certain Settlement Agreement in Principle dated September 4, 2020, resolving the Class Action, which has been approved by order of the Court of Common Pleas for Horry County dated October 20, 2020 ("Settlement Agreement in Principle"); and

WHEREAS, Section 2 of the Settlement Agreement in Principle required the ratification and retroactive consent of the [City/Town] to Horry County Ordinance Numbers 105-96, 11-04, 93-16, 32-17, 7-97, 76-97, 80-01, 111-01, and 50-04 ("County Ordinances"), "with respect to the Hospitality Fee and all Hospitality Fee monies heretofore collected by the County, both within and without the corporate limits of the Participating Municipalities, both expended and unexpended"; and

WHEREAS, on December 1, 2020, pursuant to the Settlement Agreement in Principle as discribed hereinabove, the City adopted its Resolution No. 2020-047 provided its ratification and retroactive consent to the County Ordinances set forth above; and

WHEREAS, on December 2, 2020, the South Carolina Supreme Court reversed the Circuit Court's approval of the Settlement Agreement in Principle;

Now, therefore, be it resolved by the governing body of the City of Myrtle Beach, in Council duly assembled, that Resolution No. 2020-047 is hereby repealed in its entirety.

SIGNED AND SEALED this 8th day of December, 2020.

BRENDA BETHUNE, MAYOR

ATTEST:

JENNIFER ADKINS, CITY CLERK