

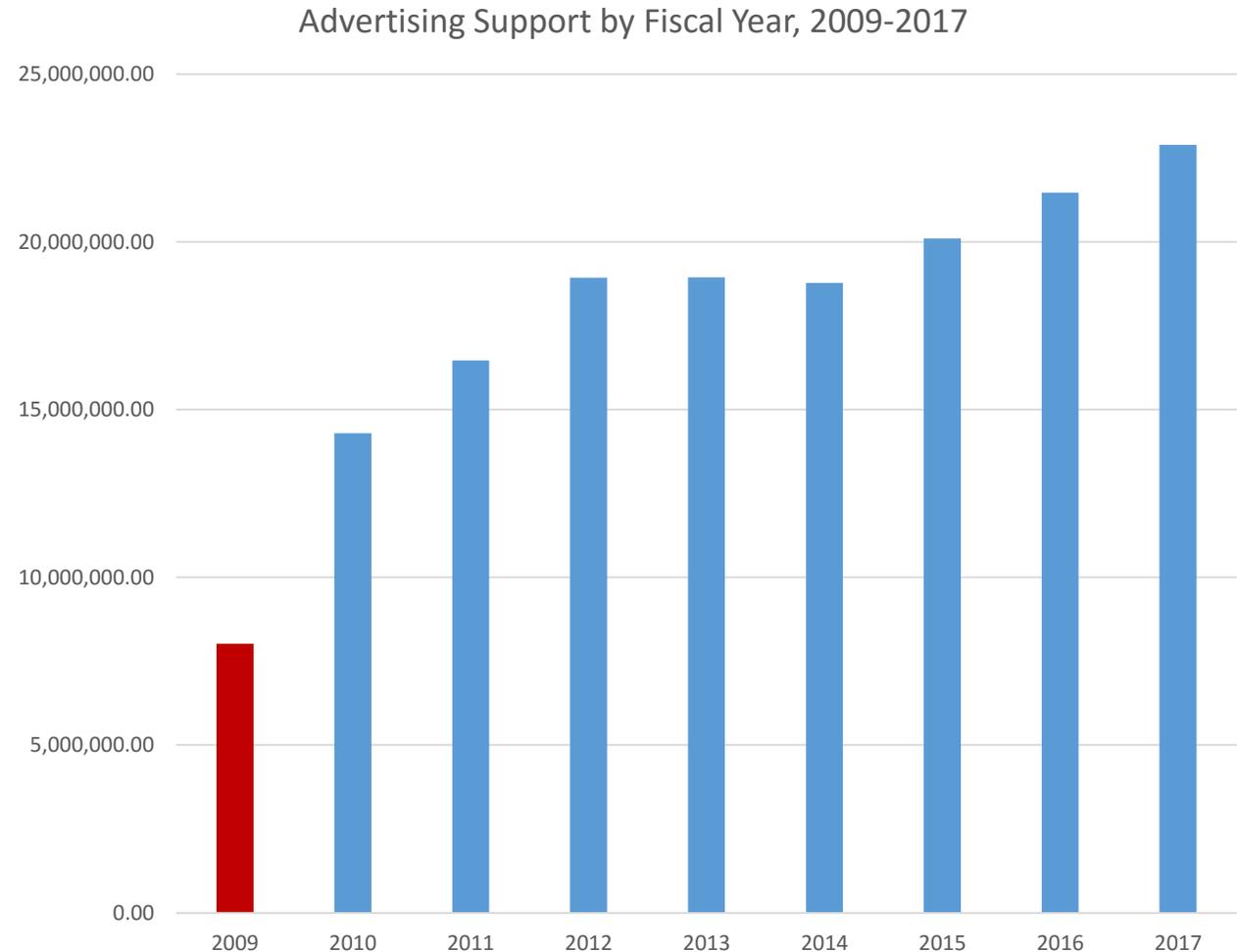
# Tourism Development Fee

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- Adopted May 2009; effective August 1, 2009
- Purposes:
  - To replace advertising funds for Myrtle Beach tourism that were being cut from the state budget, and
  - To increase funding for marketing to a level that matched Myrtle Beach's competition
- Benefits:
  - Increased available funding for advertising
  - Provided for reductions in City property taxes
  - Increased funding for tourism-related capital projects

# Increased Advertising Expenditures to Out-of-State Markets

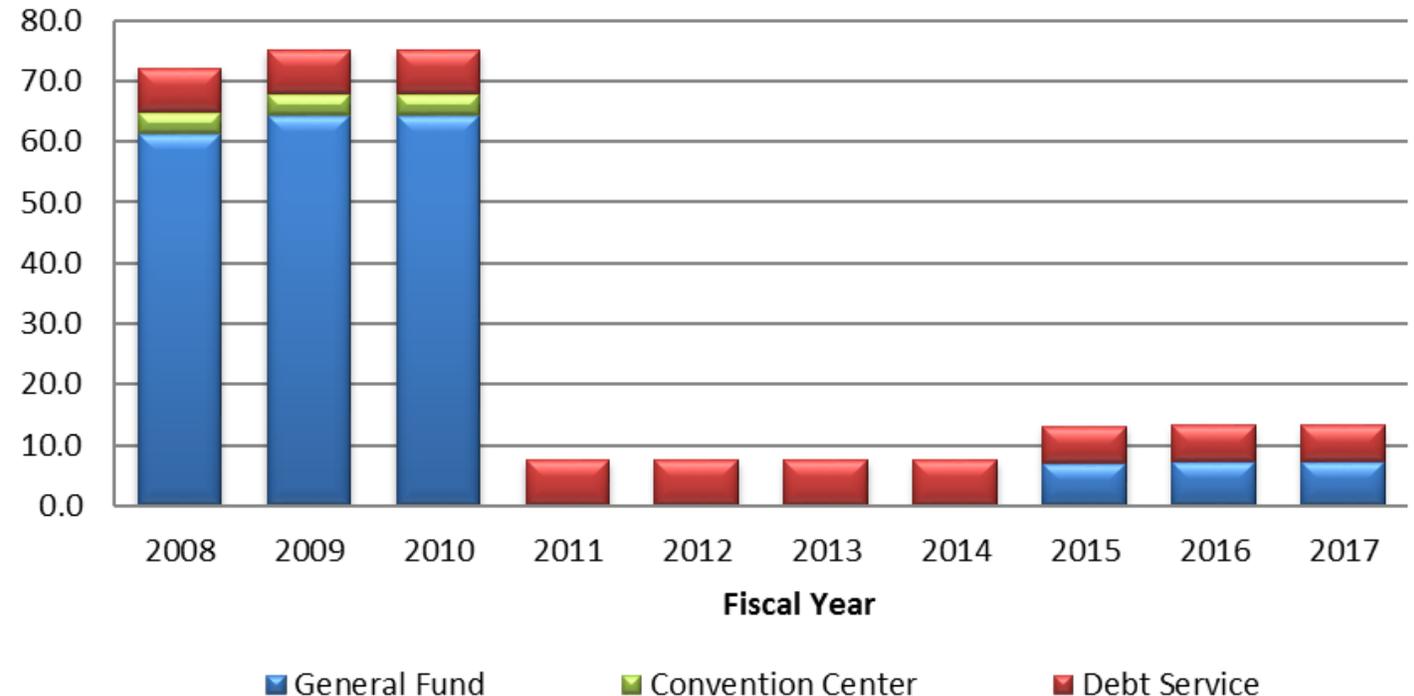
- For a number of years, the Chamber of Commerce operated its advertising program with a combination of state and local funds.
- Cuts in state funding for FY 2010 would have crippled the area's ability to compete effectively with other communities at east coast resorts, where the advertising budgets ran in the \$14 to \$20 million range.
- TDF allowed the area to retain and increase its advertising expenditures to more competitive levels.
- State enabling legislation requires that City remit 80% of funds to Chamber for out-of-state advertising.



## TDF Allowed for Reductions in Residential Property Taxes

- Enabling legislation requires that at least 20% of the money not paid to an agency for out-of-state advertising must be used for relieving property taxes for owner-occupied dwelling units.
- The City currently offers a tax credit for these units equal to 82% of its tax levy.
- In FY2017, nearly 6,700 taxpayers received this credit.
- As a result, for every \$100 paid in City property taxes in 2018, the owner-occupant would have paid \$556 in FY2010.
- Should the TDF lapse, residential property taxes would increase from 14 mills to 77.5 mills, or 553.6%.

Owner-Occupied Residential Property Tax Rates  
by Purpose of Levy, Last Ten Years



**Note:** For the 2011 fiscal year (2010 tax year) forward, residential property taxes are substantially offset by a credit from the Tourism Development Fee. Residents pay debt service levy only on City taxes.

## Capital Projects

- Since FY2011, the TDF has provided \$11.8 million of funding for tourism-related public infrastructure.
- Its substitution for the local accommodations tax as a source of funding for advertising and promotion was used to leverage financing for the Boardwalk in 2009-10.
- A listing of other major projects funded by the TDF appears at right.

## Projects Funded by TDF Capital Project Money

- funding to leverage debt for the Boardwalk
- a contribution toward the purchase of the 42 acres beside the Convention Center where the Sports Center is located
- capital contributions toward acquisition of the Sports Center
- Ocean Blvd. streetscape, 2<sup>nd</sup> to 9<sup>th</sup> Avenue
- renewal and replacement at the Baseball Stadium
- renovations to Chapin Park
- reconstruction of Dune Walkovers
- ADA ramps at Ocean Boulevard
- various traffic system improvements on major arteries