

AN EMERGENCY ORDINANCE

CREATING A NEW ARTICLE III (TAXES) TO CHAPTER 32 (EMERGENCY ORDINANCES (COVID-19)) TO THE CODE OF ORDINANCES OF THE CITY OF CHARLESTON, AND ADDING A NEW SEC. 32-30 THERETO, EXTENDING THE DUE DATE FOR FILING AND REMITTANCE OF HOSPITALITY TAXES FOR FEBRUARY AND MARCH TO MAY 13, 2020.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCILMEMBERS OF CHARLESTON, IN CITY COUNCIL ASSEMBLED:

Section 1. That Sec. 32-30 is hereby added to Article III (TAXES) of Chapter 32 (EMERGENCY ORDINANCES (COVID-19)) of the Code of the City of Charleston, to read as follows:

**ARTICLE III. – TAXES.**

**Sec. 32-30. Hospitality Tax Extension.**

A. Findings. City Council hereby finds as follows:

1. Pursuant to section 5-7-250(d) of the South Carolina Code and Sec. 2-23(d) of the City Code, City Council may adopt emergency ordinances by the affirmative vote of at least two-thirds of the members of City Council to meet public emergencies affecting the life, health, safety or the property of the people.

2. An emergency ordinance is effective immediately upon its enactment without regard to any reading, public hearing, publication requirements, or public notice requirements.

3. Emergency ordinances shall expire automatically as of the sixty-first day following the date of enactment.

4. The COVID-19 pandemic has created a state of emergency in the City of Charleston, the State of South Carolina, the nation, and the world, which has drastically impacted the life, health, safety, and property of the people of the City.

5. Pursuant to section 6-1-720(a) of the South Carolina Code, City Council adopted Sec. 2-270 of the City Code, imposing a local hospitality tax based on the gross proceeds derived from the sales of prepared meals, food, and beverages by certain establishments within the City.

6. Based on the present natural disaster known as the COVID-19 pandemic and the state of emergency caused as a result, local hospitality taxes collected for February are required to be remitted to the City's Revenue Collections Division, with appropriate forms, on or before March 30, 2020, and local hospitality taxes collected for March are required to be remitted to the City's Revenue Collections Division, with appropriate forms, on or before April 30, 2020.

7. The food and beverage industry has played a vital role in the growth of Charleston, economically and in other respects. The food and beverage industry within the City has substantially contributed to the City becoming the number one tourist destination in the world.

8. The COVID-19 pandemic has had a devastating impact on the food and beverage industry in Charleston. Owners and employees of restaurants and similar establishments in the City were the first to close their doors—many voluntarily—at the beginning of the pandemic. Even after closing their doors to public gatherings, many food and beverage establishments have continued to serve the City and its residents by remaining open for take-out orders or setting up delivery services. The City recognizes the tremendous moral obligation owed to such owners and their employees, many of whom also reside in the City, for their significant sacrifice during these very difficult times.

9. Notwithstanding the unmistakably positive *economic* impact that the City’s food and beverage industry has had on the City, such establishments also have a significant positive impact on the health and welfare of the City’s residents. In fact, this time of unprecedented isolation emphasizes the important role of the City’s food and beverage establishments in bringing people together, helping people celebrate life’s blessings; sympathize in life’s difficulties; reinforce relationships with existing friends and family; acquaint with old friends; and meet new ones. The City’s food and beverage establishments create and solidify the social, business, political, religious, civic, and familial relationships reflected in the City’s unique culture.

10. A full recovery of the City’s food and beverage industry after the demise of the current pandemic is critical to the full recovery of the health, welfare, culture, and economy of the City and its residents.

11. A grace period on the filing and remittance of hospitality taxes to the City by food and beverage establishments serves a compelling government interest in substantially increasing the ability of such establishments to reopen after the pandemic resides, preserving the important positive impact of such establishments on the health, welfare, culture, and economy of the City. Such a grace period will prevent these already burdened establishments from having to spend additional time and money to prepare and file reports on gross proceeds and remit hospitality taxes, and help encourage owners and their agents and employees to stay at home and/or focus on their take-out or drive-through services, without the burden of dealing with these administrative issues at this time.

B. Extension of Time. Based on the foregoing findings, and to further the important community and governmental interests set forth therein, the filing of returns and remittance of the local hospitality taxes collected by establishments in February 2020 and March 2020 is extended to May 13, 2020. No interest or penalties shall accrue on any unpaid amounts during such time.

Section 2. Non-Binding Notice of Intent. To the extent necessary based on the COVID-19 pandemic, City Council hereby provides notice of its intent to extend the date for filing returns

and remitting local hospitality taxes required by Sec. 2-270 for February, March, April, and May, to June 20, 2020. This notice of intent shall not be binding on City Council. This notice of intent shall not preclude City Council from extending the date for filing returns and remitting taxes for a longer or shorter period of time or from adjusting the deadlines for the filing of any particular month's returns pursuant to a subsequent emergency ordinance.

Section 3. Pursuant to section 5-7-250(d) of the South Carolina Code and Sec. 2-23(d) of the City Code, this Ordinance shall become effective immediately upon its enactment and shall expire on May 13, 2020, unless extended by separate emergency ordinance.

Ratified in City Council this \_\_\_ day of \_\_\_\_\_ in the year of Our Lord, 2020, in the \_\_\_ Year of the Independence of the United States of America.

By: \_\_\_\_\_  
John J. Tecklenburg, Mayor

ATTEST:

By: \_\_\_\_\_  
Vanessa Turner Maybank  
Clerk of Council