

GUIDELINES FOR CITY OF CAYCE HOSPITALITY TAX AND ACCOMMODATIONS TAX GRANT FUNDING FOR FY2024-2025

The City of Cayce allocates a portion of local hospitality taxes and accommodations taxes for the purpose of funding the operation and maintenance of current tourism-related facilities, projects, and events that promote quality of life, tourism, and recreation. This funding is made available to nonprofit organizations that wish to host events within Cayce's city limits that aim to promote and develop tourism through the generation of publicity and increased travel to the City of Cayce for the purposes of recreation and leisure.

FUNDING PRIORITIES

As required by the South Carolina Accommodations Tax Law (Section 6-4-10) and the Local Hospitality Tax Act (Section 6-1-730), projects must attract visitors to the City of Cayce. Priority will be given to expansive and unique projects that:

- Generate additional tourism-related tax dollars with the City of Cayce;
- Promote dining at restaurants and other eating and drinking establishments in the City of Cayce;
- Generate overnight stays in the City of Cayce lodging facilities;
- Construct new or enhance existing recreational facilities to include amenities and trails;
- Promote and highlight the City of Cayce's historic and cultural venues, recreational facilities, trails and events, and the uniqueness of the local community;
- Advertise and promote tourism so as to develop and increase tourist attendance through the generation of publicity;
- And promote arts and cultural events;

Accommodations and Hospitality Tax grant funds may not be used for:

- Regular operating activities of an organization;
- Fundraising expenses;
- Programming and marketing expenses associated with endowment campaigns; or
- Mortgage or loan payments.

ORGANIZATION ELIGIBILITY

- Applicant organizations must be in existence for at least one (1) year prior to requesting funds.
- Applicants must fall into one of the following categories:
 - Government entity.
 - Organizations exempt from federal income tax under Section 501(C) (3, 4, 5, 6, 7, 10) of the Internal Revenue Code and whose primary goal is to attract additional visitors through tourism promotion.
 - Destination marketing organizations which are recognized non-profit organizations charged with the responsibility of marketing tourism for the City of Cayce.
- Applicants must provide an Internal Revenue Service tax exempt determination letter.
- All projects and/or events must occur within the Cayce city limits.
- If funding is provided for a facility or facility improvements, the facility must be open to the public.
- If funding is provided for an event, the event must be marketed and open to the public.

- Grantee organizations may not re-grant Accommodations or Hospitality Tax funds to other organizations.
- Grantee organizations must be in good standing and without outstanding debt to the City of Cayce.
- The event or promotional opportunity must demonstrate a significant economic/cultural impact as it relates to tourism, which may be fulfilled by showing documented hotel room nights booked and/or the number of tourists traveling into Cayce from outside their home communities. Other means of documenting the impact on tourism will also be considered if they are clearly justified in the application.
- The City of Cayce will not award Hospitality Tax or Accommodations Tax funds to individuals, fraternity or sorority organizations, religious organizations, or organizations that support and/or endorse political campaigns.

HOSPITALITY TAX LAW

SC Code Section 6-1-730 states that revenue generated by the hospitality tax must be used exclusively for the following purposes:

1. Tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums
2. Tourism-related cultural, recreational, or historic facilities
3. Beach access and re-nourishment
4. Highways, roads, streets, and bridges providing access to tourist destinations
5. Advertisements and promotions related to tourism development
6. Water and sewer infrastructure to serve tourism-related demand

SC Code Section 6-1-760 (a) defines “tourist” as a person who does not reside in but rather enters temporarily, for reasons of recreation or leisure, the jurisdictional boundaries of a municipality for a municipal project or the immediate area of the project for a county project.

STATE ACCOMMODATIONS TAX LAW

SC Code Section 6-4-5 (4) states that “travel” and “tourism” mean the action and activities of people taking trips outside of their home communities for any purpose, except daily commuting to and from work. A tourist is generally one that comes from 50 miles outside of the jurisdiction.

SC Code Section 6-4-10 (3) defines tourism-related expenditures as follows:

1. Advertising and promotion of tourism to increase tourism attendance through the generation of publicity
2. Promotion of the arts and cultural events
3. Construction, maintenance, and operation of facilities for civic and cultural activities, including construction and maintenance of utilities for such facilities
4. The criminal justice system, law enforcement, fire protection, solid waste collection and health facilities, when required, to serve tourists and tourism facilities. This is based on the estimated percentage of costs directly attributable to tourists.
5. Public facilities such as restrooms, dressing rooms, parks and parking lots
6. Tourist shuttle transportation
7. Control and repair of erosion from water
8. Operating visitor information centers

*For the purposes of this grant application, the City of Cayce is only considering tourism advertising and promotion expenses such as: print media, billboards, radio, television, and web-based media. Promotion expenses may not include souvenirs, prizes, give-a-ways, awards, trophies, or any other type of operational expense. Promotional materials for the event/project must include the statement: "Funding assistance provided by City of Cayce (Hospitality/Accommodations) Tax".

PROCEDURES AND CONDITIONS

Nonprofit organizations interested in applying for Hospitality Tax or Accommodations Tax funding must submit the formal application provided and provide required supporting documentation. All applications will be reviewed by the respective Hospitality Tax Committee or Accommodations Tax Committee, who is responsible for determining the best use of available funding. The committees will forward funding recommendations to the City Manager for review before they are sent to City Council for final review and adoption. Applicants may be required to make a presentation to City Council. Applicants will be notified if such a presentation is requested.

Grant Awards/Payments

Hospitality Tax grants are reimbursable awards. The City will issue a grant award check after the submission of a reimbursement request form documenting all related expenses with copies of receipts, invoices and cleared checks. City staff will review all reimbursement requests and documentation and compare them against the original grant application and award criteria. Expenses not previously identified in the application will not be reimbursed.

Project/Event vendors will not be paid directly by the City of Cayce. Grant checks will only be written to the approved applicant. The approved applicant will be responsible for providing an IRS Form W-9, Statement of Assurance, and a full budget for the project on file to receive reimbursement.

All grant reimbursement requests must be submitted by June 30, 2025. Any unspent grant funding after this date will be re-awarded in the next fiscal year.

Reporting Requirements

Within 30 days following completion of the project or event, the applicant must submit a final project report. The report must include:

- The number of people that attended the event.
- The number of attendees from outside Cayce city limits.
- The means by which the attendance number was determined (sign-in log, zip code request, etc.).
- The final budget, including both income and expenses.
- Copies of all advertisements or promotional materials associated with the project.
- Up to five photographs of the project/event, including one photo exhibiting acknowledgment of the City of Cayce through receipt of the grant funds.

Failure to submit the final report may result in a delay in processing reimbursement requests.