
From: Tom Herron <thomaskherron@gmail.com>
Sent: Tuesday, May 31, 2016 11:20 AM
To: Haley, Nikki
Cc: Webb, Beth
Subject: Thanks for your Veto! Here's Everything That's Wrong with the Myrtle Beach Tourism Tax!

Dear Governor Haley:

Although it appears that the ongoing corruption and unethical behavior of Myrtle Beach leaders and the Horry County delegation cannot be halted, many of us appreciate your continued opposition to the Myrtle Beach Tourism Development Fee (TDF) and your Veto of it, which is almost surely to be overridden (too bad we can't find a Senator somewhere else to sign the bill - kill it before it sees the light of day, but I guess were too late for that!).

As you will recall, somewhat painfully from 7 years ago, I was the one who discovered the Coastal Kickback Scandal / Chambergate scandal - and have paid a dear price for it, with the perpetrators virtually preventing me for securing any work here since then. Some call me, somewhat humorously, "Herron Brockovich!"

Here, for your edification and additional review, is my summary of the 10 major things wrong with or that should be changed by the General Assembly before they "renew" this horrendous piece of legislation!

Respectfully,

Thomas K. Herron, Founder
Up With America

"All tyranny needs to gain a foothold is for people of good conscience to remain silent." - Thomas Jefferson

Here are the points that I believe **MUST** be addressed - especially on a matter that over the next 13 years will amount to something on the order of almost \$ 1/2 Billion!

- 1. Negative Impact on Tourism:** Raising retail sales taxes on our own residents and our vital visitors, even if only by 1-penny (still a 10% increase) is risky business
- 2. No Referendum is unfair and un-American:** Raising retail sales taxes on our own residents and our vital visitors without a referendum is fundamentally un-American
- 3. Why do the authorities fear a Referendum:** The City, Chamber and apparently our local legislative delegation believe that area residents overwhelmingly support such a referendum. If that's the case, what's the fear of a referendum?
- 4. Timing of a Referendum:** The City and Chamber apparently supported by our local legislative delegation, believe that such a referendum should not or "must not" be held at the same time as other elections - an obvious and direct attempt to dramatically reduce voter participation. If a referendum on the Penny Tax (TDF) were to be held on November 8th along with the national presidential election and those of major offices throughout the

area, voter turnout is estimated to be as high as 65% of all registered voters. If a special election referendum is scheduled, voter turnout will have been intentionally reduced to as little as 10% of registered voters, or less - and cost these same taxpayers additional and unnecessary funds to reopen the polls throughout the City.

5. TDF Penalizes the Middle & Lower Class: It is patently unfair that the ONLY citizens who are compensated for paying an extra penny in retail sales taxes are those who own property inside the City limits. America doesn't have classes of citizens. This law is an attack on people who are renters - by choice or by financial circumstance. And IF they are renters, they are STILL paying BOTH the TDF penny AND the property taxes through their rent payments.

6. Demand Full Oversight & Accountability: Even if a majority of citizens, or even a majority of members of the Legislature, believe that adding a 1-cent sales tax to pay for Tourism Marketing is a good idea and a good way of raising money for Tourism promotion, the Legislature and the City Council must DEMAND full, complete and transparent accountability and oversight for the issuance of contracts by RFP and the spending of every dime of tourism promotion funds.

7. Demand No Pennies Spent Locally Telling Voters "It's Working:" The Legislature and City Council should demand that not one single penny of these TDF funds be spent on local (Horry County) media promoting the supposed success or value of these funds to the very same residents and tourists who are paying the fee. Paying local media, especially Radio, TV and newspapers to run ads telling taxpayers that the money they have no choice but to spend and had not VOICE in spending is working is an absurd and unfair proposition.

8. Demand that No Pennies Can be redirected into the campaign coffers of elected officials. Self Explanatory.

9. Retail & Commercial Businesses have technically moved OUT of the City to avoid the tax: Even before the first pennies were collected 7 years ago, commercial firms ... especially those selling hard goods and competing with firms OUTSIDE the City Limits (carpeting, appliances, etc.), began opening "fake" offices outside the City Limits to avoid paying the tax and that condition persists until this very day!

10. Demand No Pennies Collected OUTSIDE the City Limits: The TDF requires for the collection and payment of an additional one penny (1-cent) in retail sales taxes "within the City limits of Myrtle Beach." Proof abounds that hundreds, even thousands of businesses that are outside the Myrtle Beach City Limits are collecting the additional 1-cent sales tax or TDF because they have a "Myrtle Beach" ZIP Code. Classic examples are businesses in Socastee, whose mailing address is "Myrtle Beach, SC 29588" and/or Carolina Forest, which doesn't officially exist based on the USPS, is listed as "Myrtle Beach, SC 29579!" Estimates are that as much as 25-40% of all TDF fees collected are by businesses OUTSIDE of the city limits.

If the City and the Chamber and the Local Delegation truly believe that this TDF is the best and/or ONLY means of raising funds to expand tourism, then that means they also agree that the TDF is good for local employment and therefore even low-wage workers should be in favor of spending an extra penny on almost everything. If this TDF is as good for renters as it is for owners, then it must be as good for Charleston, Greenville and Columbia as it is for Myrtle Beach.

BOTTOM LINE: IF THE TDF is as good as the Myrtle Beach Chamber of Commerce, the Grand Strand Business Alliance, the City Council and the Legislative Delegation say it is, prove it and expand it and most of all, let the public agree and vote on it!