



April 10, 2019

**The Honorable Johnny Gardner
Chairman
Horry County Council
P.O. Box 1236
Conway, SC 29528**

Dear Chairman Gardner,

Thank you for your letter of April 3, 2019 concerning Horry County Council's proposed allocation of Hospitality Fee (Tax) revenues. While your desired approach makes sense for Horry County government's objectives, it does not make complete sense for the City of North Myrtle Beach.

- 1. Horry County illegally imposed the Hospitality Fee (Tax) within the City of North Myrtle Beach. Only the City has the right to impose the Fee (Tax) within its jurisdiction, and only the City has the right to allocate the collected revenue.**
- 2. City funds should not go to pay for County services that our citizens do not receive. We have studied Horry County's budget in depth. Very generally, North Myrtle Beach has a population of about 15,000 people, representing about 5% of Horry County's population. However, when you consider that Horry County, via property tax, etcetera, collects about \$30 million from within the City of North Myrtle Beach and in return provides our citizens with about \$7 million worth of services, it is clear that significant inequities exist.**
- 3. We are not opposed to helping to fund I-73 or helping to support those County services that actually benefit our citizens but City Council will decide those allocations.**
- 4. There is much to discuss but the City has been identified as a member of a potential class in litigation of the Hospitality Fee (Tax) and A-Tax issues, and we cannot negotiate with Horry County unless Horry County signs the 408 Agreement.**

There are potential paths forward that could potentially fulfill everyone's needs.

Sincerely,

**Marilyn Hatley
Mayor**