



REQUEST FOR COUNCIL ACTION

City of Greenville, South Carolina

Agenda Item No.

16a

TO: Honorable Mayor and Members of City Council
FROM: John F. McDonough, City Manager

Ordinance/First Reading Ordinance/Second & Final Reading Resolution/First & Final Reading Information Only

AGENDA DATE REQUESTED: May 10, 2021

ORDINANCE/RESOLUTION CAPTION:

RESOLUTION AUTHORIZING THE CITY MANAGER AND THE CITY ATTORNEY TO TAKE ALL NECESSARY ACTION TO MAKE THE CITY A PARTY TO A LAWSUIT SEEKING RECOVERY OF UNPAID LOCAL ACCOMMODATIONS AND BUSINESS LICENSE TAXES WITH RESPECT TO SHORT TERM RENTALS; AND MATTERS RELATED THERETO

SUMMARY BACKGROUND:

This Resolution authorizes the City to join a pending lawsuit in the Charleston County Court of Common Pleas seeking the collection of past-due accommodations fees, accommodations taxes and business license taxes from various companies that book stays at short-term rental properties within the City.

IMPACT IF DENIED:

If denied, the City will not join the lawsuit.

FINANCIAL IMPACT:

The City's portion of any recovery from the lawsuit, less attorney's fees to be paid on a contingency basis.

REQUIRED SIGNATURES

Department Director _____

OMB Director _____

City Attorney Michael Pitts

City Manager John McDonough

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A R E S O L U T I O N

A RESOLUTION AUTHORIZING THE CITY MANAGER AND THE CITY ATTORNEY TO TAKE ALL NECESSARY ACTION TO MAKE THE CITY A PARTY TO A LAWSUIT SEEKING RECOVERY OF UNPAID LOCAL ACCOMMODATIONS AND BUSINESS LICENSE TAXES WITH RESPECT TO SHORT TERM RENTALS; AND MATTERS RELATED THERETO

WHEREAS, there are a number of Short-Term Rentals (“STRs”) located and operating within the city of Greenville (“City”); and

WHEREAS, the booking of STRs in the City is largely, if not exclusively, handled through travel companies or short-term rental companies operating through on-line platforms (collectively, the “STR Companies”); and

WHEREAS, the STR Companies are required to collect and remit local accommodations fees and taxes to the City pursuant to Chapter 40, Article III of the Code of Ordinances of the City of Greenville (“City Code”); and

WHEREAS, the STR Companies are additionally required to obtain a business license from the City and to annually pay business licenses taxes pursuant to Chapter 8, Article II, Division 1 of the City Code; and

WHEREAS, upon information and belief, the STR Companies have failed and/or refused to fully remit said taxes to the City throughout the entire period of time they have been transacting business in the City; and

WHEREAS, a number of local South Carolina local jurisdictions have filed a lawsuit in the Court of Common Pleas for the Ninth Judicial Circuit styled *City of Charleston, et al. v. AIRBNB, Inc., et al.*, C.A. No. 2021-CP-10-1650 seeking collection of local accommodations and business license taxes pursuant to their respective local ordinances (the “Lawsuit”); and

WHEREAS, the City desires to join in the Lawsuit as a Plaintiff;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF GREENVILLE, SOUTH CAROLINA, the City Manager and City Attorney are authorized to engage the services of the law firm of Thurmond Kirchner & Timbes, P.A. for the purposes of representing the City’s interests in the Lawsuit, and the City Manager and City Attorney are further authorized to take whatever additional action is necessary in order to prosecute the City’s claims as outlined herein.

RESOLVED THIS _____ DAY OF _____, 2021.

MAYOR

Attest:

DEPUTY CITY CLERK