

By: Representative Robertson

To: Local and Private  
Legislation; Ways and  
Means

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1699

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF  
2 HERNANDO, MISSISSIPPI, TO LEVY A TAX UPON THE GROSS PROCEEDS  
3 DERIVED FROM HOTEL AND MOTEL ROOM RENTALS IN THE CITY; TO PROVIDE  
4 FOR A PETITION ELECTION ON THE QUESTION OF IMPOSING SUCH A TAX; TO  
5 PROVIDE THAT THE TAX SHALL BE COLLECTED BY THE STATE TAX  
6 COMMISSION AND PAID TO THE CITY OF HERNANDO; TO PROVIDE THAT THE  
7 PROCEEDS FROM THE TAX SHALL BE USED FOR THE PURPOSE OF PROMOTING  
8 THE ATTRIBUTES OF THE CITY; AND FOR RELATED PURPOSES.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

10 SECTION 1. As used in this act, the following terms shall  
11 have meanings ascribed in this section unless otherwise clearly  
12 indicated by the context in which they are used:

13 (a) "Governing authorities" means the governing  
14 authorities of the City of Hernando, Mississippi.

15 (b) "Hotel" or "motel" means any establishment engaged  
16 in the business of furnishing or providing rooms intended or  
17 designed for dwelling, lodging or sleeping purposes to transient  
18 guests and which are known in the trade as such. The term "hotel"  
19 or "motel" does not include any hospital, convalescent or nursing  
20 home or sanitarium, or any hotel-like facility operated by or in  
21 connection with a hospital or medical clinic providing rooms  
22 exclusively for patients and their families.

23 SECTION 2. (1) For the purpose of providing funds to  
24 promote the attributes of the City of Hernando, Mississippi, the  
25 governing authorities of the City of Hernando, in their  
26 discretion, are authorized to levy and collect from every person,  
27 firm or corporation operating a hotel or motel in the city a tax,  
28 which shall be in addition to all other taxes and assessments  
29 imposed, which shall not exceed one percent (1%) of the gross

30 proceeds derived from room rentals of all such hotels or motels in  
31 the city, excluding charges for food, telephone, laundry,  
32 beverages and similar charges. The tax shall not be levied upon  
33 or collected from gross proceeds derived from room rentals for day  
34 meetings where the room does not serve as overnight sleeping  
35 accommodations.

36 (2) Persons, firms or corporations liable for the tax  
37 imposed under subsection (1) of this section shall add the amount  
38 of the tax to the sales price and shall collect, insofar as is  
39 practicable, the amount of the tax due by him from the person  
40 receiving the services or product at the time of payment therefor.

41 (3) Such tax shall be collected by and paid to the State Tax  
42 Commission on a form prescribed by the State Tax Commission in the  
43 same manner that state sales taxes are computed, collected and  
44 paid; and the full enforcement provisions and all other provisions  
45 of Chapter 65, Title 27, Mississippi Code of 1972, shall apply as  
46 necessary to the implementation and administration of this act.

47 (4) The proceeds of such tax, less three percent (3%)  
48 thereof which shall be retained by the State Tax Commission to  
49 defray the costs of collection, shall be paid to the governing  
50 authorities on or before the fifteenth day of the month following  
51 the month in which collected.

52 (5) The proceeds of such tax shall not be considered by the  
53 City of Hernando as general fund revenues but shall be dedicated  
54 to and expended solely for the purposes specified in this section.

55 SECTION 3. Before the tax authorized by this act may be  
56 imposed, the governing authorities shall adopt a resolution  
57 declaring their intention to levy the tax, setting forth the  
58 amount of such tax and establishing the date on which the tax  
59 initially shall be levied and collected. Notice of the proposed  
60 tax shall be published once each week for at least three (3)  
61 consecutive weeks in a newspaper having a general circulation in  
62 the City of Hernando. The first publication of the notice shall  
63 be made not less than twenty-one (21) days before the date fixed  
64 in the resolution on which the tax initially is to be levied and  
65 collected, and the last publication of the notice shall be made  
66 not more than seven (7) days before such date. If, within the

67 time of giving notice, twenty percent (20%) or fifteen hundred  
68 (1500), whichever is less, of the qualified electors of the City  
69 of Hernando, file a written petition against the levy of such tax,  
70 then the tax shall not be levied unless authorized by a majority  
71 of the qualified electors of the City of Hernando, voting at an  
72 election to be called and held for that purpose. At least thirty  
73 (30) days before the effective date of the tax, the governing  
74 authorities shall furnish to the State Tax Commission a certified  
75 copy of the resolution evidencing such tax.

76 SECTION 4. Accounting for receipts and expenditures of the  
77 funds described in this act shall be made separately from the  
78 accounting of receipts and expenditures of the general fund and  
79 any other funds of the City of Hernando. The records reflecting  
80 the receipts and expenditures of the funds prescribed in this act  
81 shall be audited annually by an independent certified public  
82 accountant, and the accountant shall make a written report of his  
83 audit to the governing authorities. The audit shall be made and  
84 completed as soon as practicable after the close of the fiscal  
85 year, and expenses of such audit shall be paid from the funds  
86 derived pursuant to this act.

87 SECTION 5. The governing authorities of the City of  
88 Hernando, Mississippi, shall submit this act, immediately upon  
89 approval by the Governor, or upon approval by the Legislature  
90 subsequent to a veto, to the Attorney General of the United States  
91 or to the United States District Court for the District of  
92 Columbia in accordance with the provisions of the Voting Rights  
93 Act of 1965, as amended and extended.

94 SECTION 6. This act shall take effect and be in force from  
95 and after the date it is effectuated under Section 5 of the Voting  
96 Rights Act of 1965, as amended and extended.