

By: Representative Robertson

To: Local and Private  
Legislation; Ways and  
Means

HOUSE BILL NO. 1699  
(As Sent to Governor)

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, as  
25 they relate to tourism and economic development, and for promoting  
26 tourism and economic development, the governing authorities of the  
27 City of Hernando, in their discretion, are authorized to levy and  
28 collect from every person, firm or corporation operating a hotel  
29 or motel in the city a tax, which shall be in addition to all

30 other taxes and assessments imposed, which shall not exceed one  
31 percent (1%) of the gross proceeds derived from room rentals of  
32 all such hotels or motels in the city, excluding charges for food,  
33 telephone, laundry, beverages and similar charges. The tax shall  
34 not be levied upon or collected from gross proceeds derived from  
35 room rentals for day meetings where the room does not serve as  
36 overnight sleeping accommodations.

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

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

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

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

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

67 not more than seven (7) days before such date. If, within the  
68 time of giving notice, twenty percent (20%) or fifteen hundred  
69 (1500), whichever is less, of the qualified electors of the City  
70 of Hernando, file a written petition against the levy of such tax,  
71 then the tax shall not be levied unless authorized by a majority  
72 of the qualified electors of the City of Hernando, voting at an  
73 election to be called and held for that purpose. At least thirty  
74 (30) days before the effective date of the tax, the governing  
75 authorities shall furnish to the State Tax Commission a certified  
76 copy of the resolution evidencing such tax.

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

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

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