

By: Moffatt, Robertson

To: Local and Private;  
Finance

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 3312

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

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

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

15 (a) "Governing authorities" means the governing  
16 authorities of the City of Gautier, Mississippi.

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

26 SECTION 2. (1) For the purpose of providing funds for  
27 economic development and capital improvements for economic  
28 development in the Gautier, Mississippi area, including, but not  
29 limited to, providing support for economic and tourism  
30 advertising, providing support for a small business incubator,

31 providing support for business and industrial parks and providing  
32 support for tourist attractions, the governing authorities of the  
33 City of Gautier, in their discretion, are authorized to levy and  
34 collect from every person, firm or corporation operating a hotel,  
35 motel or bed and breakfast in the city a tax, which shall be in  
36 addition to all other taxes and assessments imposed, which shall  
37 not exceed two percent (2%) of the gross proceeds derived from  
38 room rentals of all such hotels, motels or bed and breakfasts in  
39 the city.

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

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

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

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

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

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

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

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

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