

By: Representative Hudson

To: Local and Private
Legislation; Ways and Means

HOUSE BILL NO. 1878

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 MONTICELLO TO LEVY A TAX UPON THE GROSS PROCEEDS OF SALES FROM
3 HOTEL AND MOTEL ROOM RENTALS IN THE CITY AND GROSS PROCEEDS OF
4 SALES OF RESTAURANTS AND SUCH OTHER BUSINESSES WHERE PREPARED FOOD
5 AND DRINK IS SOLD TO THE PUBLIC; TO PROVIDE FOR A PETITION
6 ELECTION ON THE QUESTION OF IMPOSING THE TAX; TO PROVIDE THAT THE
7 PROCEEDS OF SUCH TAX SHALL BE USED FOR THE PROMOTION OF TOURISM IN
8 THE CITY OF MONTICELLO AND LAWRENCE COUNTY; AND FOR RELATED
9 PURPOSES.

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

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

14 (a) "City clerk" means the City Clerk for the City of
15 Monticello, Mississippi.

16 (b) "Governing authorities" means the governing
17 authorities of the City of Monticello, Mississippi.

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

26 (d) "Prepared food" means food prepared on the premises
27 of a restaurant.

28 (e) "Restaurant" means all places where prepared food
29 and beverages are sold for consumption, whether such food is
30 consumed on the premises or not. Such term does not include any



31 school, hospital, convalescent or nursing home, or any
32 restaurant-like facility operated by or in connection with a
33 school, hospital, medical clinic, convalescent or nursing home
34 providing food for students, patients, visitors or their families.

35 **SECTION 2.** (1) For the purpose of providing funds for the
36 promotion of tourism in the City of Monticello, the governing
37 authorities, in their discretion, may levy and collect from
38 persons, firms or corporations specified in this act, a tax, which
39 shall be in addition to all of the taxes and assessments imposed.
40 The tax shall be imposed upon the following:

41 (a) A tax upon every person, firm or corporation
42 operating a hotel or motel in the City of Monticello, at a rate
43 not to exceed two percent (2%) of the gross proceeds of sales from
44 room rentals for each such hotel or motel.

45 (b) A tax upon every person, firm or corporation
46 operating a restaurant or such other business in the City of
47 Monticello, where prepared food and drink is sold to the public,
48 at a rate not to exceed two percent (2%) of the gross proceeds of
49 the sales of such restaurant or business.

50 (2) Persons, firms or corporations liable for the tax under
51 this section shall add the amount of the tax to the sales price
52 and, in addition, shall collect, insofar as is practicable, the
53 amount of the tax due by them from the person receiving the
54 services or product at the time of payment therefor.

55 (3) Such tax shall be collected by and paid to the State Tax
56 Commission on a form prescribed by the State Tax Commission in the
57 same manner that state sales tax is computed, collected and paid;
58 and the full enforcement provisions and all other provisions of
59 Chapter 65, Title 27, Mississippi Code of 1972, shall apply as
60 necessary to the implementation and administration of this act.

61 (4) The proceeds of such tax, less three percent (3%)
62 thereof which shall be retained by the State Tax Commission to
63 defray the cost of collection, shall be paid to the city clerk for



64 and on behalf of the City of Monticello on or before the fifteenth
65 day of the month following the month in which collected.

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

69 **SECTION 3.** Before any tax authorized under this act may be
70 imposed, the governing authorities of the City of Monticello shall
71 adopt a resolution declaring its intention to levy the tax,
72 setting forth the amount of such tax to be imposed, the date upon
73 which such tax shall become effective and calling for a referendum
74 to be held on the question. The date of the election shall be the
75 first Tuesday after the first Monday in November 2002. Notice of
76 such intention shall be published once each week for at least
77 three (3) consecutive weeks in a newspaper published or having a
78 general circulation in the county, with the first publication of
79 such notice to be made not less than twenty-one (21) days before
80 the date fixed in the resolution for the election and the last
81 publication to be made not more than seven (7) days before the
82 election. At the election, all qualified electors of the City of
83 Monticello may vote, and the ballots used in such election shall
84 have printed thereon a brief statement of the amount and purposes
85 of the proposed tax levy and the words "FOR THE TOURISM PROMOTION
86 TAX" and, on a separate line, "AGAINST THE TOURISM PROMOTION TAX"
87 and the voters shall vote by placing a cross (X) or check (✓)
88 opposite their choice on the proposition. When the results of any
89 such election shall have been canvassed and certified, the city
90 may levy the tax beginning on the first day of January 2003, if a
91 majority of the qualified electors who vote in the election vote
92 in favor of the tax. At least thirty (30) days before the
93 effective date of the tax provided in this section, the governing
94 authorities shall furnish to the State Tax Commission a certified
95 copy of the resolution evidencing such tax.



96 **SECTION 4.** Accounting for receipts and expenditures of the
97 funds described in this act shall be made separately from the
98 accounting of receipts and expenditures of the general fund and
99 any other funds of the City of Monticello. The records reflecting
100 the receipts and expenditures of the funds prescribed herein shall
101 be audited annually by an independent certified public accountant,
102 and the accountant shall make a written report of his audit to the
103 governing authorities. The audit shall be made and completed as
104 soon as practicable after the close of the fiscal year, and
105 expenses of such audit shall be paid from the funds derived
106 pursuant to this act.

107 **SECTION 5.** The governing authorities of the City of
108 Monticello shall submit this act, immediately upon approval by the
109 Governor, or upon approval by the Legislature subsequent to a
110 veto, to the Attorney General of the United States or to the
111 United States District Court for the District of Columbia in
112 accordance with the provisions of the Voting Rights Act of 1965,
113 as amended and extended.

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

