

By: Senator(s) Posey

To: Local and Private;  
Finance

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 3206

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF  
2 HAZLEHURST TO LEVY A TAX UPON THE GROSS PROCEEDS OF HOTELS AND  
3 MOTELS DERIVED FROM ROOM RENTALS AND UPON THE GROSS PROCEEDS OF  
4 SALES OF RESTAURANTS; TO PROVIDE THAT SUCH TAX SHALL BE COLLECTED  
5 BY THE STATE TAX COMMISSION; TO PROVIDE THAT THE REVENUE RECEIVED  
6 BY THE CITY OF HAZLEHURST FROM SUCH TAX SHALL BE DEDICATED AND  
7 EXPENDED SOLELY FOR TOURISM DEVELOPMENT, RETAIL/WHOLESALE  
8 MANUFACTURING AND RESIDENTIAL GROWTH, INCLUDING DESIGNATION AS A  
9 RETIREMENT COMMUNITY, AND ANY OTHER RELATED ECONOMIC DEVELOPMENT,  
10 TOURISM DEVELOPMENT OR COMMUNITY PURPOSE PROMOTIONS; AND FOR  
11 RELATED PURPOSES.

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

13 **SECTION 1.** As used in this act, the following terms shall  
14 have the meanings ascribed to them in this section unless a  
15 different meaning is clearly indicated by the context in which  
16 they are used:

17 (a) "Governing authorities" means the Mayor and Board  
18 of Aldermen of the City of Hazlehurst, Mississippi.

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

28 (c) "Restaurant" means all places, including hotel and  
29 motel dining rooms, cafeterias, cafes, lunch stands, grocery and  
30 convenience stands, where prepared food and beverages, including  
31 beer and alcoholic beverages, are sold for consumption, whether



32 such food is consumed on the premises or not. The term  
33 "restaurant" does not include any school, hospital, convalescent  
34 or nursing home, or any restaurant-like facility operated by or in  
35 connection with a school, hospital, medical clinic, convalescent  
36 or nursing home providing food for students, patients, visitors or  
37 their families. The term "restaurant" does not include any  
38 facility that derives less than fifty percent (50%) of its revenue  
39 from the sale of prepared food and beverages.

40 (d) "Prepared food" means food prepared on the premises  
41 of a restaurant.

42 **SECTION 2.** (1) For the purpose of providing funds for the  
43 promotion and marketing of the attributes of the City of  
44 Hazlehurst for tourism development, retail/wholesale manufacturing  
45 and residential growth, including designation as a retirement  
46 community, and any other related economic development, tourism  
47 development or community purpose promotions, the governing  
48 authorities of the City of Hazlehurst are authorized, in their  
49 discretion, to levy and collect from the following persons a tax,  
50 which shall be in addition to all of the taxes and assessments  
51 imposed. The tax shall be on the following persons:

52 (a) A tax upon every person, firm or corporation  
53 operating a hotel, motel or bed and breakfast in the City of  
54 Hazlehurst, at a rate not to exceed one percent (1%) of the gross  
55 proceeds derived from room rentals; and

56 (b) A tax upon every person, firm or corporation  
57 operating a restaurant in the City of Hazlehurst, at a rate not to  
58 exceed one percent (1%) of the gross proceeds of the sales of beer  
59 and alcoholic beverages sold for consumption on the premises of  
60 such restaurant and the sales of all prepared foods of such  
61 restaurant whether consumed on the premises or off the premises of  
62 such restaurant.

63 (2) Persons, firms or corporations liable for the levy  
64 imposed under subsection (1) of this section shall add the amount



65 of the levy to the sales price of the rooms and products set out  
66 in subsection (1) of this section and shall collect, insofar as is  
67 practicable, the amount of the tax due by them from the person  
68 receiving the services or product at the time of payment therefor.

69 (3) Such tax shall be collected by and paid to the State Tax  
70 Commission on a form prescribed by the State Tax Commission in the  
71 manner that state sales taxes are computed, collected and paid;  
72 and full enforcement provisions and all other provisions of  
73 Chapter 65, Title 27, Mississippi Code of 1972, shall apply as  
74 necessary to the implementation and administration of this act.

75 (4) The proceeds of such tax, less three percent (3%)  
76 thereof which shall be retained by the State Tax Commission to  
77 defray the cost of collection, shall be paid to the governing  
78 authorities of the City of Hazlehurst, on or before the fifteenth  
79 day of the month in which collected.

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

83 **SECTION 3.** Before any tax authorized under this act may be  
84 imposed, the governing authorities shall adopt a resolution  
85 declaring its intention to levy the tax, setting forth the amount  
86 of such tax to be imposed, the date upon which such tax shall  
87 become effective and calling for a referendum to be held on the  
88 question. The date of the election shall be the first Tuesday  
89 after the first Monday in November 2002. Notice of such intention  
90 shall be published once each week for at least three (3)  
91 consecutive weeks in a newspaper published or having a general  
92 circulation in the county, with the first publication of such  
93 notice to be made not less than twenty-one (21) days before the  
94 date fixed in the resolution for the election and the last  
95 publication to be made not more than seven (7) days before the  
96 election. At the election, all qualified electors of the City of  
97 Hazlehurst may vote, and the ballots used in such election shall



98 have printed thereon a brief statement of the amount and purposes  
99 of the proposed tax levy and the words "FOR THE TAX" and, on a  
100 separate line, "AGAINST THE TAX" and the voters shall vote by  
101 placing a cross (X) or check (✓) opposite their choice on the  
102 proposition. When the results of any such election shall have  
103 been canvassed and certified, the city may levy the tax beginning  
104 on the first day of January 2003, if a majority of the qualified  
105 electors who vote in the election vote in favor of the tax. At  
106 least thirty (30) days before the effective date of the tax  
107 provided in this section, the governing authorities shall furnish  
108 to the State Tax Commission a certified copy of the resolution  
109 evidencing such tax.

110       **SECTION 4.** Accounting for receipts and expenditures of the  
111 funds described in this act must be made separately from the  
112 accounting of receipts and expenditures of the general fund and  
113 any other funds of the City of Hazlehurst. The records reflecting  
114 the receipts and expenditures of the funds prescribed in this act  
115 shall be audited annually by an independent certified public  
116 accountant, and the accountant shall make a written report of his  
117 audit to the governing authorities. The audit shall be made and  
118 completed as soon as practicable after the close of the fiscal  
119 year, and expenses of such audit shall be paid from the funds  
120 derived pursuant to this act.

121       **SECTION 5.** The governing authorities of the City of  
122 Hazlehurst are directed to submit this act, immediately upon  
123 approval by the Governor, or upon approval by the Legislature  
124 subsequent to a veto, to the Attorney General of the United States  
125 or to the United States District Court for the District of  
126 Columbia in accordance with the provisions of the Voting Rights  
127 Act of 1965, as amended and extended.

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

