MISSISSIPPI LEGISLATURE  
REGULAR SESSION 2003  

By: Representative Bowles (By Request)  
To: Local and Private Legislation; Ways and Means

HOUSE BILL NO. 1623

AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF HOUSTON TO LEVY A TAX UPON THE GROSS PROCEEDS OF HOTELS AND MOTELS DERIVED FROM ROOM RENTALS AND UPON THE GROSS PROCEEDS OF SALES OF RESTAURANTS; TO PROVIDE THAT SUCH TAX SHALL BE COLLECTED BY THE STATE TAX COMMISSION; TO PROVIDE THAT THE REVENUE RECEIVED BY THE CITY OF HOUSTON FROM SUCH TAX SHALL BE DEDICATED AND EXPENDED SOLELY TO PROMOTE TOURISM AND RETIRE THE DEBT AND MAINTAIN THE HIGHWAY 15 BYPASS RECREATIONAL AND TOURIST PROJECT; AND FOR RELATED PURPOSES.

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

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

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

(b) "Hotel," "motel" or "bed and breakfast" means any establishment engaged in the business of furnishing or providing six (6) or more rooms intended or designed for dwelling, lodging or sleeping purposes to transient guests and which are known in the trade as such. The term "hotel," "motel" or "bed and breakfast" does not include any hospital, convalescent or nursing home or sanitarium, or any hotel-like facility operated by or in connection with a hospital or medical clinic providing rooms exclusively for patients and their families.

(c) "Restaurant" means all places, including hotel and motel dining rooms, cafeterias, cafes, lunch stands, grocery and convenience stands, where prepared food and beverages, including beer and alcoholic beverages, are sold for consumption, whether such food is consumed on the premises or not. The term
"restaurant" does not include any school, hospital, convalescent
or nursing home, or any restaurant-like facility operated by or in
connection with a school, hospital, medical clinic, convalescent
or nursing home providing food for students, patients, visitors or
their families.

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

SECTION 2. (1) For the purpose of providing funds to
promote tourism in the City of Houston, and to retire the debt and
maintain the Highway 15 Bypass Recreational and Tourist Project,
the governing authorities of the City of Houston are authorized,
in their discretion, to levy and collect from the following
persons a tax, which shall be in addition to all of the taxes and
assessments imposed. The tax shall be on the following persons:

(a) A tax upon every person, firm or corporation
operating a hotel, motel or bed and breakfast in the City of
Houston, at a rate not to exceed two percent (2%) of the gross
proceeds derived from room rentals; and

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

(2) Persons, firms or corporations liable for the levy
imposed under subsection (1) of this section shall add the amount
of the levy to the sales price of the rooms and products set out
in subsection (1) of this section and shall collect, insofar as is
practicable, the amount of the tax due by them from the person
receiving the services or product at the time of payment therefor.

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

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

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

SECTION 3. Before the tax authorized by this act may be imposed, the governing authorities must adopt a resolution declaring their intention to levy the tax, setting forth the amount of such tax and establishing the date on which this tax initially shall be levied and collected. Notice of the tax shall be published once each week for at least three (3) consecutive weeks in a newspaper having a general circulation in the City of Houston, the first publication of which shall be made not less than twenty-one (21) days before the date on which the tax initially is to be levied and collected. If, within the time of giving notice, twenty percent (20%) or one thousand five hundred (1,500), whichever is less, of the qualified electors of the City of Houston, file a written petition against the levy of such tax, then such tax shall not be levied unless authorized by a majority of the qualified electors of the City of Houston voting at an election to be called and held for that purpose. At least thirty (30) days before the effective date of the tax, the governing authorities shall furnish to the State Tax Commission a certified copy of the resolution evidencing such tax.

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

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

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