

By: Representative Bowles (By Request)

To: Local and Private  
Legislation; Ways and Means

HOUSE BILL NO. 1623

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF  
2 HOUSTON TO LEVY A TAX UPON THE GROSS PROCEEDS OF HOTELS AND MOTELS  
3 DERIVED FROM ROOM RENTALS AND UPON THE GROSS PROCEEDS OF SALES OF  
4 RESTAURANTS; TO PROVIDE THAT SUCH TAX SHALL BE COLLECTED BY THE  
5 STATE TAX COMMISSION; TO PROVIDE THAT THE REVENUE RECEIVED BY THE  
6 CITY OF HOUSTON FROM SUCH TAX SHALL BE DEDICATED AND EXPENDED  
7 SOLELY TO PROMOTE TOURISM AND RETIRE THE DEBT AND MAINTAIN THE  
8 HIGHWAY 15 BYPASS RECREATIONAL AND TOURIST PROJECT; AND FOR  
9 RELATED 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 to them in this section unless a  
13 different meaning is clearly indicated by the context in which  
14 they are used:

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

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

26 (c) "Restaurant" means all places, including hotel and  
27 motel dining rooms, cafeterias, cafes, lunch stands, grocery and  
28 convenience stands, where prepared food and beverages, including  
29 beer and alcoholic beverages, are sold for consumption, whether  
30 such food is consumed on the premises or not. The term



31 "restaurant" does not include any school, hospital, convalescent  
32 or nursing home, or any restaurant-like facility operated by or in  
33 connection with a school, hospital, medical clinic, convalescent  
34 or nursing home providing food for students, patients, visitors or  
35 their families.

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

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

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

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

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

60 (3) Such tax shall be collected by and paid to the State Tax  
61 Commission on a form prescribed by the State Tax Commission in the  
62 manner that state sales taxes are computed, collected and paid;  
63 and full enforcement provisions and all other provisions of



64 Chapter 65, Title 27, Mississippi Code of 1972, shall apply as  
65 necessary to the implementation and administration of this act.

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

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

74 **SECTION 3.** Before the tax authorized by this act may be  
75 imposed, the governing authorities must adopt a resolution  
76 declaring their intention to levy the tax, setting forth the  
77 amount of such tax and establishing the date on which this tax  
78 initially shall be levied and collected. Notice of the tax shall  
79 be published once each week for at least three (3) consecutive  
80 weeks in a newspaper having a general circulation in the City of  
81 Houston, the first publication of which shall be made not less  
82 than twenty-one (21) days before the date on which the tax  
83 initially is to be levied and collected. If, within the time of  
84 giving notice, twenty percent (20%) or one thousand five hundred  
85 (1,500), whichever is less, of the qualified electors of the City  
86 of Houston, file a written petition against the levy of such tax,  
87 then such tax shall not be levied unless authorized by a majority  
88 of the qualified electors of the City of Houston voting at an  
89 election to be called and held for that purpose. At least thirty  
90 (30) days before the effective date of the tax, the governing  
91 authorities shall furnish to the State Tax Commission a certified  
92 copy of the resolution evidencing such tax.

93 **SECTION 4.** Accounting for receipts and expenditures of the  
94 funds described in this act must be made separately from the  
95 accounting of receipts and expenditures of the general fund and  
96 any other funds of the City of Houston. The records reflecting



97 the receipts and expenditures of the funds prescribed in this act  
98 shall be audited annually by an independent certified public  
99 accountant, and the accountant shall make a written report of his  
100 audit to the governing authorities. The audit shall be made and  
101 completed as soon as practicable after the close of the fiscal  
102 year, and expenses of such audit shall be paid from the funds  
103 derived pursuant to this act.

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

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

