HOUSE BILL NO. 1646

AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
PONTOTOC 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 PONTOTOC FROM SUCH TAX SHALL BE DEDICATED AND
EXPENDED SOLELY TO PROMOTE TOURISM AND ENCOURAGE RETIREES TO
RESIDE IN THE PONTOTOC AREA; 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 Pontotoc, 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
close 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 Pontotoc, and to encourage retired persons to remain in or relocate in the Pontotoc area, the governing authorities of the City of Pontotoc 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 Pontotoc, 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 Pontotoc, 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 Pontotoc, 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 Pontotoc 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 Pontotoc, 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 fifty (1,050), whichever is less, of the qualified electors of the City of Pontotoc, 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 Pontotoc 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 Pontotoc. 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 Pontotoc
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.