

By: Representative Montgomery (15th)

To: Local and Private
Legislation; Ways and Means

HOUSE BILL NO. 1646

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 PONTOTOC 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 PONTOTOC FROM SUCH TAX SHALL BE DEDICATED AND
7 EXPENDED SOLELY TO PROMOTE TOURISM AND ENCOURAGE RETIREES TO
8 RESIDE IN THE PONTOTOC AREA; AND FOR RELATED PURPOSES.

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

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

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

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

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



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

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

37 **SECTION 2.** (1) For the purpose of providing funds to
38 promote tourism in the City of Pontotoc, and to encourage retired
39 persons to remain in or relocate in the Pontotoc area, the
40 governing authorities of the City of Pontotoc are authorized, in
41 their discretion, to levy and collect from the following persons a
42 tax, which shall be in addition to all of the taxes and
43 assessments imposed. The tax shall be on the following persons:

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

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

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

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



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

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

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

73 **SECTION 3.** Before the tax authorized by this act may be
74 imposed, the governing authorities must adopt a resolution
75 declaring their intention to levy the tax, setting forth the
76 amount of such tax and establishing the date on which this tax
77 initially shall be levied and collected. Notice of the tax shall
78 be published once each week for at least three (3) consecutive
79 weeks in a newspaper having a general circulation in the City of
80 Pontotoc, the first publication of which shall be made not less
81 than twenty-one (21) days before the date on which the tax
82 initially is to be levied and collected. If, within the time of
83 giving notice, twenty percent (20%) or one thousand fifty (1,050),
84 whichever is less, of the qualified electors of the City of
85 Pontotoc, file a written petition against the levy of such tax,
86 then such tax shall not be levied unless authorized by a majority
87 of the qualified electors of the City of Pontotoc voting at an
88 election to be called and held for that purpose. At least thirty
89 (30) days before the effective date of the tax, the governing
90 authorities shall furnish to the State Tax Commission a certified
91 copy of the resolution evidencing such tax.

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



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

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

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

