

By: Senator(s) Gordon (By Request)

To: Local and Private;
Finance

SENATE BILL NO. 2919

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 HOUSTON, MISSISSIPPI, TO LEVY A TAX UPON THE GROSS PROCEEDS OF
3 HOTELS AND MOTELS DERIVED FROM ROOM RENTALS AND UPON THE GROSS
4 PROCEEDS OF SALES OF RESTAURANTS; TO PROVIDE THAT SUCH TAX SHALL
5 BE COLLECTED BY THE STATE TAX COMMISSION; TO PROVIDE THAT THE
6 REVENUE RECEIVED BY THE CITY OF HOUSTON FROM SUCH TAX SHALL BE
7 DEDICATED AND EXPENDED SOLELY TO RETIRE THE DEBT AND MAINTAIN THE
8 HIGHWAY 15 BYPASS RECREATIONAL AND TOURIST PROJECT AND TO PROMOTE
9 TOURISM; AND FOR 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" mean the Mayor and Board of
16 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 ten (10) 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 are sold for
29 consumption, whether such food is consumed on the premises or not.
30 The term "restaurant" does not include any school, hospital,



31 convalescent or nursing home, or any restaurant-like facility
32 operated by or in connection with a school, hospital, medical
33 clinic, convalescent or nursing home providing food for students,
34 patients, visitors or 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 retire
38 the debt upon and maintain the Highway 15 Bypass Recreational and
39 Tourist project and to promote tourism in the City of Houston, the
40 governing authorities are authorized, in their discretion, to levy
41 and collect from the following persons a tax, which shall be in
42 addition to all of the taxes and assessments imposed. The tax
43 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 Houston, 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 Houston, where prepared food
50 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, on or before the fifteenth day of the month in which
69 collected.

70 (5) The proceeds of such tax shall not be considered by the
71 City of Houston as general fund revenues but shall be dedicated to
72 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 Houston, 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 fifteen hundred
84 (1,500), whichever is less, of the qualified electors of the City
85 of Houston, 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 Houston 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 Houston. 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 are directed to submit
104 this act, immediately upon approval by the Governor, or upon
105 approval by the Legislature subsequent to a veto, to the Attorney
106 General of the United States or to the United States District
107 Court for the District of Columbia in accordance with the
108 provisions of the Voting Rights Act of 1965, as amended and
109 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.

