To: Local and Private; Finance

MISSISSIPPI LEGISLATURE
By: Senator(s) Moffatt, Robertson
REGULAR SESSION 2003

SENATE BILL NO. 3008

AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF GAUTIER, MISSISSIPPI, TO LEVY A TAX UPON THE GROSS PROCEEDS DERIVED FROM HOTEL AND MOTEL ROOM RENTALS IN THE CITY; TO PROVIDE FOR A PETITION ELECTION ON THE QUESTION OF IMPOSING SUCH A TAX; TO PROVIDE THAT THE TAX SHALL BE COLLECTED BY THE STATE TAX COMMISSION AND PAID TO THE CITY OF GAUTIER; TO PROVIDE THAT THE PROCEEDS FROM THE TAX SHALL BE USED FOR THE PURPOSE OF PROVIDING FUNDS FOR TOURISM AND ECONOMIC DEVELOPMENT; 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 meanings ascribed in this section unless otherwise clearly indicated by the context in which they are used:

(a) "Governing authorities" means the governing authorities of the City of Gautier, Mississippi.

(b) "Hotel", "motel" or "bed and breakfast" means any establishment engaged in the business of furnishing or providing 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) "Tourism" and "economic development" includes, but is not limited to, providing for an economic development director and paying for all associated overhead, supporting activities related to an economic development council, providing economic development and tourism advertising and promotion materials, providing for and/or supporting a small business incubator,
providing for and/or supporting business and industrial parks,
financing infrastructure requirements, funding an economic
development bank, supporting tourist attractions and enhancing
industrial or commercial developments.

SECTION 2. (1) For the purpose of providing funds for
tourism and economic development in the City of Gautier, and for
promoting tourism and economic development, the governing
authorities, in their discretion, are authorized to levy and
collect from every person, firm or corporation operating a hotel
or motel in the city a tax, which shall be in addition to all
other taxes and assessments imposed, which shall not exceed two
percent (2%) of the gross proceeds derived from room rentals of
all such hotels or motels in the city, excluding charges for food,
telephone, laundry, beverages and similar charges. The tax shall
not be levied upon or collected from gross proceeds derived from
room rentals for day meetings where the room does not serve as
overnight sleeping accommodations.

(2) Persons, firms or corporations liable for the tax
imposed under subsection (1) of this section shall add the amount
of the tax to the sales price and shall collect, insofar as is
practicable, the amount of the tax due by him 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
same manner that state sales taxes are computed, collected and
paid; and the 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 costs of collection, shall be paid to the governing
authorities on or before the fifteenth day of the month following
the month in which collected.
(5) The proceeds of such tax shall not be considered by the City of Gautier 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 shall adopt a resolution declaring their intention to levy the tax, setting forth the amount of such tax and establishing the date on which the tax initially shall be levied and collected. Notice of the proposed 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 Gautier. The first publication of the notice shall be made not less than twenty-one (21) days before the date fixed in the resolution on which the tax initially is to be levied and collected, and the last publication of the notice shall be made not more than seven (7) days before such date. If, within the time of giving notice, twenty percent (20%) or fifteen hundred (1500), whichever is less, of the qualified electors of the City of Gautier, file a written petition against the levy of such tax, then the tax shall not be levied unless authorized by a majority of the qualified electors of the City of Gautier, 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 shall be made separately from the accounting of receipts and expenditures of the general fund and any other funds of the City of Gautier. 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 Gautier,
Mississippi, shall 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.