AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
PONTOTOC, MISSISSIPPI, 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
EXPENDED TO PROMOTE TOURISM AND TO ENCOURAGE RETIRED PERSONS TO
REMAIN IN OR RELOCATE TO 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" mean the Mayor and Board of
Aldermen of the City of Pontotoc, Mississippi.

(b) "Hotel" or "motel" 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. The term "hotel" or "motel" 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) "Restaurant" means all places where prepared food
and 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
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school, hospital, medical clinic, convalescent or nursing home
providing food for students, patients, visitors or their families.

SECTION 2. (1) For the purpose of providing funds to
promote tourism and to encourage retired persons to remain in or
relocate to the Pontotoc area, the governing authorities 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 or motel 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, 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 fifteen hundred (1,500),
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 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, and shall stand repealed from and after September 30, 2007.