

By: Senator(s) Walls

To: Local and Private;
Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3026

1 AN ACT TO AMEND CHAPTER 816, LOCAL AND PRIVATE LAWS OF 1991,
2 AS LAST AMENDED BY CHAPTER 969, LOCAL AND PRIVATE LAWS OF 2000, TO
3 AUTHORIZE AN ADDITIONAL TAX ON HOTELS, MOTELS AND RESTAURANTS IN
4 WASHINGTON COUNTY; TO PROVIDE THAT THE PROCEEDS OF SUCH ADDITIONAL
5 TAX SHALL BE UTILIZED TO CONSTRUCT A CONVENTION CENTER IN THE CITY
6 OF GREENVILLE, MISSISSIPPI, AND TO PAY THE COST OF ADDITIONS TO
7 THE WASHINGTON COUNTY CONVENTION CENTER; TO EXTEND THE REPEALER ON
8 THE PROVISIONS OF LAW THAT CREATE THE WASHINGTON COUNTY CONVENTION
9 AND VISITORS COMMITTEE AND IMPOSE A TAX ON HOTELS, MOTELS AND
10 RESTAURANTS IN WASHINGTON COUNTY, MISSISSIPPI; AND FOR RELATED
11 PURPOSES.

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

13 **SECTION 1.** Chapter 816, Local and Private Laws of 1991, as
14 amended by Chapter 953, Local and Private Laws of 1996, as amended
15 by Chapter 969, Local and Private Laws of 2000, is amended as
16 follows:

17 Section 1. The Economic Development District of Washington
18 County, created pursuant to Section 19-5-99, Mississippi Code of
19 1972, is hereby authorized and empowered, in its discretion, to
20 create by resolution duly adopted and entered on its minutes, a
21 committee entitled the "Washington County Convention and Visitors
22 Committee," to be operated under the umbrella and authority of the
23 Economic Development District of Washington County.

24 Section 2. The Economic Development District of Washington
25 County may empower the committee upon approval of the district as
26 follows:

27 (a) To exercise activities relating to establishing,
28 promoting and developing tourism within the county;

29 (b) To furnish, equip, staff and operate any and all
30 facilities and equipment necessary or useful in the promotion of
31 tourism within the county;



32 (c) To receive and expend revenues from any sources,
33 including, but not limited to, private enterprise and those
34 revenues provided by this act;

35 (d) To lease or contract for any equipment useful and
36 necessary in the promotion of tourism and convention business; and

37 (e) To have and exercise all powers necessary or
38 convenient to effect any and all of the purposes for which the
39 committee is organized, except that the committee may not own or
40 sell real property, and further, to appoint and employ individuals
41 and agencies acting in its behalf for any and all of the
42 aforementioned powers and responsibilities.

43 Section 3. (1) (a) For the purposes of providing funds to
44 promote tourism and conventions in Washington County, the Board of
45 Supervisors of Washington County is hereby authorized to levy and
46 assess against and to collect from every person operating a hotel,
47 motel or restaurant or on-premises retailer's permit which are
48 legal under the provisions of Chapter 1, Title 67, Mississippi
49 Code of 1972, (hereinafter referred to as "taxable
50 establishments") in Washington County an assessment in addition to
51 all other taxes now imposed, which shall not exceed a sum equal to
52 one percent (1%) of the gross proceeds of sales of such taxable
53 establishments in Washington County, excluding any charges which
54 are exempt from taxes levied under the Mississippi Sales Tax Law,
55 Chapter 65, Title 27, Mississippi Code of 1972.

56 (b) In addition to the tax levied in paragraph (a) of
57 this subsection, the Board of Supervisors of Washington County is
58 hereby authorized to levy and assess against and to collect from
59 every person operating a hotel, motel or restaurant or on-premises
60 retailer's permit which are legal under the provisions of Chapter
61 1, Title 67, Mississippi Code of 1972, (hereinafter referred to as
62 "taxable establishments") in Washington County an assessment in
63 addition to all other taxes now imposed, which shall not exceed a
64 sum equal to one percent (1%) of the gross proceeds of sales of



65 such taxable establishments in Washington County, excluding any
66 charges which are exempt from taxes levied under the Mississippi
67 Sales Tax Law, Chapter 65, Title 27, Mississippi Code of 1972.

68 (c) Persons liable for the tax imposed in this
69 subsection shall add the amount of such tax to the sales price or
70 gross income and, in addition, shall collect, insofar as
71 practicable, the amount of the tax due by him from the purchaser
72 at the time the sales price or gross income is collected. All
73 words, terms and phrases used herein shall have the same meanings
74 ascribed to them in Chapter 65, Title 27, Mississippi Code of
75 1972.

76 (d) The tax imposed by this subsection shall not apply
77 to restaurants that have gross proceeds of sales or gross income
78 of less than One Hundred Thousand Dollars (\$100,000.00) per
79 calendar year. In order to calculate gross proceeds of sales or
80 gross income, the sales or income of all of the establishments
81 owned, operated or controlled by the same person, persons or
82 corporation shall be aggregated.

83 (2) For the purposes of this act, the words "hotel" and
84 "motel" shall mean a place of lodging that at any one time will
85 accommodate transient guests on a daily or weekly basis and that
86 are known to the trade as such. Hotels and motels with ten (10)
87 or less rental units are exempt.

88 (3) For the purposes of this act, "restaurant" means a place
89 which is regularly engaged in serving cooked or prepared meals to
90 customers for compensation for on- or off-premises consumption,
91 including restaurants and lunch counters located in other retail
92 establishments, but shall not include delicatessen departments of
93 grocery and convenience stores which do not provide seating
94 facilities for customers for on-premises consumption of meals.
95 Restaurants and establishments selling alcoholic beverages
96 operated by bona fide private clubs organized for some common



97 object other than the sale of goods and alcoholic beverages are
98 exempt from the tax authorized herein.

99 (4) Such tax shall be collected by and paid to the State Tax
100 Commission on a form prescribed by the State Tax Commission in the
101 same manner that state sales taxes are computed, collected and
102 paid and the full enforcement provisions and all other provisions
103 of Chapter 65, Title 27, Mississippi Code of 1972, shall apply as
104 necessary to the implementation and administration of this act.

105 (5) The proceeds of such tax less three percent (3%) to be
106 retained by the State Tax Commission to defray the costs of
107 collection shall be paid as follows:

108 (a) The proceeds of the tax imposed pursuant to
109 subsection (1)(a) of this section, to the convention and visitors
110 committee on or before the fifteenth day of the month following
111 the month in which collected.

112 (b) (i) Thirty-four percent (34%) of the tax levied
113 pursuant to subsection (1)(b) of this section, to the convention
114 and visitors committee on or before the fifteenth day of the month
115 following the month in which collected to pay the cost of
116 additions to the Washington County Convention Center.

117 (ii) Sixty-six percent (66%) of the proceeds of
118 the tax levied pursuant to subsection (1)(b) of this section, to
119 the City of Greenville on or before the fifteenth day of the month
120 following the month in which collected to assist in paying the
121 cost of the construction of a convention center for the City of
122 Greenville.

123 (6) (a) The proceeds of the tax shall not be considered by
124 Washington County or any municipality therein as general fund
125 revenues, but shall be dedicated solely for the purpose of
126 carrying out the programs and activities of the committee and the
127 purposes authorized in subsection (5)(b).

128 (b) The Washington County Convention and Visitors
129 Committee may allocate annually an amount not to exceed



130 Twenty-five Thousand Dollars (\$25,000.00) per year to Washington
131 County, Mississippi, in consideration of use of county facilities
132 and support services.

133 Section 4. (1) The revenue paid pursuant to Section
134 3(5)(a) and (b)(i) shall be expended by the convention and visitors
135 committee upon approval by the Economic Development District of
136 Washington County. The committee shall be composed of nine (9)
137 members to be appointed by the district as hereinafter provided.
138 Five (5) members of the committee shall be the five (5) members
139 appointed to the district by the board of supervisors and the
140 presiding officer of the district shall appoint four (4) members
141 of the committee. The four (4) members appointed by the presiding
142 officer shall consist of one (1) member from the Greenville Area
143 Chamber of Commerce, one (1) member from the alcoholic beverage
144 sales business, one (1) member from the hotel or motel business,
145 and one (1) member from the restaurant business. In the selection
146 of committee members, the district shall make every effort to
147 select individuals who are knowledgeable of, or actively involved
148 in, the tourism industry. The committee shall be appointed within
149 sixty (60) days following the passage of this act, and the members
150 shall serve for terms of three (3) years. The term of the member
151 appointed by the presiding officer of the Economic Development
152 District of Washington County from the alcoholic beverage sales
153 business shall expire on the effective date of House Bill No.
154 1714, 2000 Regular Session, and from and after such date, such
155 position on the Washington County Convention and Visitors
156 Committee shall be filled by one (1) at-large member appointed by
157 the presiding officer of the Economic Development District of
158 Washington County.

159 (2) All subsequent appointments shall be made for terms of
160 three (3) years, except that the appointment to fill a vacancy
161 shall be for the unexpired term only.



162 (3) The members of the committee shall serve without
163 compensation and shall elect officers and adopt rules and
164 regulations. The committee shall further fix a regular meeting
165 date, but may provide for special meetings. The committee shall
166 keep minutes of its proceedings, as are necessary to carry out its
167 responsibilities under this act. A quorum of the committee shall
168 consist of five (5) members.

169 (4) Any member of the committee may be removed from office
170 by the district for one (1) of the following reasons:

171 (a) Conviction of a felony; or

172 (b) Failure to attend three (3) consecutive meetings
173 without just cause.

174 If a member of the committee is removed for one (1) of the
175 above reasons, the vacancy shall be filled in the manner
176 prescribed in this section.

177 (5) The revenue paid pursuant to Section 3(5)(b)(ii) shall
178 be expended by the governing authorities of the City of Greenville
179 for the purpose provided for in Section 3(5)(b)(ii).

180 Section 5. (1) Except as otherwise provided in subsection
181 (6) of this section, the tax authorized in this act shall not be
182 levied until the board of supervisors shall have adopted a
183 resolution favoring the tax levy and fixing the amount of the tax
184 levy and the date on which the tax levy is proposed to commence,
185 which shall be the first day of a month, and the board shall have
186 published notice of its intention to levy the tax. The notice
187 shall be published once each week for at least three (3)
188 consecutive weeks in a newspaper having a general circulation in
189 the county. The first publication of such notice shall be made
190 not less than twenty-one (21) days prior to the date fixed in the
191 resolution on which the board proposes to levy such tax, and the
192 last publication shall be made not more than seven (7) days prior
193 to such date. If, within the time of giving notice, twenty
194 percent (20%) or fifteen hundred (1500), whichever is less, of the



195 qualified electors of the county shall file a written petition
196 against the levy of such tax then such tax shall not be levied
197 unless authorized by a majority of the qualified electors of such
198 county, voting at an election to be called and held for that
199 purpose. Prior to the effective date of the tax levy approved as
200 herein provided, the board of supervisors shall furnish to the
201 Chairman of the State Tax Commission a certified copy of the
202 resolution evidencing such tax levy.

203 (2) The tax authorized by Section 3(1)(b) of this act shall
204 not be levied until the board of supervisors shall have adopted a
205 resolution favoring the tax levy and fixing the amount of the tax
206 levy and the date on which the tax levy is proposed to commence,
207 which shall be the first day of a month, and the board shall have
208 published notice of its intention to levy the tax. The notice
209 shall be published once each week for at least three (3)
210 consecutive weeks in a newspaper having a general circulation in
211 the county. The first publication of such notice shall be made
212 not less than twenty-one (21) days prior to the date fixed in the
213 resolution on which the board proposes to levy such tax, and the
214 last publication shall be made not more than seven (7) days prior
215 to such date. If, within the time of giving notice, twenty
216 percent (20%) or fifteen hundred (1500), whichever is less, of the
217 qualified electors of the county shall file a written petition
218 against the levy of such tax then such tax shall not be levied
219 unless authorized by a majority of the qualified electors of such
220 county, voting at an election to be called and held for that
221 purpose. Prior to the effective date of the tax levy approved as
222 herein provided, the board of supervisors shall furnish to the
223 Chairman of the State Tax Commission a certified copy of the
224 resolution evidencing such tax levy.

225 Section 6. Before the expenditure of funds herein
226 prescribed, a budget reflecting the anticipated receipts and
227 expenditures for such purposes as promotion, advertising and



228 operation shall be approved by the board of supervisors. The
229 first budget of receipts and expenditures shall cover the period
230 beginning with the effective date of the tax and ending with the
231 end of the county's fiscal year and, thereafter, the budget shall
232 be on the same fiscal basis as the budget of Washington County.

233 Section 7. Accounting for receipts and expenditures of the
234 funds herein described shall be made separately from the
235 accounting of receipts and expenditures of the committee and the
236 district and from the general fund and any other funds of
237 Washington County. The records reflecting the receipts and
238 expenditures of the funds prescribed herein shall be audited
239 annually by an independent certified public accountant, and the
240 accountant shall make a written report of his audit to the board
241 of supervisors, the district and the committee. Such audit shall
242 be made and completed as soon as practicable after the close of
243 the fiscal year and the expenses of such audit may be paid from
244 the funds derived pursuant to Section 3 of this act.

245 Section 8. The provisions of Sections 1 through 7 of this
246 act shall be repealed on July 1, 2007.

247 **SECTION 2.** This act shall take effect and be in force from
248 and after its passage.

