

By: Senator(s) Huggins, Gordon

To: Local and Private;
Finance

SENATE BILL NO. 3027

1 AN ACT TO REENACT AND AMEND CHAPTER 879, LOCAL AND PRIVATE
2 LAWS OF 1992, AS LAST AMENDED BY CHAPTER 905, LOCAL AND PRIVATE
3 LAWS OF 1999, WHICH CREATES THE GRENADA TOURISM COMMISSION AND
4 AUTHORIZES THE IMPOSITION OF A TOURIST AND CONVENTION TAX; TO
5 EXTEND THE REPEAL DATE ON SUCH LAW; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Chapter 879, Local and Private Laws of 1992, as
8 amended by Chapter 975, Local and Private Laws of 1994, as amended
9 by Chapter 905, Local and Private Laws of 1999, is reenacted and
10 amended as follows:

11 Section 1. The following words and phrases shall have the
12 meanings ascribed in this section unless the context clearly
13 indicates otherwise:

14 (a) "Bar" means any bar, tavern or lounge where
15 alcoholic beverages are sold for consumption on the premises;

16 (b) "Commission" means the Grenada Tourism Commission;

17 (c) "City" means the City of Grenada, Mississippi;

18 (d) "Governing authorities" means the Mayor and City
19 Council of the City of Grenada;

20 (e) "Hotel" or "motel" means a place of lodging with
21 more than six (6) rental units that at any one (1) time will
22 accommodate transient guests on a daily or weekly basis and that
23 is known to the trade as such;

24 (f) "Prepared food" means food prepared on the
25 premises;

26 (g) "Restaurant" means any place, including hotel and
27 motel dining rooms, cafeterias, cafes and lunch stands, as well as



28 grocery and convenience stores where prepared food and drink are
29 sold for consumption either upon or off the premises.

30 Section 2. (1) There is created and established the Grenada
31 Tourism Commission, hereinafter referred to in this act as the
32 "commission." The governing authority of the City of Grenada,
33 Mississippi, shall be authorized to contract with the Grenada
34 Tourism Commission for the administrative responsibilities of a
35 tourism program for the Grenada area. All contracts between the
36 commission and the City of Grenada, Mississippi, shall be signed
37 by the chairman of the commission and shall be on such terms and
38 for such duration as the parties may agree. Minutes of all
39 meetings shall be kept by the commission and submitted to the
40 Grenada City Council.

41 (2) The commission shall have jurisdiction and authority
42 over all matters relating to establishing, promoting and
43 developing tourism, along with related matters in the Grenada
44 area. The commission shall be authorized to own, lease, rent or
45 otherwise furnish, equip and operate any and all facilities and
46 equipment necessary or useful in the promotion of tourism and to
47 receive and expend, subject to the provisions of this act,
48 revenues from other sources.

49 (3) The commission shall be composed of seven (7) members as
50 follows:

51 (a) One (1) member shall be selected by the Grenada
52 Restaurant Association;

53 (b) One (1) member shall be selected by the Grenada
54 Motel/Hotel Association;

55 (c) One (1) member shall be selected by the Grenada
56 Hotel/Motel and Restaurant Association;

57 (d) The Director of the Grenada County Chamber of
58 Commerce or an employee of the Chamber of Commerce appointed by
59 the Director of the Chamber;



60 (e) One (1) member of the business community at large
61 appointed by the Board of Directors of the Chamber of Commerce;
62 and

63 (f) Two (2) members at large from the city, one (1) of
64 which must be minority, appointed by the Grenada City Council.

65 Appointments to the commission shall be for a term of two (2)
66 years.

67 Any vacancy which may occur shall be filled by the appointing
68 authority for the unexpired term. Each member shall serve until
69 his successor is appointed and qualifies.

70 The members shall elect from among themselves a chairman. A
71 member of the commission shall not serve as chairman for more than
72 two (2) consecutive two-year terms.

73 (4) The commission is authorized to employ personnel, to
74 obtain supplies, furnishings and other facilities necessary to
75 administer the affairs and duties of the commission, and to pay
76 for the same out of the revenue provided by this act.

77 Section 3. (1) For the purpose of providing funds for the
78 commission to promote tourism and conventions, the governing
79 authority of the City of Grenada, Mississippi, is authorized to
80 levy upon every person, firm or corporation operating a hotel or
81 motel in such city, a tax, which may be cited as a "tourism tax,"
82 at a rate not to exceed two percent (2%) of the gross proceeds of
83 sales from room rentals of hotels and motels in the city,
84 including charges for telephone, laundry and other similar
85 charges. The tax shall not be levied upon or collected from gross
86 proceeds of nontaxable rooms nor room rentals for day meetings
87 that do not serve as overnight sleeping accommodations. Such tax
88 shall be in addition to all other taxes now imposed.

89 (2) The governing authorities also are authorized to impose
90 upon persons doing business within the city other than the tax
91 imposed on hotel and motel rooms under subsection (1) of this
92 section, a tax at a rate of not to exceed one percent (1%) on the



93 gross receipts of restaurants and bars from retail sales of
94 prepared food, beer and/or alcoholic beverages; however, the tax
95 shall not apply to restaurants/bars whose gross proceeds of sales
96 or gross income is less than One Hundred Thousand Dollars
97 (\$100,000.00) per calendar year based upon sales or income for the
98 preceding calendar year. For the purposes of calculating gross
99 proceeds of sales or gross income, the sales or income of all
100 establishments owned, operated or controlled by the same person,
101 persons or corporations shall be aggregated.

102 (3) Before a tax authorized by this act may be imposed, the
103 governing authority of the City of Grenada, Mississippi, shall
104 adopt a resolution declaring its intention to levy the tax and
105 establishing the amount of the tax levy and the date on which this
106 tax initially shall be levied and collected. This date shall be
107 the first day of a month but shall not be sooner than the first
108 day of the second month following the date of adoption of the
109 resolution. Notice of the proposed tax levy shall be published
110 once each week for at least three (3) consecutive weeks in a
111 newspaper having a general circulation in the city. The first
112 publication of such notice shall be made not less than twenty-one
113 (21) days prior to the date fixed in the resolution on which the
114 governing authority proposes to levy such tax, and the last
115 publication of such notice shall be made not more than seven (7)
116 days prior to such date. If, within the time of giving notice,
117 twenty percent (20%) or fifteen hundred (1500), whichever is less,
118 of the qualified electors of the city file a written petition
119 against the levy of such tax, then such tax shall not be levied
120 unless authorized by a majority of the qualified electors of such
121 city voting at an election called and held for that purpose.
122 Prior to the effective date of the tax levy approved as herein
123 provided, the governing authority shall furnish to the Chairman of
124 the State Tax Commission a certified copy of the resolution
125 evidencing such tax levy.



126 (4) Persons, firms or corporations liable for the tax
127 imposed herein shall add the amount of tax to the sales price of
128 room rentals and, in addition thereto, shall collect, insofar as
129 practicable, the amount of the tax due from the person receiving
130 the services at the time of payment therefor.

131 (5) Such tax shall be collected by and paid to the State Tax
132 Commission on a form prescribed by the State Tax Commission, in
133 the same manner that state sales taxes are computed, collected and
134 paid; and the full enforcement provisions and all other provisions
135 of Chapter 65, Title 27, Mississippi Code of 1972, shall apply as
136 necessary to the implementation and administration of this act.

137 (6) The proceeds of such tax, less three percent (3%) to be
138 retained by the State Tax Commission to defray the costs of
139 collection, shall be paid to the governing authority of the City
140 of Grenada, Mississippi, on or before the fifteenth day of the
141 month following the month in which collected.

142 (7) The proceeds of the tax shall not be considered by the
143 city as general fund revenues but shall be dedicated to and used
144 by the commission solely for the purpose of carrying out programs
145 and activities designed to attract tourists to the city and
146 surrounding area. Fifty percent (50%) of the tax or revenue shall
147 be placed in an interest bearing tourism escrow fund for the
148 construction, financing and operation of a convention center or
149 any other use that may promote tourism as determined by the City
150 of Grenada. The convention center shall be carefully planned and
151 constructed with the cooperation of the governing authorities and
152 the commission.

153 (8) Before the expenditure of funds herein prescribed, a
154 budget reflecting the anticipated receipts and expenditures shall
155 be approved by the governing authorities. The first budget of
156 receipts and expenditures shall cover the period beginning with
157 the effective date of the taxes and ending with the end of the



158 city's fiscal year, and, thereafter, the budget shall be on the
159 same fiscal basis as the budget of the city.

160 Section 4. The books of the commission shall be audited
161 annually by an independent certified public accountant, and the
162 accountant shall make a written report of his audit to the
163 commission who shall thereupon submit a copy of such report to the
164 governing authority of the City of Grenada, Mississippi. Such
165 audit shall be made and completed as soon as practicable after the
166 close of the fiscal year, and copies of the report of such audit
167 shall be filed with the city clerk within fifteen (15) days after
168 receipt thereof by the commission.

169 Section 5. Sections 1 through 4 of this act shall stand
170 repealed on September 30, 2008.

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

