

By: Representatives Mayhall, Hamilton (6th),  
Jennings, Woods

To: Local and Private  
Legislation; Ways and Means

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1087

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF  
2 HORN LAKE, MISSISSIPPI, TO LEVY A TWO-DOLLAR TAX UPON EACH  
3 OVERNIGHT HOTEL AND MOTEL ROOM RENTAL IN THE CITY; TO REQUIRE A  
4 REFERENDUM ON THE QUESTION OF IMPOSING SUCH A TAX; TO REQUIRE A  
5 REFERENDUM ON WHETHER THE TAX MAY BE LEVIED; TO PROVIDE THAT THE  
6 TAX SHALL BE COLLECTED BY THE STATE TAX COMMISSION AND PAID TO THE  
7 CITY OF HORN LAKE; TO PROVIDE THAT THE PROCEEDS FROM THE TAX SHALL  
8 BE USED FOR THE PURPOSE OF PROMOTING THE ATTRIBUTES OF THE CITY;  
9 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 meanings ascribed in this section unless otherwise clearly  
13 indicated by the context in which they are used:

14 (a) "Governing authorities" means the governing  
15 authorities of the City of Horn Lake, Mississippi.

16 (b) "Hotel" or "motel" means any establishment engaged  
17 in the business of furnishing or providing rooms intended or  
18 designed for dwelling, lodging or sleeping purposes to transient  
19 guests and which are known in the trade as such. The term "hotel"  
20 or "motel" does not include any hospital, convalescent or nursing  
21 home or sanitarium, or any hotel-like facility operated by or in  
22 connection with a hospital or medical clinic providing rooms  
23 exclusively for patients and their families.

24 **SECTION 2.** (1) For the purpose of providing funds to  
25 promote the attributes of the City of Horn Lake, Mississippi, and  
26 to promote the city's tourism and economic development, the  
27 governing authorities of the City of Horn Lake, in their  
28 discretion, are authorized to levy and collect from every person,  
29 firm or corporation operating a hotel or motel in the city a tax,  
30 which shall be in addition to all other taxes and assessments

31 imposed and which shall not exceed Two Dollars (\$2.00) per room  
32 rental upon each overnight room rental in all such hotels or  
33 motels in the city, excluding charges for food, telephone,  
34 laundry, beverages and similar charges. The tax shall not be  
35 levied upon or collected on room rentals for day meetings where  
36 the room does not serve as overnight sleeping accommodations.

37 (2) Persons, firms or corporations liable for the tax  
38 imposed under subsection (1) of this section shall add the amount  
39 of the tax to the sales price and shall collect, insofar as is  
40 practicable, the amount of the tax due by him from the person  
41 receiving the services or product at the time of payment therefor.

42 (3) Such tax shall be collected by and paid to the State Tax  
43 Commission on a form prescribed by the State Tax Commission in the  
44 same manner that state sales taxes are computed, collected and  
45 paid; and the full enforcement provisions and all other provisions  
46 of Chapter 65, Title 27, Mississippi Code of 1972, shall apply as  
47 necessary to the implementation and administration of this act.

48 (4) The proceeds of such tax, less three percent (3%)  
49 thereof which shall be retained by the State Tax Commission to  
50 defray the costs of collection, shall be paid to the governing  
51 authorities on or before the fifteenth day of the month following  
52 the month in which collected.

53 (5) The proceeds of such tax shall not be considered by the  
54 City of Horn Lake as general fund revenues but shall be dedicated  
55 to and expended solely for the purposes specified in this section.

56 **SECTION 3.** Before any tax authorized under this act may be  
57 imposed, the governing authorities of the City of Horn Lake shall  
58 adopt a resolution declaring its intention to levy the taxes,  
59 setting forth the amount of the tax to be imposed, the date upon  
60 which the tax shall become effective and calling for a referendum  
61 to be held on the question. The date of the referendum shall be  
62 set in the resolution. Notice of the intention shall be published  
63 once each week for at least three (3) consecutive weeks in a

64 newspaper published or having a general circulation in the county,  
65 with the first publication of such notice to be made not less than  
66 twenty-one (21) days before the date fixed in the resolution for  
67 the referendum and the last publication to be made not more than  
68 seven (7) days before the referendum. At the referendum, all  
69 qualified electors of the City of Horn Lake may vote, and the  
70 ballots used in such referendum shall have printed thereon a brief  
71 statement of the amount and purposes of the proposed tax levy and  
72 the words "FOR THE TAX" and, on a separate line, "AGAINST THE  
73 TAX", and the voters shall vote by placing a cross (X) or check  
74 (✓) opposite their choice on the proposition. When the results of  
75 the referendum shall have been canvassed by the election  
76 commission and certified, the city may levy the taxes beginning on  
77 the first day of the second month following the referendum, only  
78 if at least a majority of the qualified electors who vote in the  
79 election vote in favor of the tax. In the event that a majority  
80 of the qualified electors who vote at the referendum vote for the  
81 tax, the governing authorities shall furnish to the State Tax  
82 Commission a certified copy of the resolution evidencing the tax,  
83 no less than thirty (30) days before the effective date of the  
84 tax.

85       **SECTION 4.** Accounting for receipts and expenditures of the  
86 funds described in this act shall be made separately from the  
87 accounting of receipts and expenditures of the general fund and  
88 any other funds of the City of Horn Lake. The records reflecting  
89 the receipts and expenditures of the funds prescribed in this act  
90 shall be audited annually by an independent certified public  
91 accountant, and the accountant shall make a written report of his  
92 audit to the governing authorities. The audit shall be made and  
93 completed as soon as practicable after the close of the fiscal  
94 year, and expenses of such audit shall be paid from the funds  
95 derived pursuant to this act.

96           **SECTION 5.** The provisions of this act shall be repealed from  
97 and after June 1, 2007.

98           **SECTION 6.** The governing authorities of the City of Horn  
99 Lake, Mississippi, shall submit this act, immediately upon  
100 approval by the Governor, or upon approval by the Legislature  
101 subsequent to a veto, to the Attorney General of the United States  
102 or to the United States District Court for the District of  
103 Columbia in accordance with the provisions of the Voting Rights  
104 Act of 1965, as amended and extended.

105           **SECTION 7.** This act shall take effect and be in force from  
106 and after the date it is effectuated under Section 5 of the Voting  
107 Rights Act of 1965, as amended and extended.