

By: Representative Watson

To: Local and Private
Legislation; Ways and MeansCOMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1336

1 AN ACT TO AUTHORIZE THE CITY OF HATTIESBURG, MISSISSIPPI, TO
2 INCUR INDEBTEDNESS IN THE AMOUNT OF \$22,000,000.00; TO PROVIDE
3 THAT THE PROCEEDS OF SUCH INDEBTEDNESS SHALL BE PAID TO THE
4 UNIVERSITY OF SOUTHERN MISSISSIPPI EDUCATIONAL BUILDING FOUNDATION
5 FOR THE PURPOSE OF FUNDING CAPITAL IMPROVEMENTS TO FACILITIES ON
6 THE HATTIESBURG CAMPUS OF THE UNIVERSITY OF SOUTHERN MISSISSIPPI;
7 TO REQUIRE THE CITY OF HATTIESBURG TO IMPOSE A TAX ON THE GROSS
8 PROCEEDS OF SALES OF RESTAURANTS, ON-PREMISES ALCOHOLIC BEVERAGE
9 RETAILER PERMITTEES AND ALCOHOLIC BEVERAGE PACKAGE RETAILER
10 PERMITTEES, AND A TAX ON EACH HOTEL AND MOTEL OVERNIGHT RENTAL IN
11 THE CITY BEFORE INCURRING ANY INDEBTEDNESS UNDER THIS ACT; TO
12 REQUIRE PUBLIC NOTICE OF THE INTENT OF THE GOVERNING BODY OF THE
13 CITY TO LEVY THE TAX; TO PROVIDE THAT IF 20% OR 1500, WHICHEVER IS
14 LESS, OF THE QUALIFIED ELECTORS OF THE CITY FILE A PETITION
15 AGAINST THE TAX, THEN AN ELECTION SHALL BE CALLED ON THE ISSUE; TO
16 REQUIRE THAT A MAJORITY OF THE QUALIFIED ELECTORS OF THE CITY MUST
17 APPROVE THE TAX LEVY; TO REQUIRE THE REVENUE COLLECTED FROM THE
18 TAX BE UTILIZED TO PAY ANY INDEBTEDNESS INCURRED UNDER THIS ACT OR
19 TO PAY ANY OBLIGATIONS INCURRED BY THE UNIVERSITY OF SOUTHERN
20 MISSISSIPPI EDUCATIONAL BUILDING CORPORATION IN CONSTRUCTING
21 AUTHORIZED CAPITAL IMPROVEMENTS; AND FOR RELATED PURPOSES.

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

23 **SECTION 1.** As used in this act:

24 (a) "City" means the City of Hattiesburg, Mississippi.

25 (b) "Governing body" means the Mayor and City Council
26 of the City of Hattiesburg, Mississippi.

27 (c) "Educational Building Corporation" means the
28 University of Southern Mississippi Educational Building
29 Corporation, a public nonprofit corporation formed pursuant to
30 Section 37-101-61, Mississippi Code of 1972.

31 (d) "Hotel" or "motel" means any establishment engaged
32 in the business of furnishing or providing rooms intended or
33 designed for dwelling, lodging or sleeping purposes to transient
34 guests, but does not encompass any hospital, convalescent or
35 nursing home or sanitarium, or any hotel-like facility operated by

36 or in connection with a hospital or medical clinic providing rooms
37 exclusively for patients and their families.

38 (e) "Projects" mean capital improvements to facilities
39 on the Hattiesburg campus of the University of Southern
40 Mississippi, and specifically includes the construction on the
41 campus of a multi-level parking garage that will accommodate one
42 thousand (1,000) vehicles.

43 (f) "Restaurant" means all places where prepared food
44 and beverages are sold for consumption, whether such food is
45 consumed on the premises or not. "Restaurant" as defined herein
46 does not include any school, hospital, convalescent or nursing
47 home, or any restaurant-like facility operated by or in connection
48 with a school, hospital, medical clinic, convalescent or nursing
49 home providing food for students, patients, visitors and their
50 families, or any restaurant having annual gross sales of less than
51 One Hundred Thousand Dollars (\$100,000.00).

52 **SECTION 2.** It is determined and declared to be in the best
53 interest of the people of the city and the surrounding area to
54 improve facilities on the Hattiesburg campus of the University of
55 Southern Mississippi.

56 **SECTION 3.** The governing body is authorized to incur
57 indebtedness of the city in the aggregate principal amount not to
58 exceed Twenty-two Million Dollars (\$22,000,000.00) for the purpose
59 of funding projects; however, before any indebtedness may be
60 incurred pursuant to this act, the governing body shall impose the
61 taxes authorized under Section 4 of this act. Of this aggregate
62 principal amount, the sum of Ten Million Dollars (\$10,000,000.00)
63 shall be used for the specific purpose of constructing on the
64 campus a multi-level parking garage that will accommodate one
65 thousand (1,000) vehicles. The indebtedness shall not be
66 considered when computing any limitation of indebtedness of the
67 city established by law. The proceeds of any indebtedness
68 incurred by the city shall be paid by the city to the Educational

69 Building Corporation to pay the cost of projects. The city may
70 utilize the proceeds of the special taxes levied pursuant to
71 Section 4 of this act to pay obligations incurred by the
72 Educational Building Corporation for projects without incurring
73 debt; however, the amount of any proceeds so utilized shall be
74 deducted from the aggregate principal indebtedness authorized to
75 be incurred under this section. In no event may the total of the
76 aggregate amount of debt incurred by the city and the amount of
77 the proceeds utilized by the city without incurring debt exceed
78 Twenty-two Million Dollars (\$22,000,000.00).

79 **SECTION 4.** (1) For the purpose of providing funds to retire
80 any indebtedness incurred by the city under this act or for the
81 purpose of paying obligations incurred by the Educational Building
82 Corporation for projects, there is hereby levied, assessed and
83 shall be collected from every person engaging in or doing business
84 in the city, as specified herein, the following taxes which shall
85 be in addition to all other taxes now imposed:

86 (a) A tax which shall be in an amount not to exceed one
87 percent (1%) of the gross income of:

88 (i) Restaurants;

89 (ii) On-premises alcoholic beverage retailer
90 permittees; and

91 (iii) Alcoholic beverage package retailer
92 permittees.

93 (b) A tax which shall be in the amount of one percent
94 (1%) of the gross proceeds from room rentals of hotels and motels,
95 excluding charges for food, telephone, laundry, beverages and
96 similar charges.

97 Before the tax authorized by this act may be imposed, the
98 governing body must adopt a resolution declaring its intention to
99 levy the tax, setting forth the amount of the tax and establishing
100 the date on which this tax initially shall be levied and
101 collected. Notice of the tax shall be published once each week

102 for at least three (3) consecutive weeks in a newspaper having a
103 general circulation in the City of Hattiesburg, the first
104 publication of which shall be made not less than twenty-one (21)
105 days before the date on which the tax initially is to be levied
106 and collected. If, within the time of giving notice, twenty
107 percent (20%) or fifteen hundred (1500), whichever is less, of the
108 qualified electors of the City of Hattiesburg file a written
109 petition against the levy of the tax, then the tax shall not be
110 levied unless authorized by a majority of the qualified electors
111 of the City of Hattiesburg voting at an election to be called and
112 held for that purpose. At least thirty (30) days before the
113 effective date of the tax, the governing body shall furnish to the
114 State Tax Commission a certified copy of the resolution evidencing
115 such tax.

116 **SECTION 5.** (1) On or before the fifteenth day before the
117 imposition of the special tax authorized in Section 4 of this act,
118 the governing body shall give written notification to the Chairman
119 of the State Tax Commission of the date on which the special tax
120 will become effective.

121 (2) Such tax shall be collected in the same manner as the
122 state sales tax imposed by Title 27, Chapter 65, Mississippi Code
123 of 1972, and shall be accounted for separately from the amount of
124 sales tax collected for the state in the city. All provisions of
125 the State Sales Tax Law applicable to filing of such returns,
126 discounts to the taxpayer, remittances to the State Tax Commission
127 and retainage thereby of sums to defray the costs of collection,
128 collection enforcement, rights of taxpayers, recovery of improper
129 taxes, refunds of overpaid taxes or other provisions of said
130 chapter providing for imposition and collection of the sales tax
131 shall apply to the tax authorized by this act.

132 (3) Except as otherwise provided in Section 27-3-58, the
133 revenue from the special tax collected under the provisions of

134 this section during the preceding month shall be paid to the city
135 on or before the fifteenth day of each month.

136 (4) The proceeds of such taxes shall be placed into a
137 separate fund apart from the municipal general fund and any other
138 funds of the city, and shall be expended by the city solely for
139 the purposes of paying any indebtedness or paying obligations
140 incurred by the Educational Building Corporation for projects.

141 (5) Persons liable for the taxes imposed herein shall add
142 the amount of tax to the sales price or gross income, and in
143 addition thereto shall collect, insofar as practicable, the amount
144 of the tax due by him from the person receiving the services or
145 goods at the time of payment therefor.

146 (6) The proceeds of the tax shall be used by the city only
147 to retire indebtedness incurred under this act or to pay
148 obligations incurred by the Educational Building Corporation for
149 authorized projects.

150 (7) The special tax shall stand repealed on the first day of
151 the month immediately succeeding the date the indebtedness
152 incurred pursuant to this act, including interest, is retired, or
153 in the event the city incurs no indebtedness, the first day of the
154 month after the total amount of the revenue collected from the
155 special tax reaches Twenty-two Million Dollars (\$22,000,000.00).

156 **SECTION 6.** The governing body shall submit this act,
157 immediately upon approval by the Governor, or upon approval by the
158 Legislature subsequent to a veto, to the Attorney General of the
159 United States or to the United States District Court for the
160 District of Columbia in accordance with the provisions of the
161 Voting Rights Act of 1965, as amended and extended.

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