

By: Representatives Davis, Lott, Watson

To: Local and Private
Legislation; Ways and Means

HOUSE BILL NO. 1662

1 AN ACT TO AUTHORIZE THE CITY OF HATTIESBURG, MISSISSIPPI, TO
 2 INCUR INDEBTEDNESS IN THE AMOUNT OF \$12,000,000.00; 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 PRIOR TO INCURRING ANY INDEBTEDNESS UNDER THIS ACT; TO
 12 REQUIRE THE REVENUE COLLECTED FROM SUCH TAX TO BE UTILIZED TO PAY
 13 ANY INDEBTEDNESS INCURRED UNDER THIS ACT OR TO PAY ANY OBLIGATIONS
 14 INCURRED BY THE UNIVERSITY OF SOUTHERN MISSISSIPPI EDUCATIONAL
 15 BUILDING CORPORATION IN CONSTRUCTING SUCH CAPITAL IMPROVEMENTS;
 16 AND FOR RELATED PURPOSES.

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

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

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

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

22 (c) "Educational Building Corporation" means the
23 University of Southern Mississippi Educational Building
24 Corporation, a public nonprofit corporation formed pursuant to
25 Section 37-101-61, Mississippi Code of 1972.

26 (d) "Hotel" or "motel" means any establishment engaged
27 in the business of furnishing or providing rooms intended or
28 designed for dwelling, lodging or sleeping purposes to transient
29 guests, but does not encompass any hospital, convalescent or
30 nursing home or sanitarium, or any hotel-like facility operated by
31 or in connection with a hospital or medical clinic providing rooms
32 exclusively for patients and their families.

33 (e) "Projects" mean capital improvements to facilities
34 on the Hattiesburg campus of the University of Southern
35 Mississippi.

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

45 **SECTION 2.** It is determined and declared to be in the best
46 interest of the people of the city and the surrounding area to
47 improve facilities on the Hattiesburg campus of the University of
48 Southern Mississippi.

49 **SECTION 3.** The governing body is authorized to incur
50 indebtedness of the city in the aggregate principal amount not to
51 exceed Twelve Million Dollars (\$12,000,000.00) for the purpose of
52 funding projects; however, before any indebtedness may be incurred
53 pursuant to this act, the governing body shall impose the taxes
54 authorized under Section 4 of this act. The indebtedness shall
55 not be considered when computing any limitation of indebtedness of
56 the city established by law. The proceeds of any indebtedness
57 incurred by the city shall be paid by the city to the Educational
58 Building Corporation to pay the cost of projects. The city may
59 utilize the proceeds of the special taxes levied pursuant to
60 Section 4 of this act to pay obligations incurred by the
61 Educational Building Corporation for projects without incurring
62 debt; however, the amount of any proceeds so utilized shall be
63 deducted from the aggregate principal indebtedness authorized to
64 be incurred under this section. In no event may the total of the
65 aggregate amount of debt incurred by the city and the amount of

66 the proceeds utilized by the city without incurring debt exceed
67 Twelve Million Dollars (\$12,000,000.00).

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

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

77 (i) Restaurants;

78 (ii) On-premises alcoholic beverage retailer
79 permittees; and

80 (iii) Alcoholic beverage package retailer
81 permittees.

82 (b) A tax which shall be in the amount of one percent
83 (1%) of the gross proceeds from room rentals of hotels and motels,
84 excluding charges for food, telephone, laundry, beverages and
85 similar charges.

86 (2) Before any tax authorized under this act may be imposed,
87 the governing body shall adopt a resolution declaring its
88 intention to levy the tax, setting forth the amount of such tax to
89 be imposed, the date upon which such tax shall become effective
90 and calling for a referendum to be held on the question. The date
91 of the election shall be fixed in the resolution. Notice of such
92 intention shall be published once each week for at least three (3)
93 consecutive weeks in a newspaper published or having a general
94 circulation in the city, with the first publication of such notice
95 to be made not less than twenty-one (21) days before the date
96 fixed in the resolution for the election and the last publication
97 to be made not more than seven (7) days before the election. At
98 the election, all qualified electors of the city may vote, and the

99 ballots used in such election shall have printed thereon a brief
100 statement of the amount and purposes of the proposed tax levy and
101 the words "FOR THE TAX" and, on a separate line, "AGAINST THE TAX"
102 and the voters shall vote by placing a cross (X) or check (✓)
103 opposite their choice on the proposition. When the results of any
104 such election shall have been canvassed and certified, the city
105 may levy the tax beginning on the first day of January 2005, if a
106 majority of the qualified electors who vote in the election vote
107 in favor of the tax.

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

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

124 (3) Except as otherwise provided in Section 27-3-58, the
125 revenue from the special tax collected under the provisions of
126 this section during the preceding month shall be paid to the city
127 on or before the fifteenth day of each month.

128 (4) The proceeds of such taxes shall be placed into a
129 separate fund apart from the municipal general fund and any other
130 funds of the city, and shall be expended by the city solely for

131 the purposes of paying any indebtedness or paying obligations
132 incurred by the Educational Building Corporation for projects.

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

138 (6) The proceeds of the tax shall be used by the city only
139 to retire indebtedness incurred under this act or to pay
140 obligations incurred by the Educational Building Corporation for
141 projects.

142 (7) The special tax shall stand repealed on the first day of
143 the month immediately succeeding the date the indebtedness
144 incurred pursuant to this act, including interest, is retired, or
145 in the event the city incurs no indebtedness, the first day of the
146 month after the total amount of the revenue collected from the
147 special tax reaches Twelve Million Dollars (\$12,000,000.00).

148 **SECTION 6.** The governing body shall submit this act,
149 immediately upon approval by the Governor, or upon approval by the
150 Legislature subsequent to a veto, to the Attorney General of the
151 United States or to the United States District Court for the
152 District of Columbia in accordance with the provisions of the
153 Voting Rights Act of 1965, as amended and extended.

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