

By: Representatives Holland, Turner

To: Local and Private
Legislation; Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1794

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 BALDWIN, MISSISSIPPI, TO LEVY A TAX UPON THE GROSS PROCEEDS OF
3 HOTELS AND MOTELS DERIVED FROM ROOM RENTALS AND UPON THE GROSS
4 PROCEEDS OF SALES OF RESTAURANTS AND CONVENIENCE STORES; TO
5 PROVIDE THAT THE TAX SHALL BE COLLECTED BY THE STATE TAX
6 COMMISSION; TO PROVIDE THAT THE REVENUE RECEIVED BY THE CITY OF
7 BALDWIN FROM THE TAX SHALL BE EXPENDED TO PROMOTE TOURISM AND TO
8 ENCOURAGE RETIRED PERSONS TO REMAIN IN OR RELOCATE TO THE BALDWIN
9 AREA; TO REQUIRE A REFERENDUM ON WHETHER THE TAX MAY BE LEVIED; TO
10 REQUIRE THAT A MAJORITY OF THE QUALIFIED ELECTORS OF THE CITY MUST
11 APPROVE THE TAX LEVY; AND FOR RELATED PURPOSES.

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

13 **SECTION 1.** As used in this act, the following terms shall
14 have the meanings ascribed to them in this section unless a
15 different meaning is clearly indicated by the context in which
16 they are used:

17 (a) "Governing authorities" mean the governing
18 authorities of the City of Baldwin, Mississippi.

19 (b) "Hotel" or "motel" means any establishment engaged
20 in the business of furnishing or providing six (6) or more rooms
21 intended or designed for dwelling, lodging or sleeping purposes to
22 transient guests. The term "hotel" or "motel" does not include
23 any hospital, convalescent or nursing home or sanitarium, or any
24 hotel-like facility operated by or in connection with a hospital
25 or medical clinic providing rooms exclusively for patients and
26 their families.

27 (c) "Restaurant" or "convenience store" means all
28 places where prepared food and beverages are sold for consumption,
29 whether such food is consumed on the premises or not. The terms
30 "restaurant" and "convenience store" do not include any school,
31 hospital, convalescent or nursing home, or any restaurant-like

32 facility operated by or in connection with a school, hospital,
33 medical clinic, convalescent or nursing home providing food for
34 students, patients, visitors or their families.

35 **SECTION 2.** (1) For the purpose of providing funds to
36 promote tourism and to encourage retired persons to remain in or
37 relocate to the Baldwin area, the governing authorities are
38 authorized, in their discretion, to levy and collect from the
39 following persons a tax, which shall be in addition to all of the
40 taxes and assessments imposed. The tax shall be on the following
41 persons:

42 (a) A tax upon every person, firm or corporation
43 operating a hotel or motel in the City of Baldwin, at a rate not
44 to exceed two percent (2%) of the gross proceeds derived from room
45 rentals; and

46 (b) A tax upon every person, firm or corporation
47 operating a restaurant or convenience store in the City of
48 Baldwin, where prepared food and drink is sold to the public, at a
49 rate not to exceed two percent (2%) of the gross proceeds of the
50 sales of such restaurant or convenience store.

51 (2) Persons, firms or corporations liable for the levy
52 imposed under subsection (1) of this section shall add the amount
53 of the levy to the sales price of the rooms and products set out
54 in subsection (1) of this section and shall collect, insofar as is
55 practicable, the amount of the tax due by them from the person
56 receiving the services or product at the time of payment therefor.

57 (3) The tax shall be collected by and paid to the State Tax
58 Commission on a form prescribed by the State Tax Commission in the
59 manner that state sales taxes are computed, collected and paid;
60 and full enforcement provisions and all other provisions of
61 Chapter 65, Title 27, Mississippi Code of 1972, shall apply as
62 necessary to the implementation and administration of this act.

63 (4) The proceeds of the tax, less than three percent (3%)
64 thereof which shall be retained by the State Tax Commission to

65 defray the cost of collection, shall be paid to the governing
66 authorities, on or before the fifteenth day of the month following
67 the month in which collected.

68 (5) The proceeds of the tax shall not be considered by the
69 City of Baldwin as general fund revenues but shall be dedicated to
70 and expended solely for the purposes specified in this section.

71 **SECTION 3.** Before any tax authorized under this act may be
72 imposed, the governing authorities of the City of Baldwin shall
73 adopt a resolution declaring its intention to levy the taxes,
74 setting forth the amount of the tax to be imposed, the date upon
75 which the tax shall become effective and calling for a referendum
76 to be held on the question. The date of the referendum shall be
77 set in the resolution. Notice of the intention shall be published
78 once each week for at least three (3) consecutive weeks in a
79 newspaper published or having a general circulation in the county,
80 with the first publication of such notice to be made not less than
81 twenty-one (21) days before the date fixed in the resolution for
82 the referendum and the last publication to be made not more than
83 seven (7) days before the referendum. At the referendum, all
84 qualified electors of the City of Baldwin may vote, and the
85 ballots used in such referendum shall have printed thereon a brief
86 statement of the amount and purposes of the proposed tax levy and
87 the words "FOR THE TAX" and, on a separate line, "AGAINST THE
88 TAX", and the voters shall vote by placing a cross (X) or check
89 (✓) opposite their choice on the proposition. When the results of
90 the referendum shall have been canvassed by the election
91 commission and certified, the city may levy the taxes beginning on
92 the first day of the second month following the referendum, only
93 if at least a majority of the qualified electors who vote in the
94 election vote in favor of the tax. In the event that a majority
95 of the qualified electors who vote at the referendum vote for the
96 tax, the governing authorities shall furnish to the State Tax
97 Commission a certified copy of the resolution evidencing the tax,

98 no less than thirty (30) days before the effective date of the
99 tax.

100 **SECTION 4.** Accounting for receipts and expenditures of the
101 funds described in this act must be made separately from the
102 accounting of receipts and expenditures of the general fund and
103 any other funds of the City of Baldwin. The records reflecting
104 the receipts and expenditures of the funds prescribed in this act
105 shall be audited annually by an independent certified public
106 accountant, and the accountant shall make a written report of his
107 audit to the governing authorities. The audit shall be made and
108 completed as soon as practicable after the close of the fiscal
109 year, and expenses of such audit shall be paid from the funds
110 derived under this act.

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

113 **SECTION 6.** The governing authorities are directed to submit
114 this act, immediately upon approval by the Governor, or upon
115 approval by the Legislature subsequent to a veto, to the Attorney
116 General of the United States or to the United States District
117 Court for the District of Columbia in accordance with the
118 provisions of the Voting Rights Act of 1965, as amended and
119 extended.

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