

By: Representative Sullivan

To: Local and Private
Legislation; Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1844

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 HOUSTON TO LEVY A TAX UPON THE GROSS SALES OF HOTELS, MOTELS AND
3 RESTAURANTS IN AN AMOUNT NOT TO EXCEED TWO PERCENT OF GROSS SALES;
4 TO PROVIDE THAT SUCH TAX SHALL BE COLLECTED BY THE STATE TAX
5 COMMISSION AND PAID TO THE CITY OF HOUSTON; TO PROVIDE THAT THE
6 PORTION OF THE PROCEEDS RECEIVED BY THE CITY OF HOUSTON SHALL BE
7 DEDICATED TO AND EXPENDED SOLELY FOR THE PURPOSE OF PROVIDING
8 FUNDS FOR THE PROMOTION OF TOURISM AND ECONOMIC AND COMMUNITY
9 DEVELOPMENT IN THE CITY OF HOUSTON, AND FOR THE PURPOSE OF
10 RETIRING THE DEBT AND PROVIDING FOR THE CONTINUED OPERATION AND
11 MAINTENANCE OF THE HOUSTON SPORTSPLEX; TO REQUIRE A REFERENDUM TO
12 BE HELD ON THE QUESTION OF IMPOSING THE TAX; AND FOR RELATED
13 PURPOSES.

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

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

19 (a) "Governing authorities" means the governing
20 authorities of the City of Houston, Mississippi.

21 (b) "Hotel" or "motel" means and includes any
22 establishment engaged in the business of furnishing or providing
23 rooms intended or designed for dwelling, lodging or sleeping
24 purposes to transient guests, where such establishment consists of
25 ten (10) or more guest rooms and does not encompass any hospital,
26 convalescent or nursing home or sanitarium, or any hotel-like
27 facility operated by or in connection with a hospital or medical
28 clinic providing rooms exclusively for patients and their
29 families.

30 (c) "Restaurant" means all places where prepared food
31 and/or beverages are sold for consumption, whether such food or
32 beverage is consumed on the premises or not. The term

33 "restaurant" does not include any school, hospital, convalescent
34 or nursing home, or any restaurant-like facility operated by or in
35 connection with a school, hospital, medical clinic, convalescent
36 or nursing home providing food for students, patients, visitors or
37 their families.

38 **SECTION 2.** (1) For the purpose of providing funds for the
39 promotion of tourism and economic and community development in the
40 City of Houston, and for the purpose of retiring the debt and
41 providing for the continued operation and maintenance of the
42 Houston Sportsplex, the governing authorities of the City of
43 Houston, in their discretion, may levy and collect from the
44 following persons a tax, which shall be in addition to all of the
45 taxes and assessments imposed. The tax shall be imposed upon the
46 following persons:

47 (a) A tax upon every person, firm or corporation
48 operating a hotel or motel in the City of Houston, at a rate not
49 to exceed two percent (2%) of the gross income; and

50 (b) A tax upon every person, firm or corporation
51 operating a restaurant in the City of Houston, at a rate not to
52 exceed two percent (2%) of the gross income from the sales of all
53 prepared foods and/or beverages sold for consumption on or off the
54 premises of such restaurant.

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

61 (3) Such tax shall be collected by and paid to the State Tax
62 Commission on a form prescribed by the State Tax Commission in the
63 manner that state sales taxes are computed, collected and paid;
64 and full enforcement provisions and all other provisions of

65 Chapter 65, Title 27, Mississippi Code of 1972, shall apply as
66 necessary to the implementation and administration of this act.

67 (4) The proceeds of such tax, less three percent (3%)
68 thereof which shall be retained by the State Tax Commission to
69 defray the cost of collection, shall be paid to the governing
70 authorities of the City of Houston, on or before the fifteenth day
71 of the month in which collected.

72 (5) The proceeds of such tax shall not be considered by the
73 City of Houston as general fund revenues but shall be dedicated to
74 and expended solely for the following purposes:

75 (a) Eighty-eight percent (88%) of the gross proceeds
76 from the tax shall be allocated and expended to retire the debt
77 and to provide for the operation and maintenance of the Houston
78 Sportsplex;

79 (b) Twelve percent (12%) of the gross proceeds from the
80 tax shall be allocated and expended for community and economic
81 development.

82 **SECTION 3.** Before any tax authorized under this act may be
83 imposed, the governing authorities shall adopt a resolution
84 declaring its intention to levy the tax, setting forth the amount
85 of such tax to be imposed, the date upon which such tax shall
86 become effective and calling for a referendum to be held on the
87 question. The date of the election shall be the first Tuesday
88 after the first Monday in November 2004. Notice of such intention
89 shall be published once each week for at least three (3)
90 consecutive weeks in a newspaper published or having a general
91 circulation in the county, with the first publication of such
92 notice to be made not less than twenty-one (21) days before the
93 date fixed in the resolution for the election and the last
94 publication to be made not more than seven (7) days before the
95 election. At the election, all qualified electors of the First
96 Judicial District of Chickasaw County may vote, and the ballots
97 used in such election shall have printed thereon a brief statement

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

108 **SECTION 4.** Accounting for receipts and expenditures of the
109 funds described in this act must be made separately from the
110 accounting of receipts and expenditures of the general fund and
111 any other funds of the City of Houston. The records reflecting
112 the receipts and expenditures of the funds prescribed in this act
113 shall be audited annually by an independent certified public
114 accountant, and the accountant shall make a written report of his
115 audit to the governing authorities. The audit shall be made and
116 completed as soon as practicable after the close of the fiscal
117 year, and expenses of such audit shall be paid from the funds
118 derived pursuant to this act.

119 **SECTION 5.** This act shall stand repealed from and after
120 December 31, 2007.

121 **SECTION 6.** The governing authorities of the City of Houston
122 shall submit this act, immediately upon approval by the Governor,
123 or upon approval by the Legislature subsequent to a veto, to the
124 Attorney General of the United States or to the United States
125 District Court for the District of Columbia in accordance with the
126 provisions of the Voting Rights Act of 1965, as amended and
127 extended.

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