

By: Representative Sullivan

To: Local and Private
Legislation; Ways and Means

HOUSE BILL NO. 1844
(As Sent to Governor)

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 HOUSTON, MISSISSIPPI, TO LEVY A TAX UPON THE GROSS SALES OF
3 HOTELS, MOTELS AND RESTAURANTS IN AN AMOUNT NOT TO EXCEED TWO
4 PERCENT OF GROSS SALES; TO PROVIDE THAT SUCH TAX SHALL BE
5 COLLECTED BY THE STATE TAX COMMISSION AND PAID TO THE CITY OF
6 HOUSTON; TO PROVIDE THAT THE PORTION OF THE PROCEEDS RECEIVED BY
7 THE CITY OF HOUSTON SHALL BE DEDICATED TO AND EXPENDED SOLELY FOR
8 THE PURPOSE OF PROVIDING FUNDS FOR THE PROMOTION OF TOURISM AND
9 ECONOMIC AND COMMUNITY DEVELOPMENT IN THE CITY OF HOUSTON, AND FOR
10 THE PURPOSE OF RETIRING THE DEBT AND PROVIDING FOR THE CONTINUED
11 OPERATION AND MAINTENANCE OF THE HOUSTON SPORTSPLEX; TO PROVIDE
12 FOR A PETITION ELECTION TO BE HELD ON THE QUESTION OF IMPOSING THE
13 TAX; AND FOR RELATED 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 any establishment engaged
22 in the business of furnishing or providing rooms intended or
23 designed for dwelling, lodging or sleeping purposes to transient
24 guests, where such establishment consists of ten (10) or more
25 guest rooms and does not encompass any hospital, convalescent or
26 nursing home or sanitarium, or any hotel-like facility operated by
27 or in connection with a hospital or medical clinic providing rooms
28 exclusively for patients and their families.

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

33 or nursing home, or any restaurant-like facility operated by or in
34 connection with a school, hospital, medical clinic, convalescent
35 or nursing home providing food for students, patients, visitors or
36 their families.

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

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

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

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

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

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

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

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

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

81 **SECTION 3.** Before the tax authorized by this act may be
82 imposed, the governing authorities shall adopt a resolution
83 declaring their intention to levy the tax, setting forth the
84 amount of such tax and establishing the date on which the tax
85 initially shall be levied and collected. Notice of the proposed
86 tax shall be published once each week for at least three (3)
87 consecutive weeks in a newspaper having a general circulation in
88 the City of Houston. The first publication of the notice shall be
89 made not less than twenty-one (21) days before the date fixed in
90 the resolution on which the tax initially is to be levied and
91 collected, and the last publication of the notice shall be made
92 not more than seven (7) days before such date. If, within the
93 time of giving notice, twenty percent (20%) or fifteen hundred
94 (1500), whichever is less, of the qualified electors of the First
95 Judicial District of Chickasaw County, file a written petition
96 against the levy of such tax, then the tax shall not be levied
97 unless authorized by a sixty percent (60%) majority of the
98 qualified electors of the First Judicial District of Chickasaw

99 County, voting at an election to be called and held for that
100 purpose. At least thirty (30) days before the effective date of
101 the tax, the governing authorities shall furnish to the State Tax
102 Commission a certified copy of the resolution evidencing such tax.

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

114 **SECTION 5.** This act shall stand repealed from and after July
115 1, 2008.

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

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