

By: Representative Montgomery

To: Local and Private
Legislation; Ways and Means

HOUSE BILL NO. 1851

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 PONTOTOC 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 FOR THE PURPOSE OF PROVIDING FUNDS TO PROMOTE TOURISM AND TO
5 ENCOURAGE RETIRED PERSONS TO REMAIN IN OR RELOCATE TO THE PONTOTOC
6 AREA; TO PROVIDE THAT SUCH TAX BE COLLECTED BY THE STATE TAX
7 COMMISSION AND PAID TO THE CITY OF PONTOTOC, MISSISSIPPI; AND FOR
8 RELATED PURPOSES.

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

10 **SECTION 1.** As used in this act, the following terms shall
11 have the following meanings unless a different meaning is clearly
12 indicated by the context in which they are used:

13 (a) "Governing authorities" means the governing
14 authorities of the City of Pontotoc, Mississippi.

15 (b) "Hotel" or "motel" means any establishment engaged
16 in the business of furnishing or providing rooms intended or
17 designed for dwelling, lodging or sleeping purposes to transient
18 guests, where such establishment consists of six (6) or more guest
19 rooms and does not encompass any hospital, convalescent or nursing
20 home or sanitarium, or any hotel-like facility operated by or in
21 connection with a hospital or medical clinic providing rooms
22 exclusively for patients and their families.

23 (c) "Restaurant" means all places where prepared food
24 and beverages are sold for consumption, whether such food is
25 consumed on the premises or not. "Restaurant" as defined herein
26 does not include any school, hospital, convalescent or nursing
27 home, or any restaurant-like facility operated by or in connection
28 with a school, hospital, medical clinic, convalescent or nursing
29 home providing food for students, patients, visitors and their
30 families.

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

39 (a) A tax upon every person, firm or corporation
40 operating a motel or hotel in the City of Pontotoc, Mississippi,
41 at a rate not to exceed two percent (2%) of the gross proceeds of
42 room rentals for each such hotel or motel.

43 (b) A tax upon every person, firm or corporation
44 operating a restaurant or such other business, where prepared food
45 or drink is sold to the public in the City of Pontotoc,
46 Mississippi, at a rate not to exceed two percent (2%) of the gross
47 proceeds of the sales of such restaurant or business.

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

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

61 (4) The proceeds of such tax, less three percent (3%)
62 thereof which shall be retained by the State Tax Commission to
63 defray the cost of collection, shall be paid to the governing

64 authorities of the City of Pontotoc, Mississippi, on or before the
65 fifteenth day of the month following the month in which collected.

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

70 **SECTION 3.** Before the tax authorized by this act shall be
71 imposed, the governing authorities shall adopt a resolution
72 declaring their intention to levy the tax, setting forth the
73 amount of such tax and establishing the date on which this tax
74 initially shall be levied and collected. Notice of tax shall be
75 published once each week for at least three (3) consecutive weeks
76 in a newspaper having a general circulation in the City of
77 Pontotoc, the first publication of which shall be made not less
78 than twenty-one (21) days before the date on which the tax
79 initially shall be levied and collected. If, within the time of
80 giving notice, twenty percent (20%) or one thousand fifty (1,050),
81 whichever is less, of the qualified electors of the City of
82 Pontotoc, Mississippi, shall file a written petition against the
83 levy of such tax, then the tax shall not be levied unless
84 authorized by a majority of the qualified electors of the City of
85 Pontotoc voting at an election to be called and held for that
86 purpose. At least thirty (30) days before the effective date of
87 the tax, as herein provided, the governing authorities shall
88 furnish to the State Tax Commission a certified copy of the
89 resolution evidencing such tax.

90 **SECTION 4.** Accounting for receipts and expenditures of the
91 funds herein described shall be made separately from the
92 accounting of receipts and expenditures of the general fund and
93 any other funds of the City of Pontotoc, Mississippi. The records
94 reflecting the receipts and expenditures of the funds prescribed
95 herein shall be audited annually by an independent certified
96 public accountant, and the accountant shall make a written report

97 of his audit to the governing authorities. The audit shall be
98 made and completed as soon as practicable after the close of the
99 fiscal year, and expenses of such audit shall be paid from the
100 funds derived in accordance with this act.

101 **SECTION 5.** The governing authorities of the City of Pontotoc
102 are directed to submit this act, immediately upon approval by the
103 Governor, or upon approval by the Legislature subsequent to a
104 veto, to the Attorney General of the United States or to the
105 United States District Court for the District of Columbia in
106 accordance with the provisions of the Voting Rights Act of 1965,
107 as amended and extended.

108 **SECTION 6.** This act shall take effect and be in force from
109 and after the date it is effectuated under Section 5 of the Voting
110 Rights Act of 1965, as amended and extended.