

By: Senator(s) Gordon

To: Local and Private;  
Finance

SENATE BILL NO. 3205

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; AND FOR  
 12 RELATED PURPOSES.

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

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

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

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

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

33 school, hospital, convalescent or nursing home, or any  
34 restaurant-like facility operated by or in connection with a  
35 school, hospital, medical clinic, convalescent or nursing home  
36 providing food for students, patients, visitors or 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, including beer and alcoholic  
53 beverages, sold for consumption on or off the premises of such  
54 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 shall be paid to the governing  
68 authorities of the City of Houston, on or before the fifteenth day  
69 of the month in which collected.

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

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

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

80 **SECTION 3.** Before the tax authorized by this act may be  
81 imposed, the governing authorities must adopt a resolution  
82 declaring their intention to levy the tax, setting forth the  
83 amount of such tax and establishing the date on which this tax  
84 initially shall be levied and collected. Notice of the tax shall  
85 be published once each week for at least three (3) consecutive  
86 weeks in a newspaper having a general circulation in the City of  
87 Houston, the first publication of which shall be made not less  
88 than twenty-one (21) days before the date on which the tax  
89 initially is to be levied and collected. If, within the time of  
90 giving notice, twenty percent (20%) or one thousand five hundred  
91 (1,500), whichever is less, of the qualified electors of the City  
92 of Houston, file a written petition against the levy of such tax,  
93 then such tax shall not be levied unless authorized by a majority  
94 of the qualified electors of the City of Houston voting at an  
95 election to be called and held for that purpose. At least thirty  
96 (30) days before the effective date of the tax, the governing

97 authorities shall furnish to the State Tax Commission a certified  
98 copy of the resolution evidencing such tax.

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

110       **SECTION 5.** This act shall stand repealed from and after  
111 December 31, 2015.

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

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