

By: Senator(s) Browning

To: Local and Private;
Finance

SENATE BILL NO. 3216

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 PONTOTOC, 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; TO PROVIDE THAT SUCH TAX SHALL
5 BE COLLECTED BY THE STATE TAX COMMISSION; TO PROVIDE THAT THE
6 REVENUE RECEIVED BY THE CITY OF PONTOTOC FROM SUCH TAX SHALL BE
7 EXPENDED TO PROMOTE TOURISM AND TO ENCOURAGE RETIRED PERSONS TO
8 REMAIN IN OR RELOCATE TO THE PONTOTOC AREA; AND FOR RELATED
9 PURPOSES.

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

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

15 (a) "Governing authorities" mean the Mayor and Board of
16 Aldermen of the City of Pontotoc, Mississippi.

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

25 (c) "Restaurant" means all places where prepared food
26 and beverages are sold for consumption, whether such food is
27 consumed on the premises or not. The term "restaurant" does not
28 include any school, hospital, convalescent or nursing home, or any
29 restaurant-like facility operated by or in connection with a

30 school, hospital, medical clinic, convalescent or nursing home
31 providing food for students, patients, visitors or their families.

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

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

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

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 in subsection (1) of this section and shall collect, insofar as is
52 practicable, the amount of the tax due by them from the person
53 receiving the services or product at the time of payment therefor.

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

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

63 authorities, on or before the fifteenth day of the month in which
64 collected.

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

68 **SECTION 3.** Before the tax authorized by this act may be
69 imposed, the governing authorities must adopt a resolution
70 declaring their intention to levy the tax, setting forth the
71 amount of such tax and establishing the date on which this tax
72 initially shall be levied and collected. Notice of the tax shall
73 be published once each week for at least three (3) consecutive
74 weeks in a newspaper having a general circulation in the City of
75 Pontotoc, the first publication of which shall be made not less
76 than twenty-one (21) days before the date on which the tax
77 initially is to be levied and collected. If, within the time of
78 giving notice, twenty percent (20%) or fifteen hundred (1,500),
79 whichever is less, of the qualified electors of the City of
80 Pontotoc, file a written petition against the levy of such tax,
81 then such tax shall not be levied unless authorized by a majority
82 of the qualified electors of the City of Pontotoc voting at an
83 election to be called and held for that purpose. At least thirty
84 (30) days before the effective date of the tax, the governing
85 authorities shall furnish to the State Tax Commission a certified
86 copy of the resolution evidencing such tax.

87 **SECTION 4.** Accounting for receipts and expenditures of the
88 funds described in this act must be made separately from the
89 accounting of receipts and expenditures of the general fund and
90 any other funds of the City of Pontotoc. The records reflecting
91 the receipts and expenditures of the funds prescribed in this act
92 shall be audited annually by an independent certified public
93 accountant, and the accountant shall make a written report of his
94 audit to the governing authorities. The audit shall be made and
95 completed as soon as practicable after the close of the fiscal

96 year, and expenses of such audit shall be paid from the funds
97 derived pursuant to this act.

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

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