

**Adopted  
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

**House Bill No. 1851**

**BY: Committee**

**Amend by striking all after the enacting clause and inserting  
in lieu thereof the following:**

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

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

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

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

30 home providing food for students, patients, visitors and their  
31 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 of the  
35 City of Pontotoc, Mississippi, are authorized, in their  
36 discretion, to levy and collect from the persons hereinafter  
37 specified a tax, which shall be in addition to all of the taxes  
38 and assessments imposed. The tax shall be imposed on the  
39 following persons:

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

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

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

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

62           (4) The proceeds of such tax, less three percent (3%)  
63 thereof which shall be retained by the State Tax Commission to  
64 defray the cost of collection, shall be paid to the governing  
65 authorities of the City of Pontotoc, Mississippi, on or before the  
66 fifteenth day of the month following the month in which collected.

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

71           **SECTION 3.** Before any tax authorized under this act may be  
72 imposed, the governing authorities shall adopt a resolution  
73 declaring its intention to levy the taxes, setting forth the  
74 amount of such tax to be imposed, the date upon which such taxes  
75 shall become effective and calling for a referendum to be held on  
76 the question. The date of the referendum shall be the date of the  
77 next municipal general election. Notice of such intention shall  
78 be published once each week for at least three (3) consecutive  
79 weeks in a newspaper published or having a general circulation in  
80 the county, with the first publication of such notice to be made  
81 not less than twenty-one (21) days before the date fixed in the  
82 resolution for the referendum and the last publication to be made  
83 not more than seven (7) days before the referendum. At the  
84 referendum, all qualified electors of the city may vote, and the  
85 ballots used in such referendum shall have printed thereon a brief  
86 statement of the amount and purposes of the proposed tax levy and  
87 the words "FOR THE TAX" and, on a separate line, "AGAINST THE  
88 TAX", and the voters shall vote by placing a cross (X) or check  
89 (✓) opposite their choice on the proposition. When the results of  
90 any such referendum shall have been canvassed by the election  
91 commission and certified, the city may levy the taxes beginning on  
92 the first day of the second month following the referendum, only  
93 if at least sixty percent (60%) of the qualified electors who vote

94 in the election vote in favor of the tax. No public funds shall  
95 be used for the purpose of promoting the adoption of the  
96 referendum and no city employee may promote the referendum during  
97 business hours. At least thirty (30) days before the effective  
98 date of the taxes, the governing authorities shall furnish to the  
99 State Tax Commission a certified copy of the resolution evidencing  
100 the taxes.

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

112 **SECTION 5.** The provisions of this act shall be repealed from  
113 and after July 1, 2008.

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

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

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

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 REQUIRE A REFERENDUM ON WHETHER THE TAX MAY BE LEVIED; TO  
7 PROVIDE THAT SUCH TAX BE COLLECTED BY THE STATE TAX COMMISSION AND  
8 PAID TO THE CITY OF PONTOTOC, MISSISSIPPI; AND FOR RELATED  
9 PURPOSES.