

By: Representatives Myers, Green

To: Local and Private
Legislation; Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1757

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 MCCOMB, MISSISSIPPI, TO IMPOSE A TOURISM TAX OF UP TO THREE
3 PERCENT TO BE LEVIED ON THE GROSS PROCEEDS DERIVED FROM HOTEL AND
4 MOTEL ROOM RENTALS WITHIN THE CITY, AND TO EXPEND THE PROCEEDS OF
5 THE TAX TO PROMOTE TOURISM AND ECONOMIC DEVELOPMENT; AND FOR
6 RELATED PURPOSES.

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

8 **SECTION 1.** As used in this act, the following words shall
9 have the meanings ascribed to them in this section unless
10 otherwise clearly indicated by the context in which they are used:

11 (a) "Hotel" or "motel" means any establishment engaged
12 in the business of furnishing or providing rooms intended or
13 designed for lodging or sleeping purposes for transient guests,
14 which establishment consists of five (5) or more guest rooms and
15 does not encompass any hospital, convalescent or nursing home, or
16 sanitarium, or any hotel-like facility operated by or in
17 connection with a hospital or medical clinic providing rooms
18 exclusively for patients and their families.

19 (b) "City" means the City of McComb, Mississippi.

20 **SECTION 2.** (1) For the purpose of providing funds for the
21 purpose of promoting and advertising the attributes of the City of
22 McComb, Mississippi, as they relate to tourism and economic
23 development, and for promoting tourism and economic development
24 events and activities in the city, the governing authorities of
25 the City of McComb, Mississippi, in their discretion, may levy,
26 assess and collect from every person, firm and corporation
27 operating a hotel or motel in the city, a tax that may be cited as
28 a "tourism tax," which shall be in addition to all other taxes and
29 assessments imposed by the city, as provided in this act.

30 (2) The tax shall be an amount not to exceed three percent
31 (3%) of the gross proceeds derived from hotel and motel room
32 rentals in the city, excluding charges for telephone, laundry and
33 similar services. The tax shall not be levied upon or collected
34 from gross proceeds of nontaxable rooms, room rentals for day
35 meetings that do not serve as overnight sleeping accommodations or
36 room rentals to residential guests of a hotel or motel.

37 (3) Persons liable for the tax imposed pursuant to this act
38 shall add the amount of tax to the gross proceeds from room
39 rentals and shall collect, insofar as practicable, the amount of
40 the tax due by him from the person receiving the services at the
41 time of payment for the services.

42 (4) The tax shall be collected by and paid to the State Tax
43 Commission on a form prescribed by the State Tax Commission, in
44 the same manner that state sales taxes are computed, collected and
45 paid; and the full enforcement provisions and all other provisions
46 of Chapter 65, Title 27, Mississippi Code of 1972, shall apply as
47 necessary to the implementation and administration of this act.

48 (5) The proceeds of the tax, less three percent (3%) to be
49 retained by the State Tax Commission to defray the costs of
50 collection, shall be paid to the governing authorities of the city
51 on or before the fifteenth day of the month following the month in
52 which they were collected.

53 (6) The proceeds of the tax shall not be considered by the
54 city as general fund revenues but shall be dedicated solely for
55 the purposes set forth in subsection (1) of this section, as
56 determined by the governing authorities of the city, which are
57 designed to promote tourism and economic development in the city.

58 **SECTION 3.** Before any tax authorized under this act may be
59 imposed, the governing authorities shall adopt a resolution
60 declaring their intention to levy the tax, setting forth the
61 amount of the tax to be imposed, the date upon which the tax shall
62 become effective and calling for an election to be held on the

63 question. The date of the election shall be fixed in the
64 resolution. Notice of such intention shall be published once each
65 week for at least three (3) consecutive weeks in a newspaper
66 published or having a general circulation in the City of McComb,
67 with the first publication of the notice to be made not less than
68 twenty-one (21) days before the date fixed in the resolution for
69 the election and the last publication to be made not more than
70 seven (7) days before the election. At the election, all
71 qualified electors of the City of McComb may vote, and the ballots
72 used in the election shall have printed thereon a brief statement
73 of the amount and purposes of the proposed tax levy and the words
74 "FOR THE TAX" and, on a separate line, "AGAINST THE TAX" and the
75 voters shall vote by placing a cross (X) or check (✓) opposite
76 their choice on the proposition. When the results of the election
77 shall have been canvassed and certified, the city may levy the tax
78 if sixty percent (60%) of the qualified electors who vote in the
79 election vote in favor of the tax. At least thirty (30) days
80 before the effective date of the tax provided in this section, the
81 governing authorities shall furnish to the State Tax Commission a
82 certified copy of the resolution evidencing the tax.

83 **SECTION 4.** Before the expenditure of the proceeds of the tax
84 authorized by this act, a budget reflecting the anticipated
85 receipts and expenditures shall be approved by the governing
86 authorities of the city. The first budget of receipts and
87 expenditures shall cover the period beginning with the effective
88 date of the tax and ending with the end of the city's fiscal year,
89 and thereafter, the budget shall be on the same fiscal basis as
90 the budget of the city.

91 **SECTION 5.** Accounting for receipts and expenditures of the
92 funds derived from the proceeds of the tax authorized by this act
93 shall be made separately from the accounting of receipts and
94 expenditures of the general fund and any other funds of the city.
95 The records reflecting the receipts and expenditures of these

96 funds shall be audited annually by an independent certified public
97 accountant and the audit shall be included in the General Purpose
98 Statement of the City of McComb, Mississippi. The audit shall be
99 made and completed as soon as practicable after the close of the
100 city's fiscal year, and copies of the report of the audit shall be
101 filed with the clerk of the city. The expenses of this audit may
102 be paid from the funds derived pursuant to Section 2 of this act.

103 **SECTION 6.** Sections 1 through 5 of this act shall stand
104 repealed on December 31, 2007.

105 **SECTION 7.** The governing authorities of the City of McComb,
106 Mississippi, are directed to submit this act, immediately upon
107 approval by the Governor, or upon approval by the Legislature
108 subsequent to a veto, to the Attorney General of the United States
109 or to the United States District Court for the District of
110 Columbia in accordance with the provisions of the Voting Rights
111 Act of 1965, as amended and extended.

112 **SECTION 8.** If this act is effectuated under Section 5 of the
113 Voting Rights Act of 1965, as amended and extended, then this act
114 shall take effect and be in force from and after the date it is
115 effectuated under Section 5 of the Voting Rights Act of 1965, as
116 amended and extended.