

By: Representatives Myers, Green

To: Local and Private  
Legislation; Ways and Means

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 the tax authorized by this act may be  
59 imposed, the governing authority shall adopt a resolution  
60 declaring its intention to levy the tax, setting forth the amount  
61 of the tax, and establishing the date on which the tax initially  
62 will be levied and collected. Notice of the tax shall be

63 published once each week for at least three (3) consecutive weeks  
64 in a newspaper having a general circulation in the city, the first  
65 publication of which shall be made not less than twenty-one (21)  
66 days before the date on which the tax initially shall be levied  
67 and collected. If, within the time of giving notice, twenty  
68 percent (20%) or fifteen hundred (1500), whichever is less, of the  
69 qualified electors of the city file a written petition against the  
70 levy of the tax, then the tax shall not be levied unless  
71 authorized by a majority of the qualified electors of the city  
72 voting in an election to be called and held for that purpose. At  
73 least thirty (30) days before the effective date of the tax  
74 authorized by this act, the governing authority shall furnish to  
75 the State Tax Commission a certified copy of the resolution  
76 evidencing such tax levy.

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

85       **SECTION 5.** Accounting for receipts and expenditures of the  
86 funds derived from the proceeds of the tax authorized by this act  
87 shall be made separately from the accounting of receipts and  
88 expenditures of the general fund and any other funds of the city.  
89 The records reflecting the receipts and expenditures of these  
90 funds shall be audited annually by an independent certified public  
91 accountant and the audit shall be included in the General Purpose  
92 Statement of the City of McComb, Mississippi. The audit shall be  
93 made and completed as soon as practicable after the close of the  
94 city's fiscal year, and copies of the report of the audit shall be

95 filed with the clerk of the city. The expenses of this audit may  
96 be paid from the funds derived pursuant to Section 2 of this act.

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

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

106 **SECTION 8.** If this act is effectuated under Section 5 of the  
107 Voting Rights Act of 1965, as amended and extended, then this act  
108 shall take effect and be in force from and after the date it is  
109 effectuated under Section 5 of the Voting Rights Act of 1965, as  
110 amended and extended.