

By: Senator(s) Ross

To: Local and Private;  
Finance

SENATE BILL NO. 3134

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF  
2 MADISON, MISSISSIPPI, TO LEVY A TAX UPON THE GROSS SALES OF HOTELS  
3 AND MOTELS DERIVED FROM ROOM RENTALS AND UPON THE GROSS PROCEEDS  
4 OF SALES OF RESTAURANTS; TO PROVIDE THAT THE REVENUE FROM THE TAX  
5 SHALL BE EXPENDED BY THE CITY OF MADISON TO PROMOTE TOURISM, FOR  
6 CULTURAL AND ARTISTIC PURPOSES AND TO ENCOURAGE RETIRED PERSONS TO  
7 REMAIN IN OR RELOCATE TO THE CITY OF MADISON; TO PROVIDE THAT SUCH  
8 TAX BE COLLECTED BY THE STATE TAX COMMISSION AND PAID TO THE CITY  
9 OF MADISON; TO PROVIDE FOR A PETITION ELECTION ON WHETHER THE TAX  
10 MAY BE LEVIED; AND FOR RELATED PURPOSES.

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

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

15 (a) "Governing authorities" means the governing  
16 authorities of the City of Madison, Mississippi.

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

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

31 or nursing home providing food for students, patients, visitors or  
32 their families.

33         **SECTION 2.** (1) For the purpose of providing funds to  
34 promote tourism and for cultural and artistic purposes, including,  
35 but not limited to, the improvement or construction of  
36 publicly-owned cultural or performing arts centers or complexes,  
37 and to encourage retired persons to remain in or relocate to the  
38 City of Madison, the governing authorities are authorized, in  
39 their discretion, to levy and collect from the following persons a  
40 tax, which shall be in addition to all of the taxes and  
41 assessments imposed. The tax shall be imposed on the following  
42 persons:

43             (a) A tax upon every person, firm or corporation  
44 operating a motel or hotel in the City of Madison, at a rate not  
45 to exceed one percent (1%) of the gross proceeds of room rentals  
46 for each such hotel or motel.

47             (b) A tax upon every person, firm or corporation  
48 operating a restaurant in the City of Madison, at a rate not to  
49 exceed one percent (1%) of the gross proceeds of the sales of the  
50 restaurant.

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

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

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

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

73 **SECTION 3.** Before the tax authorized by this act may be  
74 imposed, the governing authorities shall adopt a resolution  
75 declaring their intention to levy the tax, setting forth the  
76 amount of the tax and establishing the date on which the tax  
77 initially shall be levied and collected. Notice of the proposed  
78 tax shall be published once each week for at least three (3)  
79 consecutive weeks in a newspaper having a general circulation in  
80 the City of Madison. The first publication of the notice shall be  
81 made not less than twenty-one (21) days before the date fixed in  
82 the resolution on which the tax initially is to be levied and  
83 collected, and the last publication of the notice shall be made  
84 not more than seven (7) days before such date. If, within the  
85 time of giving notice, twenty percent (20%) or fifteen hundred  
86 (1500), whichever is less, of the qualified electors of the City  
87 of Madison, file a written petition against the levy of the tax,  
88 then the tax shall not be levied unless authorized by a sixty  
89 percent (60%) majority of the qualified electors of the City of  
90 Madison, voting at an election to be called and held for that  
91 purpose. At least thirty (30) days before the effective date of  
92 the tax, the governing authorities shall furnish to the State Tax  
93 Commission a certified copy of the resolution evidencing the tax.

94 **SECTION 4.** Accounting for receipts and expenditures of the  
95 funds herein described shall be made separately from the  
96 accounting of receipts and expenditures of the general fund and

97 any other funds of the City of Madison. The records reflecting  
98 the receipts and expenditures of the funds prescribed in this act  
99 shall be audited annually by an independent certified public  
100 accountant, and the accountant shall make a written report of his  
101 audit to the governing authorities. The audit shall be made and  
102 completed as soon as practicable after the close of the fiscal  
103 year, and expenses of the audit shall be paid from the funds  
104 derived in accordance with this act.

105       **SECTION 5.** The provisions of this act shall be repealed from  
106 and after July 1, 2010.

107       **SECTION 6.** The governing authorities are directed to submit  
108 this act, immediately upon approval by the Governor, or upon  
109 approval by the Legislature subsequent to a veto, to the Attorney  
110 General of the United States or to the United States District  
111 Court for the District of Columbia in accordance with the  
112 provisions of the Voting Rights Act of 1965, as amended and  
113 extended.

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