

By: Senator(s) Ross

To: Local and Private;
Finance

COMMITTEE SUBSTITUTE
FOR
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 THE
8 TAX SHALL BE COLLECTED BY THE STATE TAX COMMISSION AND PAID TO THE
9 CITY OF MADISON; TO PROVIDE FOR AN ELECTION ON WHETHER THE TAX MAY
10 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 the
70 City of Madison as general fund revenues but shall be dedicated to
71 and expended solely for the purposes specified in this section.

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

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

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

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

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