

By: Representative Montgomery

To: Local and Private  
Legislation

HOUSE BILL NO. 1795

1 AN ACT TO AMEND CHAPTER 1016, LOCAL AND PRIVATE LAWS OF 2004,  
2 TO EXTEND THE DATE OF REPEAL ON THE PROVISION OF LAW THAT  
3 AUTHORIZES THE GOVERNING AUTHORITIES OF THE CITY OF PONTOTOC TO  
4 LEVY A TAX UPON THE GROSS SALES OF HOTELS, MOTELS AND RESTAURANTS  
5 TO PROMOTE TOURISM AND ECONOMIC DEVELOPMENT; AND FOR RELATED  
6 PURPOSES.

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

8 **SECTION 1.** Chapter 1016, Local and Private Laws of 2004, is  
9 amended as follows:

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

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

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

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

29 home providing food for students, patients, visitors and their  
30 families.

31 Section 2. (1) For the purpose of providing funds to  
32 promote tourism and to encourage retired persons to remain in or  
33 relocate to the Pontotoc area, the governing authorities of the  
34 City of Pontotoc, Mississippi, are authorized, in their  
35 discretion, to levy and collect from the persons hereinafter  
36 specified a tax, which shall be in addition to all of the taxes  
37 and assessments imposed. The tax shall be imposed on the  
38 following persons:

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

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

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

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

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

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

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

91           Section 4. Accounting for receipts and expenditures of the  
92 funds herein described shall be made separately from the  
93 accounting of receipts and expenditures of the general fund and

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

102 Section 5. The provisions of this act shall be repealed from  
103 and after July 1, 2012.

104 **SECTION 2.** This act shall take effect and be in force from  
105 and after its passage.