

By: Representatives Myers, Cockerham, Mims

To: Local and Private
Legislation

HOUSE BILL NO. 1796

1 AN ACT TO AMEND CHAPTER 904, LOCAL AND PRIVATE LAWS OF 2005,
2 TO EXTEND THE DATE OF REPEAL ON THE PROVISION OF LAW THAT
3 AUTHORIZES THE GOVERNING AUTHORITIES OF THE CITY OF MCCOMB,
4 MISSISSIPPI, TO IMPOSE A TOURISM TAX WITHIN THE CITY, AND TO
5 EXPEND THE PROCEEDS OF THE TAX TO PROMOTE TOURISM AND ECONOMIC
6 DEVELOPMENT; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Chapter 904, Local and Private Laws of 2005, is
9 amended as follows:

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

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

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

22 Section 2. (1) For the purpose of providing funds for the
23 purpose of promoting and advertising the attributes of the City of
24 McComb, Mississippi, as they relate to tourism and economic
25 development, and for promoting tourism and economic development
26 events and activities in the city, the governing authorities of
27 the City of McComb, Mississippi, in their discretion, may levy,
28 assess and collect from every person, firm and corporation
29 operating a hotel or motel in the city, a tax that may be cited as

30 a "tourism tax," which shall be in addition to all other taxes and
31 assessments imposed by the city, as provided in this act.

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

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

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

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

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

60 Section 3. Before any tax authorized under this act may be
61 imposed, the governing authorities shall adopt a resolution
62 declaring their intention to levy the tax, setting forth the

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

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

93 Section 5. Accounting for receipts and expenditures of the
94 funds derived from the proceeds of the tax authorized by this act
95 shall be made separately from the accounting of receipts and

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

105 Section 6. Sections 1 through 5 of this act shall stand
106 repealed on December 31, 2009.

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