

By: Senator(s) Pickering

To: Local and Private;  
Finance

SENATE BILL NO. 3112

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF  
2 ELLISVILLE, MISSISSIPPI, TO LEVY A TAX UPON THE GROSS SALES OF  
3 HOTELS AND MOTELS DERIVED FROM ROOM RENTALS AND UPON THE GROSS  
4 PROCEEDS OF SALES OF CERTAIN RESTAURANTS; TO PROVIDE THAT THE  
5 REVENUE FROM THE TAX SHALL BE EXPENDED BY THE CITY OF ELLISVILLE  
6 FOR THE PURPOSE OF UPGRADING INFRASTRUCTURE; TO PROVIDE THAT THE  
7 TAX SHALL BE COLLECTED BY THE STATE TAX COMMISSION AND PAID TO THE  
8 CITY OF ELLISVILLE; TO PROVIDE FOR AN ELECTION ON WHETHER THE TAX  
9 MAY BE LEVIED; AND FOR RELATED PURPOSES.

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

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

14 (a) "Governing authorities" means the governing  
15 authorities of the City of Ellisville, Mississippi.

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

25 (c) "Restaurant" means all businesses that receive  
26 fifty percent (50%) or more of their gross revenue from the sale  
27 of prepared food and beverages sold for consumption on the  
28 premises of the business. The term "restaurant" does not include  
29 any school, hospital, convalescent or nursing home, or any  
30 restaurant-like facility operated by or in connection with a

31 school, hospital, medical clinic, convalescent or nursing home  
32 providing food for students, patients, visitors or their families.

33 **SECTION 2.** (1) For the purpose of providing funds to  
34 upgrade infrastructure in the City of Ellisville, the governing  
35 authorities are authorized, in their discretion, to levy and  
36 collect from the following persons a tax, which shall be in  
37 addition to all of the taxes and assessments imposed. The tax  
38 shall be imposed on the following persons:

39 (a) A tax upon every person, firm or corporation  
40 operating a motel or hotel in the City of Ellisville, at a rate  
41 not to exceed one percent (1%) of the gross proceeds of room  
42 rentals for each such hotel or motel.

43 (b) A tax upon every person, firm or corporation  
44 operating a restaurant in the City of Ellisville, at a rate not to  
45 exceed one percent (1%) of the gross proceeds of the sales of the  
46 restaurant.

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

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

60 (4) The proceeds of the tax, less three percent (3%) thereof  
61 which shall be retained by the State Tax Commission to defray the  
62 cost of collection, shall be paid to the governing authorities on

63 or before the fifteenth day of the month following the month in  
64 which collected.

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

68 **SECTION 3.** Before any tax authorized under this act may be  
69 imposed, the governing authorities shall adopt a resolution  
70 declaring their intention to levy the tax, setting forth the  
71 amount of the tax to be imposed, the date upon which the tax shall  
72 become effective and calling for an election to be held on the  
73 question. The date of the election shall be fixed in the  
74 resolution. Notice of such intention and the election shall be  
75 published once each week for at least three (3) consecutive weeks  
76 in a newspaper published or having a general circulation in the  
77 City of Ellisville, with the first publication of the notice to be  
78 made not less than twenty-one (21) days before the date fixed in  
79 the resolution for the election and the last publication to be  
80 made not more than seven (7) days before the election. At the  
81 election, all qualified electors of the City of Ellisville may  
82 vote, and the ballots used in the election shall have printed  
83 thereon a brief statement of the amount and purposes of the  
84 proposed tax levy and the words "FOR THE TAX" and, on a separate  
85 line, "AGAINST THE TAX" and the voters shall vote by placing a  
86 cross (X) or check (√) opposite their choice on the proposition.  
87 When the results of the election shall have been canvassed and  
88 certified, the city may levy the tax if sixty percent (60%) of the  
89 qualified electors who vote in the election vote in favor of the  
90 tax. At least thirty (30) days before the effective date of the  
91 tax provided in this section, the governing authorities shall  
92 furnish to the State Tax Commission a certified copy of the  
93 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 Ellisville. 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, 2012.

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.