

By: Senator(s) Gordon

To: Local and Private;
Finance

SENATE BILL NO. 3229

1 AN ACT TO REENACT AND AMEND CHAPTER 879, LOCAL AND PRIVATE
2 LAWS OF 1992, AS AMENDED BY CHAPTER 975, LOCAL AND PRIVATE LAWS OF
3 1994, AS AMENDED BY CHAPTER 905, LOCAL AND PRIVATE LAWS OF 1999,
4 AS AMENDED BY CHAPTER 943, LOCAL AND PRIVATE LAWS OF 2003, WHICH
5 CREATES THE GRENADA TOURISM COMMISSION AND AUTHORIZES THE
6 IMPOSITION OF A TOURIST AND CONVENTION TAX; TO EXTEND THE
7 REPEALER; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Chapter 879, Local and Private Laws of 1992, as
10 amended by Chapter 975, Local and Private Laws of 1994, as amended
11 by Chapter 905, Local and Private Laws of 1999, as amended by
12 Chapter 943, Local and Private Laws of 2003, is reenacted and
13 amended as follows:

14 Section 1. The following words and phrases shall have the
15 meanings ascribed in this section unless the context clearly
16 indicates otherwise:

- 17 (a) "Bar" means any bar, tavern or lounge where
18 alcoholic beverages are sold for consumption on the premises;
- 19 (b) "Commission" means the Grenada Tourism Commission;
- 20 (c) "City" means the City of Grenada, Mississippi;
- 21 (d) "Governing authorities" means the Mayor and City
22 Council of the City of Grenada;
- 23 (e) "Hotel" or "motel" means a place of lodging with
24 more than six (6) rental units that at any one time will
25 accommodate transient guests on a daily or weekly basis and that
26 is known to the trade as such;
- 27 (f) "Prepared food" means food prepared on the
28 premises;

29 (g) "Restaurant" means any place, including hotel and
30 motel dining rooms, cafeterias, cafes and lunch stands, as well as
31 grocery and convenience stores where prepared food and drink are
32 sold for consumption either upon or off the premises.

33 Section 2. (1) There is created and established the Grenada
34 Tourism Commission, hereinafter referred to in this act as the
35 "commission." The governing authority of the City of Grenada,
36 Mississippi, shall be authorized to contract with the Grenada
37 Tourism Commission for the administrative responsibilities of a
38 tourism program for the Grenada area. All contracts between the
39 commission and the City of Grenada, Mississippi, shall be signed
40 by the chairman of the commission and shall be on such terms and
41 for such duration as the parties may agree. Minutes of all
42 meetings shall be kept by the commission and submitted to the
43 Grenada City Council.

44 (2) The commission shall have jurisdiction and authority
45 over all matters relating to establishing, promoting and
46 developing tourism, along with related matters in the Grenada
47 area. The commission shall be authorized to own, lease, rent or
48 otherwise furnish, equip and operate any and all facilities and
49 equipment necessary or useful in the promotion of tourism and to
50 receive and expend, subject to the provisions of this act,
51 revenues from other sources.

52 (3) The commission shall be composed of seven (7) members as
53 follows:

54 (a) One (1) member shall be selected by the Grenada
55 Restaurant Association;

56 (b) One (1) member shall be selected by the Grenada
57 Motel/Hotel Association;

58 (c) One (1) member shall be selected by the Grenada
59 Hotel/Motel and Restaurant Association;

60 (d) The Director of the Grenada County Chamber of
61 Commerce or an employee of the Chamber of Commerce appointed by
62 the Director of the Chamber;

63 (e) One (1) member of the business community at large
64 appointed by the Board of Directors of the Chamber of Commerce;
65 and

66 (f) Two (2) members at large from the city, one (1) of
67 which must be minority, appointed by the Grenada City Council.

68 Appointments to the commission shall be for a term of two (2)
69 years.

70 Any vacancy which may occur shall be filled by the appointing
71 authority for the unexpired term. Each member shall serve until
72 his successor is appointed and qualifies.

73 The members shall elect from among themselves a chairman. A
74 member of the commission shall not serve as chairman for more than
75 two (2) consecutive two-year terms.

76 (4) The commission is authorized to employ personnel, to
77 obtain supplies, furnishings and other facilities necessary to
78 administer the affairs and duties of the commission, and to pay
79 for the same out of the revenue provided by this act.

80 Section 3. (1) For the purpose of providing funds for the
81 commission to promote tourism and conventions, the governing
82 authority of the City of Grenada, Mississippi, is authorized to
83 levy upon every person, firm or corporation operating a hotel or
84 motel in such city, a tax, which may be cited as a "tourism tax,"
85 at a rate not to exceed two percent (2%) of the gross proceeds of
86 sales from room rentals of hotels and motels in the city,
87 including charges for telephone, laundry and other similar
88 charges. The tax shall not be levied upon or collected from gross
89 proceeds of nontaxable rooms nor room rentals for day meetings
90 that do not serve as overnight sleeping accommodations. Such tax
91 shall be in addition to all other taxes now imposed.

92 (2) The governing authorities also are authorized to impose
93 upon persons doing business within the city other than the tax
94 imposed on hotel and motel rooms under subsection (1) of this
95 section, a tax at a rate of not to exceed one percent (1%) on the
96 gross receipts of restaurants and bars from retail sales of
97 prepared food, beer and/or alcoholic beverages; however, the tax
98 shall not apply to restaurants/bars whose gross proceeds of sales
99 or gross income is less than One Hundred Thousand Dollars
100 (\$100,000.00) per calendar year based upon sales or income for the
101 preceding calendar year. For the purposes of calculating gross
102 proceeds of sales or gross income, the sales or income of all
103 establishments owned, operated or controlled by the same person,
104 persons or corporations shall be aggregated.

105 (3) Before a tax authorized by this act may be imposed, the
106 governing authority of the City of Grenada, Mississippi, shall
107 adopt a resolution declaring its intention to levy the tax and
108 establishing the amount of the tax levy and the date on which this
109 tax initially shall be levied and collected. This date shall be
110 the first day of a month but shall not be sooner than the first
111 day of the second month following the date of adoption of the
112 resolution. Notice of the proposed tax levy shall be published
113 once each week for at least three (3) consecutive weeks in a
114 newspaper having a general circulation in the city. The first
115 publication of such notice shall be made not less than twenty-one
116 (21) days prior to the date fixed in the resolution on which the
117 governing authority proposes to levy such tax, and the last
118 publication of such notice shall be made not more than seven (7)
119 days prior to such date. If, within the time of giving notice,
120 twenty percent (20%) or fifteen hundred (1500), whichever is less,
121 of the qualified electors of the city file a written petition
122 against the levy of such tax, then such tax shall not be levied
123 unless authorized by a majority of the qualified electors of such
124 city voting at an election called and held for that purpose.

125 Prior to the effective date of the tax levy approved as herein
126 provided, the governing authority shall furnish to the Chairman of
127 the State Tax Commission a certified copy of the resolution
128 evidencing such tax levy.

129 (4) Persons, firms or corporations liable for the tax
130 imposed herein shall add the amount of tax to the sales price of
131 room rentals and, in addition thereto, shall collect, insofar as
132 practicable, the amount of the tax due from the person receiving
133 the services at the time of payment therefor.

134 (5) Such tax shall be collected by and paid to the State Tax
135 Commission on a form prescribed by the State Tax Commission, in
136 the same manner that state sales taxes are computed, collected and
137 paid; and the full enforcement provisions and all other provisions
138 of Chapter 65, Title 27, Mississippi Code of 1972, shall apply as
139 necessary to the implementation and administration of this act.

140 (6) The proceeds of such tax, less three percent (3%) to be
141 retained by the State Tax Commission to defray the costs of
142 collection, shall be paid to the governing authority of the City
143 of Grenada, Mississippi, on or before the fifteenth day of the
144 month following the month in which collected.

145 (7) The proceeds of the tax shall not be considered by the
146 city as general fund revenues but shall be dedicated to and used
147 by the commission solely for the purpose of carrying out programs
148 and activities designed to attract tourists to the city and
149 surrounding area. Fifty percent (50%) of the tax or revenue shall
150 be placed in an interest bearing tourism escrow fund for the
151 construction, financing and operation of a convention center or
152 any other use that may promote tourism as determined by the City
153 of Grenada. The convention center shall be carefully planned and
154 constructed with the cooperation of the governing authorities and
155 the commission.

156 (8) Before the expenditure of funds herein prescribed, a
157 budget reflecting the anticipated receipts and expenditures shall

158 be approved by the governing authorities. The first budget of
159 receipts and expenditures shall cover the period beginning with
160 the effective date of the taxes and ending with the end of the
161 city's fiscal year, and, thereafter, the budget shall be on the
162 same fiscal basis as the budget of the city.

163 Section 4. The books of the commission shall be audited
164 annually by an independent certified public accountant, and the
165 accountant shall make a written report of his audit to the
166 commission who shall thereupon submit a copy of such report to the
167 governing authority of the City of Grenada, Mississippi. Such
168 audit shall be made and completed as soon as practicable after the
169 close of the fiscal year, and copies of the report of such audit
170 shall be filed with the city clerk within fifteen (15) days after
171 receipt thereof by the commission.

172 Section 5. Sections 1 through 4 of this act shall stand
173 repealed on September 30, 2011.

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