

By: Representatives Horan, Reynolds

To: Local and Private
Legislation

HOUSE BILL NO. 1563
(As Sent to Governor)

1 AN ACT TO AMEND CHAPTER 879, LOCAL AND PRIVATE LAWS OF 1992,
2 AS LAST AMENDED BY CHAPTER 935, LOCAL AND PRIVATE LAWS OF 2015, TO
3 EXTEND THE DATE OF REPEAL ON THE PROVISIONS OF LAW THAT
4 ESTABLISHES THE GRENADA TOURISM COMMISSION AND AUTHORIZES THE
5 IMPOSITION OF A TOURIST AND CONVENTION TAX; TO AUTHORIZE THE
6 GOVERNING AUTHORITIES OF THE CITY OF GRENADA, MISSISSIPPI, TO LEVY
7 AN ADDITIONAL TAX ON HOTELS, MOTELS AND RESTAURANTS FOR THE
8 PURPOSE OF PROVIDING FUNDS TO CONSTRUCT, FINANCE AND OPERATE A
9 SPORTS PARK; TO REQUIRE THAT THE LEVY OF THE ADDITIONAL TAX MAY BE
10 IMPOSED ONLY IF APPROVED AT AN ELECTION BY 60% OF THOSE VOTING;
11 AND FOR RELATED PURPOSES.

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

13 **SECTION 1.** Chapter 879, Local and Private Laws of 1992, as
14 amended by Chapter 975, Local and Private Laws of 1994, as amended
15 by Chapter 905, Local and Private Laws of 1999, as amended by
16 Chapter 943, Local and Private Laws of 2003, as amended by Chapter
17 958, Local and Private Laws of 2007, as amended by Chapter 940,
18 Local and Private Laws of 2011, as amended by Chapter 935, Local
19 and Private Laws of 2015, is amended as follows:

20 Section 1. The following words and phrases shall have the
21 meanings ascribed in this section unless the context clearly
22 indicates otherwise:



23 (a) "Bar" means any bar, tavern or lounge where
24 alcoholic beverages are sold for consumption on the premises;

25 (b) "Commission" means the Grenada Tourism Commission;

26 (c) "City" means the City of Grenada, Mississippi;

27 (d) "Governing authorities" means the Mayor and City
28 Council of the City of Grenada;

29 (e) "Hotel" or "motel" means a place of lodging with
30 more than six (6) rental units that at any one time will
31 accommodate transient guests on a daily or weekly basis and that
32 is known to the trade as such;

33 (f) "Prepared food" means food prepared on the
34 premises;

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

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



48 meetings shall be kept by the commission and submitted to the
49 Grenada City Council.

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

58 (3) The commission shall be composed of seven (7) members as
59 follows:

60 (a) One (1) member shall be selected by the Grenada
61 Restaurant Association;

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

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

66 (d) The Director of the Grenada County Chamber of
67 Commerce or an employee of the Chamber of Commerce appointed by
68 the Director of the Chamber;

69 (e) One (1) member of the business community at large
70 appointed by the Board of Directors of the Chamber of Commerce;
71 and



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

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

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

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

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

86 Section 3. (1) (a) For the purpose of providing funds for
87 the commission to promote tourism and conventions, the
88 governing * * * authorities are authorized to levy upon every
89 person, firm or corporation operating a hotel or motel in such
90 city, a tax, which may be cited as a "tourism tax," at a rate not
91 to exceed two percent (2%) of the gross proceeds of sales from
92 room rentals of hotels and motels in the city, including charges
93 for telephone, laundry and other similar charges. The tax shall
94 not be levied upon or collected from gross proceeds of nontaxable
95 rooms * * * or room rentals for day meetings that do not serve as



96 overnight sleeping accommodations. Such tax shall be in addition
97 to all other taxes now imposed.

98 (b) For the purpose of constructing, financing and
99 operating a sports park, the governing authorities are authorized
100 to levy upon every person, firm or corporation operating a hotel
101 or motel in the city, an additional tax, in an amount not to
102 exceed one percent (1%) of the gross proceeds of sales from room
103 rentals of hotels and motels in the city, including charges for
104 telephone, laundry and other similar charges. The tax shall not
105 be levied upon or collected from gross proceeds of nontaxable
106 rooms or room rentals for day meetings that do not serve as
107 overnight sleeping accommodations. The tax shall be in addition
108 to all other taxes now imposed.

109 (2) (a) The governing authorities also are authorized to
110 impose upon persons doing business within the city other than the
111 tax imposed on hotel and motel rooms under subsection (1) of this
112 section, a tax at a rate of not to exceed one percent (1%) on the
113 gross receipts of restaurants and bars from retail sales of
114 prepared food, beer and/or alcoholic beverages; however, the tax
115 shall not apply to restaurants/bars whose gross proceeds of sales
116 or gross income is less than One Hundred Thousand Dollars
117 (\$100,000.00) per calendar year based upon sales or income for the
118 preceding calendar year. For the purposes of calculating gross
119 proceeds of sales or gross income, the sales or income of all



120 establishments owned, operated or controlled by the same person,
121 persons or corporations shall be aggregated.

122 (b) For the purpose of constructing, financing and
123 operating a sports park, the governing authorities are authorized
124 to impose upon persons doing business within the city an
125 additional tax at a rate of not to exceed one percent (1%) on the
126 gross receipts of restaurants and bars from retail sales of
127 prepared food, beer and/or alcoholic beverages; however, the tax
128 shall not apply to restaurants/bars whose gross proceeds of sales
129 or gross income is less than One Hundred Thousand Dollars
130 (\$100,000.00) per calendar year based upon sales or income for the
131 preceding calendar year. For the purposes of calculating gross
132 proceeds of sales or gross income, the sales or income of all
133 establishments owned, operated or controlled by the same person,
134 persons or corporations shall be aggregated. The tax shall be in
135 addition to all other taxes now imposed.

136 (3) (a) Before a tax authorized by this act may be imposed,
137 the governing authority of the City of Grenada, Mississippi, shall
138 adopt a resolution declaring its intention to levy the tax and
139 establishing the amount of the tax levy and the date on which this
140 tax initially shall be levied and collected. This date shall be
141 the first day of a month but shall not be sooner than the first
142 day of the second month following the date of adoption of the
143 resolution. Notice of the proposed tax levy shall be published
144 once each week for at least three (3) consecutive weeks in a



145 newspaper having a general circulation in the city. The first
146 publication of such notice shall be made not less than twenty-one
147 (21) days prior to the date fixed in the resolution on which the
148 governing authority proposes to levy such tax, and the last
149 publication of such notice shall be made not more than seven (7)
150 days prior to such date. If, within the time of giving notice,
151 twenty percent (20%) or fifteen hundred (1500), whichever is less,
152 of the qualified electors of the city file a written petition
153 against the levy of such tax, then such tax shall not be levied
154 unless authorized by a majority of the qualified electors of such
155 city voting at an election called and held for that purpose.
156 Prior to the effective date of the tax levy approved as herein
157 provided, the governing authority shall furnish to the Chairman of
158 the Department of Revenue a certified copy of the resolution
159 evidencing such tax levy. This paragraph shall not apply to the
160 tax authorized to be levied under subsections (1)(b) and (2)(b) of
161 this section.

162 (b) If the tax levied under * * * subsections (1)(a)
163 and (2)(a) of this section was imposed without a vote of the
164 electorate, the governing authorities shall, within sixty (60)
165 days after the effective date of House Bill No. 1425, 2015 Regular
166 Session, by resolution spread upon its minutes, declare the
167 intention of the governing authorities to continue imposing the
168 tax and describe the tax levy including the tax rate, annual
169 revenue collections and the purposes for which the proceeds are



170 used. The resolution shall be published once a week for at least
171 three (3) consecutive weeks in a newspaper published or having a
172 general circulation in the municipality, with the first
173 publication to be made within fourteen (14) days after the
174 governing authorities adopt the resolution declaring their
175 intention to continue the tax. If, on or before the date
176 specified in the resolution for filing a written protest, which
177 date shall be not less than forty-five (45) days and not more than
178 sixty (60) days after the governing authorities adopt the
179 resolution, twenty percent (20%) or one thousand five hundred
180 (1,500), whichever is less, of the qualified electors of the
181 municipality file a written protest against the imposition of the
182 tax, then an election upon the levy and assessment of the tax
183 shall be called and held as in the manner provided for in * * *
184 paragraph (a) of this subsection, with the election to be
185 conducted at the next special election day as such is defined by
186 Section 23-15-833, Mississippi Code of 1972, occurring more than
187 sixty (60) days after the date specified in the resolution for
188 filing a written protest. If the requisite number of qualified
189 electors vote against the imposition of the tax, the tax shall
190 cease to be imposed on the first day of the month following
191 certification of the election results by the election
192 commissioners of the municipality to the governing authorities.
193 The governing authorities shall notify the Department of Revenue
194 of the date of the discontinuance of the tax and shall publish



195 sufficient notice thereof in a newspaper published or having a
196 general circulation in the municipality. If no protest is filed,
197 then the governing authorities shall state that fact in their
198 minutes and may continue the levy and assessment of the tax.

199 This * * * paragraph (b) shall not apply if the revenue from
200 the tax authorized by this chapter has been contractually pledged
201 for the payment of debt incurred prior to the effective date of
202 House Bill No. 1425, 2015 Regular Session, until such time as the
203 debt is satisfied. Once the debt has been satisfied, the
204 governing authorities, shall within sixty (60) days, adopt a
205 resolution declaring the intention of the governing authorities to
206 continue the tax which shall initiate the procedure described
207 in * * * paragraph (a) of this section.

208 (c) Before the additional tax authorized under
209 subsections (1)(b) and (2)(b) of this section may be imposed, the
210 governing authorities shall adopt a resolution declaring their
211 intention to levy the tax, setting forth the amount of the tax to
212 be imposed, the date upon which the tax shall become effective and
213 calling for an election to be held on the question. The date of
214 the election shall be fixed in the resolution. Notice of such
215 intention and the election shall be published once each week for
216 at least three (3) consecutive weeks in a newspaper published or
217 having a general circulation in the city, with the first
218 publication of the notice to be made not less than twenty-one (21)
219 days before the date fixed in the resolution for the election and



220 the last publication to be made not more than seven (7) days
221 before the election. At the election, all qualified electors of
222 the city may vote, and the ballots used in the election shall have
223 printed thereon a brief statement of the amount and purposes of
224 the proposed tax levy and the words "FOR THE TAX" and, on a
225 separate line, "AGAINST THE TAX" and the voters shall vote by
226 placing a cross (X) or check (✓) opposite their choice on the
227 proposition. When the results of the election shall have been
228 canvassed and certified, the city may levy the additional tax if
229 sixty percent (60%) of the qualified electors who vote in the
230 election vote in favor of the tax. At least thirty (30) days
231 before the effective date of the additional tax, the governing
232 authorities shall furnish to the Department of Revenue a certified
233 copy of the resolution evidencing the tax.

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

239 (5) Such tax shall be collected by and paid to the
240 Department of Revenue on a form prescribed by the Department of
241 Revenue, in the same manner that state sales taxes are computed,
242 collected and paid; and the full enforcement provisions and all
243 other provisions of Chapter 65, Title 27, Mississippi Code of



244 1972, shall apply as necessary to the implementation and
245 administration of this act.

246 (6) The proceeds of such tax, less three percent (3%) to be
247 retained by the Department of Revenue to defray the costs of
248 collection, shall be paid to the governing authority of the City
249 of Grenada, Mississippi, on or before the fifteenth day of the
250 month following the month in which collected.

251 (7) (a) The proceeds of the tax levied under subsections
252 (1)(a) and (2)(a) shall not be considered by the city as general
253 fund revenues but shall be dedicated to and used by the commission
254 solely for the purpose of carrying out programs and activities
255 designed to attract tourists to the city and surrounding area.
256 Fifty percent (50%) of the tax or revenue shall be placed in an
257 interest-bearing tourism escrow fund for the construction,
258 financing and operation of a convention center or any other use
259 that may promote tourism as determined by the City of Grenada.
260 The convention center shall be carefully planned and constructed
261 with the cooperation of the governing authorities and the
262 commission.

263 (b) The proceeds of the tax levied under subsections
264 (1)(b) and (2)(b) of this section shall not be considered by the
265 city as general fund revenues but shall be dedicated to and used
266 by the city solely for the purpose of constructing, financing and
267 operating a sports park.



268 (8) Before the expenditure of funds herein prescribed, a
269 budget reflecting the anticipated receipts and expenditures shall
270 be approved by the governing authorities. The first budget of
271 receipts and expenditures shall cover the period beginning with
272 the effective date of the taxes and ending with the end of the
273 city's fiscal year, and, thereafter, the budget shall be on the
274 same fiscal basis as the budget of the city.

275 Section 4. The books of the commission shall be audited
276 annually by an independent certified public accountant, and the
277 accountant shall make a written report of his audit to the
278 commission who shall thereupon submit a copy of such report to
279 the * * * governing authorities. Such audit shall be made and
280 completed as soon as practicable after the close of the fiscal
281 year, and copies of the report of such audit shall be filed with
282 the city clerk within fifteen (15) days after receipt thereof by
283 the commission.

284 Section 5. Sections 1 through 4 of this act shall stand
285 repealed on September 30, * * * 2022.

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

