

By: Representatives Gunn, Dixon

To: Local and Private
Legislation

HOUSE BILL NO. 1657
(As Passed the House)

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 CLINTON, MISSISSIPPI, TO IMPOSE AN ADDITIONAL TOURISM TAX OF ONE
3 PERCENT ON THE GROSS PROCEEDS DERIVED FROM HOTEL AND MOTEL ROOM
4 RENTALS WITHIN THE CITY AND TO EXPEND THE PROCEEDS OF THE TAX TO
5 PROMOTE TOURISM, PARKS AND RECREATION; TO PROVIDE THAT THE TAX
6 SHALL BE COLLECTED BY THE DEPARTMENT OF REVENUE AND PAID TO THE
7 CITY OF CLINTON; TO PROVIDE FOR AN ELECTION ON WHETHER THE
8 ADDITIONAL TAX MAY BE LEVIED; AND FOR RELATED PURPOSES.

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

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) "City" means the City of Clinton, Mississippi.

14 (b) "Fiscal year" means the period from October 1 to
15 September 30 of each calendar year.

16 (c) "Governing authorities" means the Mayor and Board
17 of Aldermen of the City of Clinton, Mississippi.

18 (d) "Hotel" or "motel" means any establishment engaged
19 in the business of furnishing or providing rooms intended or
20 designed for lodging or sleeping purposes for transient guests,
21 which establishment consists of five (5) or more guest rooms and



22 does not include any hospital, convalescent or nursing home, or
23 sanitarium, or any hotel-like facility operated by or in
24 connection with a hospital or medical clinic providing rooms
25 exclusively for patients and their families.

26 **SECTION 2.** (1) For the purpose of providing funds to
27 promote and advertise the attributes of the city, as they relate
28 to tourism, parks and recreation, and for promoting tourism, parks
29 and recreation events and activities in the city, the governing
30 authorities of the City of Clinton, Mississippi, in their
31 discretion, may, levy, assess and collect from every person, firm
32 and corporation operating a hotel or motel in the city, a tax that
33 may be cited as a "tourism tax" which shall be in addition to all
34 other taxes and assessments imposed by the city, as provided in
35 this act.

36 (2) The tax shall be an amount not to exceed one percent
37 (1%) of the gross proceeds derived from hotel and motel room
38 rentals in the city, excluding charges for telephone, laundry and
39 similar services. The tax shall not be levied upon or collected
40 from gross proceeds of nontaxable rooms, room rentals for day
41 meetings that do not serve as overnight sleeping accommodations,
42 or room rentals to residential guests of a hotel or motel.

43 (3) Persons liable for the tax imposed pursuant to this act
44 shall add the amount of tax to the gross proceeds from room
45 rentals and shall collect, insofar as practicable, the amount of



46 the tax due by him from the person receiving the services at the
47 time of payment for the services.

48 (4) The tax shall be collected by and paid to the Department
49 of Revenue on a form prescribed by the Department of Revenue, in
50 the same manner that state sales taxes are computed, collected and
51 paid; and the full enforcement provisions and all other provisions
52 of Chapter 65, Title 27, Mississippi Code of 1972, shall apply as
53 necessary to the implementation and administration of this act.

54 (5) The proceeds of the tax, less three percent (3%) to be
55 retained by the Department of Revenue to defray the costs of
56 collection, shall be paid to the governing authorities of the city
57 on or before the fifteenth day of the month following the month in
58 which they were collected.

59 (6) The proceeds of the tax shall not be considered by the
60 city as general fund revenue but shall be dedicated solely for the
61 purposes set forth in subsection (1) of this section, as
62 determined by the governing authorities of the city, which are
63 designed to promote and advertise tourism, parks and recreation in
64 the city and promote tourism, parks and recreation events in the
65 city.

66 **SECTION 3.** Before any tax authorized under this act may be
67 imposed, the governing authorities shall adopt a resolution
68 declaring its intention to levy the tax, setting forth the amount
69 of the tax to be imposed, the date upon which the tax shall become
70 effective, and calling for an election to be held on the question.



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

91 **SECTION 4.** Before the expenditure of the proceeds of the tax
92 authorized by this act, a budget reflecting the anticipated
93 receipts and expenditures shall be approved by the governing
94 authorities of the city. The first budget of receipts and
95 expenditures shall cover the period beginning with the effective



96 date of the tax and ending with the end of the city's fiscal year,
97 and thereafter, the budget shall be on the same fiscal basis as
98 the budget of the city.

99 **SECTION 5.** Accounting for receipts and expenditures of the
100 funds derived from the proceeds of the tax authorized by this act
101 shall be made separately from the accounting receipts and
102 expenditures of the general fund and any other funds of the city.
103 The records reflecting the receipts and expenditures of these
104 funds shall be audited annually by an independent certified public
105 accountant, and the accountant shall make a written report of his
106 audit to the governing authorities. The audit shall be made and
107 completed as soon as practicable after the close of the city's
108 fiscal year, and copies of the report of the audit shall be filed
109 with the clerk of the city. The expenses of this audit may be
110 paid from the funds derived in accordance with this act.

111 **SECTION 6.** This act shall not alter or amend Chapter 943,
112 Local and Private Laws of 1995, which act, including the two
113 percent (2%) tourism tax authorized therein, shall remain
114 unchanged, without amendment, and in full force and effect.

115 **SECTION 7.** This act shall be repealed from and after July 1,
116 2023.

117 **SECTION 8.** This act shall take effect and be in force from
118 and after its passage.

