

By: Senator(s) Hudson

To: Local and Private;
Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3069

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 HATTIESBURG, MISSISSIPPI, TO LEVY AN ADDITIONAL TAX ON HOTELS,
3 MOTELS AND RESTAURANTS; TO PROVIDE THAT THE PROCEEDS OF THE TAX
4 SHALL BE USED BY THE CITY TO PROMOTE TOURISM AND PARKS AND
5 RECREATION; TO AUTHORIZE THE CITY TO DISTRIBUTE A PORTION OF THE
6 TAX TO THE UNIVERSITY OF SOUTHERN MISSISSIPPI TO BE USED BY THE
7 UNIVERSITY FOR IMPROVEMENTS TO ITS ATHLETIC FACILITIES; TO
8 AUTHORIZE THE CITY TO RECEIVE AND EXPEND REVENUES FROM ANY SOURCE
9 FOR THE PURPOSES AUTHORIZED IN THIS ACT; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** As used in this act:

12 (a) "City" means the City of Hattiesburg, Mississippi.

13 (b) "Governing authorities" means the governing
14 authorities of the City of Hattiesburg, Mississippi.

15 (c) "Hotel" or "motel" means a place of lodging that at
16 any one time will accommodate transient guests on a daily or
17 weekly basis, excluding hotels or motels with ten (10) or less
18 overnight rental units.

19 (d) "Restaurant" means all places where prepared food
20 and beverages are sold for consumption whether such food is
21 consumed on the premises or not. The term "restaurant" does not



22 include any school, hospital, medical clinic, convalescent or
23 nursing home providing food for students, patients, visitors and
24 their families, or any restaurant having annual gross sales of
25 less than One Hundred Thousand Dollars (\$100,000.00).

26 **SECTION 2.** (1) For the purpose of promoting tourism and
27 parks and recreation, the governing authorities are hereby
28 authorized, in their discretion, to levy, assess and collect, in
29 addition to all other taxes now imposed:

30 (a) A tax upon every person, firm or corporation
31 operating hotels and motels in the city, in an amount not to
32 exceed one percent (1%) of the gross proceeds from overnight room
33 rental, exclusive of charges for food, telephone, laundry,
34 beverages and similar charges.

35 (b) A tax upon every person, firm or corporation
36 operating a restaurant in the city in an amount not to exceed one
37 percent (1%) of the gross income of the restaurant.

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

44 (3) The tax shall be collected by and paid to the Department
45 of Revenue on a form prescribed by the Department of Revenue in
46 the manner that state sales taxes are computed, collected and



47 paid; and full enforcement provisions and all other provisions of
48 Chapter 65, Title 27, Mississippi Code of 1972, shall apply as
49 necessary to the implementation and administration of this act.

50 (4) The proceeds of the tax, less three percent (3%) thereof
51 which shall be retained by the Department of Revenue to defray the
52 cost of collection, shall be paid to the governing authorities on
53 or before the fifteenth day of the month following the month in
54 which collected.

55 (5) The proceeds of the tax shall not be considered by the
56 city as general fund revenues but shall be dedicated to and
57 expended solely for the purposes specified in this section;
58 however, fifty percent (50%) of the proceeds derived from the tax
59 collected under this act may be distributed by the governing
60 authorities to The University of Southern Mississippi to be used
61 by the university for improvements to its athletic facilities.

62 **SECTION 3.** Before any tax authorized under this act may be
63 imposed, the governing authorities shall adopt a resolution
64 declaring their intention to levy the tax, setting forth the
65 amount of the tax to be imposed, the date upon which the tax shall
66 become effective and calling for an election to be held on the
67 question. The date of the election shall be fixed in the
68 resolution. Notice of such intention and the election shall be
69 published once each week for at least three (3) consecutive weeks
70 in a newspaper published or having a general circulation in the
71 city, with the first publication of the notice to be made not less



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

87 **SECTION 4.** Accounting for receipts and expenditures of the
88 funds herein described shall be made separately from the
89 accounting of receipts and expenditures of the general fund and
90 any other funds of the city. The records reflecting the receipts
91 and expenditures of the funds prescribed in this act shall be
92 audited annually by an independent certified public accountant,
93 and the accountant shall make a written report of his audit to the
94 governing authorities. The audit shall be made and completed as
95 soon as practicable after the close of the fiscal year, and



96 expenses of the audit shall be paid from the funds derived in
97 accordance with this act.

98 **SECTION 5.** The city is authorized to receive and expend
99 revenues from any source for the purposes authorized in this act.

100 **SECTION 6.** This act shall be repealed from and after July 1,
101 2022.

102 **SECTION 7.** This act shall take effect and be in force from
103 and after its passage.

