

By: Representatives DeLano, Haney, Dixon

To: Ways and Means

HOUSE BILL NO. 1102

1 AN ACT TO CREATE A MISSISSIPPI TOURISM ADVERTISING AND
 2 PROMOTION ADVISORY BOARD TO ASSIST THE MISSISSIPPI DEVELOPMENT
 3 AUTHORITY IN THE PLANNING OF INITIATIVES FOR ADVERTISING AND
 4 PROMOTING TOURISM IN MISSISSIPPI; TO ESTABLISH THE MEMBERSHIP OF
 5 SUCH BOARD AS CONSISTING OF THREE DIRECTORS OF CONVENTION AND
 6 VISITORS BUREAUS IN MISSISSIPPI COUNTIES OR MUNICIPALITIES AND TWO
 7 AT-LARGE MEMBERS FROM THE RESTAURANT OR HOTEL INDUSTRY; TO PROVIDE
 8 FOR THE APPOINTMENT OF SUCH BOARD MEMBERS BY THE GOVERNOR, WITH
 9 MEMBERS SERVING TERMS CONCURRENT WITH THAT OF THE GOVERNOR; TO
 10 AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO DIVERT ONE
 11 PERCENT OF SALES TAX REVENUE FROM RESTAURANTS AND HOTELS TO THE
 12 MISSISSIPPI DEVELOPMENT AUTHORITY TOURISM ADVERTISING FUND IN
 13 FISCAL YEAR 2019, TO BE INCREASED TO TWO PERCENT IN FISCAL YEAR
 14 2020 AND TO THREE PERCENT IN FISCAL YEAR 2021 AND THEREAFTER; AND
 15 FOR RELATED PURPOSES.

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

17 **SECTION 1.** (1) There is hereby created a Mississippi
 18 Tourism Advertising and Promotion Advisory Board to assist the
 19 Mississippi Development Authority in the planning of initiatives
 20 for advertising and promoting tourism in Mississippi.

21 (2) The advisory board shall be composed of the following
 22 members:

23 (a) Three (3) directors of convention and visitors
 24 bureaus for Mississippi counties or municipalities; and



25 (b) Two (2) at-large members from the restaurant or
26 hotel industry.

27 (3) Appointments shall be made by the Governor in January
28 2020, with members serving terms concurrent with that of the
29 Governor. In the event of a vacancy on the advisory board, a
30 successor shall be appointed to fill the unexpired term. Any
31 member whose term expires shall continue to serve until his or her
32 successor is appointed.

33 (4) Members of the advisory board may not be compensated for
34 the performance of their duties except from funds that are
35 specifically appropriated therefor by the Legislature or from
36 gifts, grants or donations.

37 **SECTION 2.** Section 27-65-75, Mississippi Code of 1972, is
38 amended as follows:

39 27-65-75. On or before the fifteenth day of each month, the
40 revenue collected under the provisions of this chapter during the
41 preceding month shall be paid and distributed as follows:

42 (1) (a) On or before August 15, 1992, and each succeeding
43 month thereafter through July 15, 1993, eighteen percent (18%) of
44 the total sales tax revenue collected during the preceding month
45 under the provisions of this chapter, except that collected under
46 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
47 business activities within a municipal corporation shall be
48 allocated for distribution to the municipality and paid to the
49 municipal corporation. Except as otherwise provided in this



50 paragraph (a), on or before August 15, 1993, and each succeeding
51 month thereafter, eighteen and one-half percent (18-1/2%) of the
52 total sales tax revenue collected during the preceding month under
53 the provisions of this chapter, except that collected under the
54 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
55 27-65-24, on business activities within a municipal corporation
56 shall be allocated for distribution to the municipality and paid
57 to the municipal corporation. However, in the event the State
58 Auditor issues a certificate of noncompliance pursuant to Section
59 21-35-31, the Department of Revenue shall withhold ten percent
60 (10%) of the allocations and payments to the municipality that
61 would otherwise be payable to the municipality under this
62 paragraph (a) until such time that the department receives written
63 notice of the cancellation of a certificate of noncompliance from
64 the State Auditor.

65 A municipal corporation, for the purpose of distributing the
66 tax under this subsection, shall mean and include all incorporated
67 cities, towns and villages.

68 Monies allocated for distribution and credited to a municipal
69 corporation under this paragraph may be pledged as security for a
70 loan if the distribution received by the municipal corporation is
71 otherwise authorized or required by law to be pledged as security
72 for such a loan.

73 In any county having a county seat that is not an
74 incorporated municipality, the distribution provided under this



75 subsection shall be made as though the county seat was an
76 incorporated municipality; however, the distribution to the
77 municipality shall be paid to the county treasury in which the
78 municipality is located, and those funds shall be used for road,
79 bridge and street construction or maintenance in the county.

80 (b) On or before August 15, 2006, and each succeeding
81 month thereafter, eighteen and one-half percent (18-1/2%) of the
82 total sales tax revenue collected during the preceding month under
83 the provisions of this chapter, except that collected under the
84 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
85 business activities on the campus of a state institution of higher
86 learning or community or junior college whose campus is not
87 located within the corporate limits of a municipality, shall be
88 allocated for distribution to the state institution of higher
89 learning or community or junior college and paid to the state
90 institution of higher learning or community or junior college.

91 (c) On or before August 15, 2018, and each succeeding
92 month thereafter until August 14, 2019, two percent (2%) of the
93 total sales tax revenue collected during the preceding month under
94 the provisions of this chapter, except that collected under the
95 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
96 27-65-24, on business activities within the corporate limits of
97 the City of Jackson, Mississippi, shall be deposited into the
98 Capitol Complex Improvement District Project Fund created in
99 Section 29-5-215. On or before August 15, 2019, and each



100 succeeding month thereafter until August 14, 2020, four percent
101 (4%) of the total sales tax revenue collected during the preceding
102 month under the provisions of this chapter, except that collected
103 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
104 and 27-65-24, on business activities within the corporate limits
105 of the City of Jackson, Mississippi, shall be deposited into the
106 Capitol Complex Improvement District Project Fund created in
107 Section 29-5-215. On or before August 15, 2020, and each
108 succeeding month thereafter, six percent (6%) of the total sales
109 tax revenue collected during the preceding month under the
110 provisions of this chapter, except that collected under the
111 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
112 27-65-24, on business activities within the corporate limits of
113 the City of Jackson, Mississippi, shall be deposited into the
114 Capitol Complex Improvement District Project Fund created in
115 Section 29-5-215.

116 (2) On or before September 15, 1987, and each succeeding
117 month thereafter, from the revenue collected under this chapter
118 during the preceding month, One Million One Hundred Twenty-five
119 Thousand Dollars (\$1,125,000.00) shall be allocated for
120 distribution to municipal corporations as defined under subsection
121 (1) of this section in the proportion that the number of gallons
122 of gasoline and diesel fuel sold by distributors to consumers and
123 retailers in each such municipality during the preceding fiscal
124 year bears to the total gallons of gasoline and diesel fuel sold



125 by distributors to consumers and retailers in municipalities
126 statewide during the preceding fiscal year. The Department of
127 Revenue shall require all distributors of gasoline and diesel fuel
128 to report to the department monthly the total number of gallons of
129 gasoline and diesel fuel sold by them to consumers and retailers
130 in each municipality during the preceding month. The Department
131 of Revenue shall have the authority to promulgate such rules and
132 regulations as is necessary to determine the number of gallons of
133 gasoline and diesel fuel sold by distributors to consumers and
134 retailers in each municipality. In determining the percentage
135 allocation of funds under this subsection for the fiscal year
136 beginning July 1, 1987, and ending June 30, 1988, the Department
137 of Revenue may consider gallons of gasoline and diesel fuel sold
138 for a period of less than one (1) fiscal year. For the purposes
139 of this subsection, the term "fiscal year" means the fiscal year
140 beginning July 1 of a year.

141 (3) On or before September 15, 1987, and on or before the
142 fifteenth day of each succeeding month, until the date specified
143 in Section 65-39-35, the proceeds derived from contractors' taxes
144 levied under Section 27-65-21 on contracts for the construction or
145 reconstruction of highways designated under the highway program
146 created under Section 65-3-97 shall, except as otherwise provided
147 in Section 31-17-127, be deposited into the State Treasury to the
148 credit of the State Highway Fund to be used to fund that highway
149 program. The Mississippi Department of Transportation shall



150 provide to the Department of Revenue such information as is
151 necessary to determine the amount of proceeds to be distributed
152 under this subsection.

153 (4) On or before August 15, 1994, and on or before the
154 fifteenth day of each succeeding month through July 15, 1999, from
155 the proceeds of gasoline, diesel fuel or kerosene taxes as
156 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
157 (\$4,000,000.00) shall be deposited in the State Treasury to the
158 credit of a special fund designated as the "State Aid Road Fund,"
159 created by Section 65-9-17. On or before August 15, 1999, and on
160 or before the fifteenth day of each succeeding month, from the
161 total amount of the proceeds of gasoline, diesel fuel or kerosene
162 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
163 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
164 one-fourth percent (23-1/4%) of those funds, whichever is the
165 greater amount, shall be deposited in the State Treasury to the
166 credit of the "State Aid Road Fund," created by Section 65-9-17.
167 Those funds shall be pledged to pay the principal of and interest
168 on state aid road bonds heretofore issued under Sections 19-9-51
169 through 19-9-77, in lieu of and in substitution for the funds
170 previously allocated to counties under this section. Those funds
171 may not be pledged for the payment of any state aid road bonds
172 issued after April 1, 1981; however, this prohibition against the
173 pledging of any such funds for the payment of bonds shall not
174 apply to any bonds for which intent to issue those bonds has been



175 published for the first time, as provided by law before March 29,
176 1981. From the amount of taxes paid into the special fund under
177 this subsection and subsection (9) of this section, there shall be
178 first deducted and paid the amount necessary to pay the expenses
179 of the Office of State Aid Road Construction, as authorized by the
180 Legislature for all other general and special fund agencies. The
181 remainder of the fund shall be allocated monthly to the several
182 counties in accordance with the following formula:

183 (a) One-third (1/3) shall be allocated to all counties
184 in equal shares;

185 (b) One-third (1/3) shall be allocated to counties
186 based on the proportion that the total number of rural road miles
187 in a county bears to the total number of rural road miles in all
188 counties of the state; and

189 (c) One-third (1/3) shall be allocated to counties
190 based on the proportion that the rural population of the county
191 bears to the total rural population in all counties of the state,
192 according to the latest federal decennial census.

193 For the purposes of this subsection, the term "gasoline,
194 diesel fuel or kerosene taxes" means such taxes as defined in
195 paragraph (f) of Section 27-5-101.

196 The amount of funds allocated to any county under this
197 subsection for any fiscal year after fiscal year 1994 shall not be
198 less than the amount allocated to the county for fiscal year 1994.



199 Any reference in the general laws of this state or the
200 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
201 construed to refer and apply to subsection (4) of Section
202 27-65-75.

203 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
204 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
205 the special fund known as the "State Public School Building Fund"
206 created and existing under the provisions of Sections 37-47-1
207 through 37-47-67. Those payments into that fund are to be made on
208 the last day of each succeeding month hereafter.

209 (6) An amount each month beginning August 15, 1983, through
210 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
211 1983, shall be paid into the special fund known as the
212 Correctional Facilities Construction Fund created in Section 6,
213 Chapter 542, Laws of 1983.

214 (7) On or before August 15, 1992, and each succeeding month
215 thereafter through July 15, 2000, two and two hundred sixty-six
216 one-thousandths percent (2.266%) of the total sales tax revenue
217 collected during the preceding month under the provisions of this
218 chapter, except that collected under the provisions of Section
219 27-65-17(2), shall be deposited by the department into the School
220 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
221 or before August 15, 2000, and each succeeding month thereafter,
222 two and two hundred sixty-six one-thousandths percent (2.266%) of
223 the total sales tax revenue collected during the preceding month



224 under the provisions of this chapter, except that collected under
225 the provisions of Section 27-65-17(2), shall be deposited into the
226 School Ad Valorem Tax Reduction Fund created under Section
227 37-61-35 until such time that the total amount deposited into the
228 fund during a fiscal year equals Forty-two Million Dollars
229 (\$42,000,000.00). Thereafter, the amounts diverted under this
230 subsection (7) during the fiscal year in excess of Forty-two
231 Million Dollars (\$42,000,000.00) shall be deposited into the
232 Education Enhancement Fund created under Section 37-61-33 for
233 appropriation by the Legislature as other education needs and
234 shall not be subject to the percentage appropriation requirements
235 set forth in Section 37-61-33.

236 (8) On or before August 15, 1992, and each succeeding month
237 thereafter, nine and seventy-three one-thousandths percent
238 (9.073%) of the total sales tax revenue collected during the
239 preceding month under the provisions of this chapter, except that
240 collected under the provisions of Section 27-65-17(2), shall be
241 deposited into the Education Enhancement Fund created under
242 Section 37-61-33.

243 (9) On or before August 15, 1994, and each succeeding month
244 thereafter, from the revenue collected under this chapter during
245 the preceding month, Two Hundred Fifty Thousand Dollars
246 (\$250,000.00) shall be paid into the State Aid Road Fund.

247 (10) On or before August 15, 1994, and each succeeding month
248 thereafter through August 15, 1995, from the revenue collected



249 under this chapter during the preceding month, Two Million Dollars
250 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
251 Valorem Tax Reduction Fund established in Section 27-51-105.

252 (11) Notwithstanding any other provision of this section to
253 the contrary, on or before February 15, 1995, and each succeeding
254 month thereafter, the sales tax revenue collected during the
255 preceding month under the provisions of Section 27-65-17(2) and
256 the corresponding levy in Section 27-65-23 on the rental or lease
257 of private carriers of passengers and light carriers of property
258 as defined in Section 27-51-101 shall be deposited, without
259 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
260 established in Section 27-51-105.

261 (12) Notwithstanding any other provision of this section to
262 the contrary, on or before August 15, 1995, and each succeeding
263 month thereafter, the sales tax revenue collected during the
264 preceding month under the provisions of Section 27-65-17(1) on
265 retail sales of private carriers of passengers and light carriers
266 of property, as defined in Section 27-51-101 and the corresponding
267 levy in Section 27-65-23 on the rental or lease of these vehicles,
268 shall be deposited, after diversion, into the Motor Vehicle Ad
269 Valorem Tax Reduction Fund established in Section 27-51-105.

270 (13) On or before July 15, 1994, and on or before the
271 fifteenth day of each succeeding month thereafter, that portion of
272 the avails of the tax imposed in Section 27-65-22 that is derived
273 from activities held on the Mississippi State Fairgrounds Complex



274 shall be paid into a special fund that is created in the State
275 Treasury and shall be expended upon legislative appropriation
276 solely to defray the costs of repairs and renovation at the Trade
277 Mart and Coliseum.

278 (14) On or before August 15, 1998, and each succeeding month
279 thereafter through July 15, 2005, that portion of the avails of
280 the tax imposed in Section 27-65-23 that is derived from sales by
281 cotton compresses or cotton warehouses and that would otherwise be
282 paid into the General Fund shall be deposited in an amount not to
283 exceed Two Million Dollars (\$2,000,000.00) into the special fund
284 created under Section 69-37-39. On or before August 15, 2007, and
285 each succeeding month thereafter through July 15, 2010, that
286 portion of the avails of the tax imposed in Section 27-65-23 that
287 is derived from sales by cotton compresses or cotton warehouses
288 and that would otherwise be paid into the General Fund shall be
289 deposited in an amount not to exceed Two Million Dollars
290 (\$2,000,000.00) into the special fund created under Section
291 69-37-39 until all debts or other obligations incurred by the
292 Certified Cotton Growers Organization under the Mississippi Boll
293 Weevil Management Act before January 1, 2007, are satisfied in
294 full. On or before August 15, 2010, and each succeeding month
295 thereafter through July 15, 2011, fifty percent (50%) of that
296 portion of the avails of the tax imposed in Section 27-65-23 that
297 is derived from sales by cotton compresses or cotton warehouses
298 and that would otherwise be paid into the General Fund shall be



299 deposited into the special fund created under Section 69-37-39
300 until such time that the total amount deposited into the fund
301 during a fiscal year equals One Million Dollars (\$1,000,000.00).
302 On or before August 15, 2011, and each succeeding month
303 thereafter, that portion of the avails of the tax imposed in
304 Section 27-65-23 that is derived from sales by cotton compresses
305 or cotton warehouses and that would otherwise be paid into the
306 General Fund shall be deposited into the special fund created
307 under Section 69-37-39 until such time that the total amount
308 deposited into the fund during a fiscal year equals One Million
309 Dollars (\$1,000,000.00).

310 (15) Notwithstanding any other provision of this section to
311 the contrary, on or before September 15, 2000, and each succeeding
312 month thereafter, the sales tax revenue collected during the
313 preceding month under the provisions of Section
314 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
315 without diversion, into the Telecommunications Ad Valorem Tax
316 Reduction Fund established in Section 27-38-7.

317 (16) (a) On or before August 15, 2000, and each succeeding
318 month thereafter, the sales tax revenue collected during the
319 preceding month under the provisions of this chapter on the gross
320 proceeds of sales of a project as defined in Section 57-30-1 shall
321 be deposited, after all diversions except the diversion provided
322 for in subsection (1) of this section, into the Sales Tax
323 Incentive Fund created in Section 57-30-3.



324 (b) On or before August 15, 2007, and each succeeding
325 month thereafter, eighty percent (80%) of the sales tax revenue
326 collected during the preceding month under the provisions of this
327 chapter from the operation of a tourism project under the
328 provisions of Sections 57-26-1 through 57-26-5, shall be
329 deposited, after the diversions required in subsections (7) and
330 (8) of this section, into the Tourism Project Sales Tax Incentive
331 Fund created in Section 57-26-3.

332 (17) Notwithstanding any other provision of this section to
333 the contrary, on or before April 15, 2002, and each succeeding
334 month thereafter, the sales tax revenue collected during the
335 preceding month under Section 27-65-23 on sales of parking
336 services of parking garages and lots at airports shall be
337 deposited, without diversion, into the special fund created under
338 Section 27-5-101(d).

339 (18) [Repealed]

340 (19) (a) On or before August 15, 2005, and each succeeding
341 month thereafter, the sales tax revenue collected during the
342 preceding month under the provisions of this chapter on the gross
343 proceeds of sales of a business enterprise located within a
344 redevelopment project area under the provisions of Sections
345 57-91-1 through 57-91-11, and the revenue collected on the gross
346 proceeds of sales from sales made to a business enterprise located
347 in a redevelopment project area under the provisions of Sections
348 57-91-1 through 57-91-11 (provided that such sales made to a



349 business enterprise are made on the premises of the business
350 enterprise), shall, except as otherwise provided in this
351 subsection (19), be deposited, after all diversions, into the
352 Redevelopment Project Incentive Fund as created in Section
353 57-91-9.

354 (b) For a municipality participating in the Economic
355 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
356 the diversion provided for in subsection (1) of this section
357 attributable to the gross proceeds of sales of a business
358 enterprise located within a redevelopment project area under the
359 provisions of Sections 57-91-1 through 57-91-11, and attributable
360 to the gross proceeds of sales from sales made to a business
361 enterprise located in a redevelopment project area under the
362 provisions of Sections 57-91-1 through 57-91-11 (provided that
363 such sales made to a business enterprise are made on the premises
364 of the business enterprise), shall be deposited into the
365 Redevelopment Project Incentive Fund as created in Section
366 57-91-9, as follows:

367 (i) For the first six (6) years in which payments
368 are made to a developer from the Redevelopment Project Incentive
369 Fund, one hundred percent (100%) of the diversion shall be
370 deposited into the fund;

371 (ii) For the seventh year in which such payments
372 are made to a developer from the Redevelopment Project Incentive



373 Fund, eighty percent (80%) of the diversion shall be deposited
374 into the fund;

375 (iii) For the eighth year in which such payments
376 are made to a developer from the Redevelopment Project Incentive
377 Fund, seventy percent (70%) of the diversion shall be deposited
378 into the fund;

379 (iv) For the ninth year in which such payments are
380 made to a developer from the Redevelopment Project Incentive Fund,
381 sixty percent (60%) of the diversion shall be deposited into the
382 fund; and

383 (v) For the tenth year in which such payments are
384 made to a developer from the Redevelopment Project Incentive Fund,
385 fifty percent (50%) of the funds shall be deposited into the fund.

386 (20) On or before January 15, 2007, and each succeeding
387 month thereafter, eighty percent (80%) of the sales tax revenue
388 collected during the preceding month under the provisions of this
389 chapter from the operation of a tourism project under the
390 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
391 after the diversions required in subsections (7) and (8) of this
392 section, into the Tourism Sales Tax Incentive Fund created in
393 Section 57-28-3.

394 (21) (a) On or before April 15, 2007, and each succeeding
395 month thereafter through June 15, 2013, One Hundred Fifty Thousand
396 Dollars (\$150,000.00) of the sales tax revenue collected during
397 the preceding month under the provisions of this chapter shall be



398 deposited into the MMEIA Tax Incentive Fund created in Section
399 57-101-3.

400 (b) On or before July 15, 2013, and each succeeding
401 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
402 of the sales tax revenue collected during the preceding month
403 under the provisions of this chapter shall be deposited into the
404 Mississippi Development Authority Job Training Grant Fund created
405 in Section 57-1-451.

406 (22) Notwithstanding any other provision of this section to
407 the contrary, on or before August 15, 2009, and each succeeding
408 month thereafter, the sales tax revenue collected during the
409 preceding month under the provisions of Section 27-65-201 shall be
410 deposited, without diversion, into the Motor Vehicle Ad Valorem
411 Tax Reduction Fund established in Section 27-51-105.

412 (23) (a) On or before August 15, 2019, and each month
413 thereafter through July 15, 2020, one percent (1%) of the total
414 sales tax revenue collected during the preceding month from
415 restaurants and hotels shall be allocated for distribution to the
416 Mississippi Development Authority Tourism Advertising Fund
417 established under Section 57-1-64, to be used exclusively for the
418 purpose stated therein. On or before August 15, 2020, and each
419 month thereafter through July 15, 2021, two percent (2%) of the
420 total sales tax revenue collected during the preceding month from
421 restaurants and hotels shall be allocated for distribution to the
422 Mississippi Development Authority Tourism Advertising Fund



423 established under Section 57-1-64, to be used exclusively for the
424 purpose stated therein. On or before August 15, 2021, and each
425 month thereafter, three percent (3%) of the total sales tax
426 revenue collected during the preceding month from restaurants and
427 hotels shall be allocated for distribution to the Mississippi
428 Development Authority Tourism Advertising Fund established under
429 Section 57-1-64, to be used exclusively for the purpose stated
430 therein. The revenue diverted pursuant to this subsection shall
431 not be available for expenditure until February 1, 2020.

432 (b) As used in this paragraph:

433 (i) "Restaurant" means any place where prepared
434 food and beverages are sold for consumption, whether the food and
435 beverage is consumed on the premises or not. The term does not
436 include any school, hospital, convalescent or nursing home, or any
437 restaurant-like facility operated by or in connection with a
438 school, hospital, medical clinic, convalescent or nursing home
439 providing food for students, patients, visitors or their families.

440 (ii) "Hotel" means any entity or individual which
441 is engaged in the business of furnishing one or more rooms,
442 cottages or cabins designed for dwelling, lodging or sleeping
443 purposes to transient persons and that are known to the trade as
444 such. The term "hotel" also includes all buildings, including
445 single-family dwellings or other structures kept, used, maintained
446 or advertised as, or held out to the public to be, a place where
447 sleeping accommodations are supplied for pay or other



448 consideration regardless of the number of rooms, units, suites or
449 cabins available. Advertising for rent to the general public,
450 whether by the owner of the property or a third party, qualifies
451 as being "known to the trade as such." It is immaterial that
452 cooking facilities may or may not be furnished. The term "hotel"
453 also includes any entity or individual furnishing bed and
454 breakfast accommodations to transient persons.

455 (* * *2324) The remainder of the amounts collected under
456 the provisions of this chapter shall be paid into the State
457 Treasury to the credit of the General Fund.

458 (* * *2425) (a) It shall be the duty of the municipal
459 officials of any municipality that expands its limits, or of any
460 community that incorporates as a municipality, to notify the
461 commissioner of that action thirty (30) days before the effective
462 date. Failure to so notify the commissioner shall cause the
463 municipality to forfeit the revenue that it would have been
464 entitled to receive during this period of time when the
465 commissioner had no knowledge of the action.

466 (b) (i) Except as otherwise provided in subparagraph
467 (ii) of this paragraph, if any funds have been erroneously
468 disbursed to any municipality or any overpayment of tax is
469 recovered by the taxpayer, the commissioner may make correction
470 and adjust the error or overpayment with the municipality by
471 withholding the necessary funds from any later payment to be made
472 to the municipality.



473 (ii) Subject to the provisions of Sections
474 27-65-51 and 27-65-53, if any funds have been erroneously
475 disbursed to a municipality under subsection (1) of this section
476 for a period of three (3) years or more, the maximum amount that
477 may be recovered or withheld from the municipality is the total
478 amount of funds erroneously disbursed for a period of three (3)
479 years beginning with the date of the first erroneous disbursement.
480 However, if during such period, a municipality provides written
481 notice to the Department of Revenue indicating the erroneous
482 disbursement of funds, then the maximum amount that may be
483 recovered or withheld from the municipality is the total amount of
484 funds erroneously disbursed for a period of one (1) year beginning
485 with the date of the first erroneous disbursement.

486 **SECTION 3.** This act shall take effect and be in force from
487 and after July 1, 2019.

