

By: Senator(s) Hill

To: Local and Private

SENATE BILL NO. 3118

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 COLUMBIA, MISSISSIPPI, TO LEVY A TAX UPON THE GROSS SALES OF
3 HOTELS AND MOTELS DERIVED FROM ROOM RENTALS AND UPON THE GROSS
4 PROCEEDS OF SALES OF RESTAURANTS FOR THE PURPOSE OF PROVIDING
5 FUNDS FOR THE PROMOTION OF TOURISM AND PARKS AND RECREATION; AND
6 FOR RELATED PURPOSES.

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

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

9 (a) "Governing authorities" means the Mayor and Board
10 of Aldermen of the City of Columbia, Mississippi.

11 (b) "City" means the City of Columbia, Mississippi.

12 (c) "Prepared food" means food prepared on the premises
13 of a restaurant.

14 (d) "Restaurant" means any place where prepared food
15 and beverages are sold for consumption, whether such food is sold
16 for consumption on the premises or not. The term "restaurant"
17 does not include any school, hospital, or convalescent or nursing
18 home, or restaurant-like facilities operated by or in connection
19 with a school, hospital, medical clinic, or convalescent or



20 nursing home providing food for students, patients, visitors or
21 their families.

22 (e) "Hotel" or "motel" means any establishment engaged
23 in the business of furnishing or providing rooms intended or
24 designed for dwelling, lodging or sleeping purposes to transient
25 guests. The term "hotel" or "motel" does not include any
26 hospital, convalescent or nursing home or sanitarium, or any
27 hotel-like facility operated by or in connection with a hospital
28 or medical clinic providing rooms exclusively for patients and
29 their families.

30 **SECTION 2.** (1) For the purpose of providing funds to
31 promote tourism and parks and recreation, the governing
32 authorities are authorized, in their discretion, to levy and
33 collect from the following persons a tax, which shall be in
34 addition to all of the taxes and assessments imposed. The tax
35 shall be imposed on the following persons:

36 (a) A tax upon every person, firm or corporation
37 operating a hotel or motel in the city, at a rate not to exceed
38 three percent (3%) of the gross proceeds of room rentals for each
39 such hotel or motel.

40 (b) A tax upon every person, firm or corporation
41 operating a restaurant in the city, at a rate not to exceed three
42 percent (3%) of the gross proceeds of the sales of the restaurant.

43 (2) Persons, firms, corporations or other entities liable
44 for the tax imposed under subsection (1) of this section shall add



45 the amount of the tax to the sales price of the food and beverages
46 and shall collect, insofar as practicable, the amount of the tax
47 due from the person purchasing the food or beverages at the time
48 of payment therefor.

49 **SECTION 3.** Before any tax authorized under this act may be
50 imposed, the governing authorities shall adopt a resolution
51 declaring their intention to levy the tax, setting forth the
52 amount of the tax to be imposed, the date upon which the tax shall
53 become effective and calling for an election to be held on the
54 question. The date of the election shall be fixed in the
55 resolution. Notice of the intention and the election shall be
56 published once each week for at least three (3) consecutive weeks
57 in a newspaper published or having a general circulation in the
58 city, with the first publication of the notice to be made not less
59 than twenty-one (21) days before the date fixed in the resolution
60 for the election and the last publication to be made not more than
61 seven (7) days before the election. At the election, all
62 qualified electors of the city may vote, and the ballots used in
63 the election shall have printed thereon a brief statement of the
64 amount and purposes of the proposed tax levy and the words "FOR
65 THE TAX" and, on a separate line, "AGAINST THE TAX" and the voters
66 shall vote by placing a cross (X) or check (✓) opposite their
67 choice on the proposition. When the results of the election shall
68 have been canvassed and certified, the city may levy the tax if
69 sixty percent (60%) of the qualified electors who vote in the



70 election vote in favor of the tax. At least thirty (30) days
71 before the effective date of the tax, the governing authorities
72 shall furnish to the Department of Revenue a certified copy of the
73 resolution evidencing the tax.

74 **SECTION 4.** (1) On or before the fifteenth day of the month
75 preceding the date on which the city will begin to levy the tax
76 authorized under Section 2 of this act, the governing authorities
77 shall give written notification to the Commissioner of Revenue of
78 the date on which the tax will become effective.

79 (2) The tax must be collected by and paid to the Department
80 of Revenue in the same manner that state sales taxes are computed,
81 collected and paid, and the full enforcement provisions and all
82 other provisions of Chapter 65, Title 27, Mississippi Code of
83 1972, will apply as necessary for the implementation of this act.

84 (3) Except for any amount retained by the Department of
85 Revenue under Section 27-3-58, Mississippi Code of 1972, the
86 revenue from the special tax collected under this act must be paid
87 to the city on or before the fifteenth day of the month following
88 the month in which collected.

89 (4) Accounting for receipts and expenditures of the revenue
90 from the tax shall be made separately from the accounting of
91 receipts and expenditures of the general fund and any other funds
92 of the city. The records reflecting the receipts and expenditures
93 of the revenue from the tax shall be audited annually by an
94 independent certified public accountant, and the accountant shall



95 make a written report of his audit to the board of supervisors.
96 The audit shall be made and completed as soon as practicable after
97 the close of the fiscal year, and expenses of the audit shall be
98 paid from the funds derived pursuant to this act.

99 (5) The proceeds of the tax may not be considered by the
100 city as general fund revenues but must be placed into a special
101 fund apart from the city general fund and any other funds and
102 expended by the city strictly for the purposes prescribed under
103 Section 2 of this act.

104 **SECTION 5.** This act shall be repealed from and after July 1,
105 2023.

106 **SECTION 6.** This act shall take effect and be in force from
107 and after its passage.

