

By: Representatives Kinkade, Carpenter, To: Local and Private  
Darnell, Hale, McCray, Morgan, Pigott, Powell Legislation

## HOUSE BILL NO. 1590

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF  
2 OLIVE BRANCH, MISSISSIPPI, TO LEVY A SALES TAX UPON HOTEL AND  
3 MOTEL ROOM RENTALS, WHICH SHALL BE USED TO PROMOTE THE CITY'S ROAD  
4 AND BRIDGE IMPROVEMENTS; TO PROVIDE FOR AN ELECTION ON WHETHER THE  
5 TAX MAY BE LEVIED; TO AUTHORIZE THE GOVERNING AUTHORITIES TO ISSUE  
6 BONDS FOR A TERM NOT TO EXCEED TWENTY YEARS FOR THE PURPOSE OF  
7 FUNDING ROAD AND BRIDGE IMPROVEMENTS; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** As used in this act, the following terms shall  
10 have meanings ascribed in this section unless otherwise clearly  
11 indicated by the context in which they are used:

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

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

15 (c) "Hotel" or "motel" means any establishment engaged  
16 in the business of furnishing or providing rooms intended or  
17 designed for dwelling, lodging or sleeping purposes to transient  
18 guests, where the establishment consists of six (6) or more guest  
19 rooms. The term "hotel" or "motel" does not include any hospital,  
20 convalescent or nursing home or sanitarium, or hotel-like facility



operated by or in connection with a hospital or medical clinic providing rooms exclusively for patients and their families.

(d) "Road and Bridge Improvements" means repairing, widening and construction of roads and bridges including, but not limited to, all necessary design, inspection, right-of-way acquisition, signalization, signage and storm water infrastructure necessary for said roads or bridges.

**SECTION 2.** (1) For the purpose of providing funds to promote road and bridge improvements and/or pay the principal of or interest on any bonds issued for such improvements pursuant to Section 5 of this act, the governing authorities, in their discretion, are authorized to levy and collect from every person, firm or corporation operating a hotel or motel in the city a tax, which shall be in addition to all other, taxes and assessments imposed and which shall not exceed a rate of one percent (1%) of the gross proceeds of each overnight room rental in all such hotels or motels in the city, excluding charges for food, telephone, laundry, beverages and similar charges. The tax shall not be levied upon or collected on room rentals for day meetings where the room does not serve as overnight sleeping accommodations.

(2) The tax rate levied pursuant to subsection (1) of this section when combined with the state sales tax rate and any other tax rate levied by the city or DeSoto County, Mississippi, pursuant to local and private legislation, shall not exceed a ten



percent (10%) tax rate upon the gross proceeds of room rentals of hotels and motels.

(3) Persons, firms or corporations liable for the tax imposed under subsection (1) of this section shall add the amount of the levy to the sales price of the rooms and products set out in subsection (1) of this section and shall collect the amount of the tax due by them from the person receiving the services or product at the time of payment therefore.

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

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

(6) The proceeds of the tax shall not be considered by the City of Olive Branch, Mississippi, as general fund revenues but shall be dedicated to and expended solely for the purposes specified in this section.

**SECTION 3.** Before any tax authorized under this act may be imposed, the governing authorities shall adopt a resolution



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



95           **SECTION 4.** Accounting for receipts and expenditures of the  
96 fund herein described shall be made separately from the accounting  
97 of receipts and expenditures of the general fund and any other  
98 funds of the City of Olive Branch, Mississippi. The records  
99 reflecting the receipts and expenditures of the funds prescribed  
100 in this act shall be audited annually by an independent certified  
101 public accountant, and the accountant shall make a written report  
102 of his audit to the governing authorities. The audit shall be  
103 made and completed as soon as practicable after the close of the  
104 fiscal year, and expenses of the audit shall be paid from the  
105 funds derived in accordance with this act.

106           **SECTION 5.** (1) For the purposes of providing funds to pay  
107 costs associated with the improvements described in Section 2 (1)  
108 of this act, the governing authorities are authorized to issue  
109 general obligation bonds of the municipality or incur other  
110 indebtedness in an aggregate principal amount that is not in  
111 excess of an amount for which debt service is capable of being  
112 funded by the proceeds of the special sales tax levied under this  
113 act.

114           (2) Except as otherwise provided in this section, bonds  
115 issued under this section shall be issued in accordance with the  
116 provisions of Sections 21-33-301 through 21-33-329, and Sections  
117 31-25-1 through 31-25-107, Mississippi Code of 1972, or as allowed  
118 by other applicable law. Bonds authorized to be issued under this  
119 section shall not be included in the limitation on indebtedness



120 imposed in Section 21-33 303, Mississippi Code of 1972, or any  
121 other limitation on indebtedness of the city. Bonds issued under  
122 the provisions of this section and income therefrom shall be  
123 exempt from all taxation in the State of Mississippi.

124       **SECTION 6.** Sections 1 through 4 of this act shall be  
125 repealed from and after July 1, 2040, with such time frame to  
126 allow sufficient time to service the debt outlined in Section 5 of  
127 this act. Any tax levied pursuant to this act may continue to be  
128 levied for such period as is necessary to service debt associated  
129 with any bonds issued pursuant to Section 5 of this act.

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

