

By: Senator(s) Tate

To: Local and Private;
FinanceSENATE BILL NO. 3085
(As Passed the Senate)

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 MERIDIAN, MISSISSIPPI, TO COLLECT OR LEVY AN OCCUPANCY TAX OF
3 \$5.75 PER NIGHT FOR EACH OCCUPIED HOTEL OR MOTEL ROOM, FOR THE
4 PURPOSES OF PROVIDING FUNDS FOR THE DEVELOPMENT OF A SPORTS
5 COMPLEX, INCLUDING, BUT NOT LIMITED TO, PURCHASING PROPERTY,
6 EQUIPPING, CONSTRUCTING, OPERATING AND FURNISHING THE COMPLEX,
7 ENTERING INTO A BINDING LEASE AGREEMENT, MANAGEMENT CONTRACT OR
8 OTHER SUCH AGREEMENT, AND CONSTRUCTING, DEVELOPING, EXTENDING AND
9 IMPLEMENTING INFRASTRUCTURE IMPROVEMENTS, AND/OR PAYING THE
10 PRINCIPAL OF AND INTEREST ON BONDS ISSUED UNDER THIS ACT; TO
11 PROVIDE THAT THE TAX SHALL NOT BE LEVIED UNLESS AUTHORIZED BY 60%
12 OF THE VOTES CAST BY QUALIFIED ELECTORS ON THE ISSUE AT A SPECIAL
13 ELECTION; TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY TO
14 ISSUE BONDS FOR THE SAME PURPOSES; TO ESTABLISH THE
15 MERIDIAN-LAUDERDALE SPORTS COMMISSION TO FACILITATE THE
16 DEVELOPMENT AND MANAGEMENT OF THE SPORTS COMPLEX; AND FOR RELATED
17 PURPOSES.

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

19 **SECTION 1.** As used in this act, the following terms have the
20 following meanings unless a different meaning is clearly indicated
21 by the context:

22 (a) "Bond" means bonds, notes or other obligations of
23 the city issued, in one or more series, from time to time,
24 pursuant to this act.

25 (b) "City" means the City of Meridian, Mississippi.



26 (c) "County" means Lauderdale County, Mississippi.

27 (d) "Developer" means an individual, partnership,
28 limited liability company or corporation with demonstrable
29 experience with similar recreation and tourism facility projects
30 or sports complex facilities, including structuring and securing a
31 variety of public and private financings, turn-key development or
32 redevelopment of similar recreation and tourism facilities or
33 projects, as well as ownership, management and operation of
34 recreation and tourism facilities or venues.

35 (e) "Governing authorities" means the governing
36 authorities of the city.

37 (f) "Hotel" or "motel" means any establishment engaged
38 in the business of furnishing or providing rooms intended or
39 designed for dwelling, lodging or sleeping purposes for transient
40 guests, where the establishment consists of six (6) or more guest
41 rooms. The term "hotel" or "motel" does not include any hospital,
42 convalescent or nursing home or sanitarium, or any hotel-like
43 facility operated by or in connection with a hospital or medical
44 clinic providing rooms exclusively for patients and their
45 families.

46 (g) "Sports complex," "complex" or "project" means
47 recreation and tourism venues or facilities and any related
48 ancillary buildings or facilities or infrastructure improvements
49 and access road improvements in connection with and part of an



urban renewal project under Title 43, Article 35, Mississippi Code of 1972, to be located within the municipal limits of the city.

(h) "Sports commission" or "commission" means the Meridian-Lauderdale Sports Commission authorized under this act to facilitate the construction and operation of the sports complex or the development of the project.

(i) "Tax" or "special tax" means an occupancy tax on every person, firm or corporation operating a hotel or motel in the city, at a rate of Five Dollars and Seventy-five Cents (\$5.75) per night for each occupied room.

SECTION 2. (1) For the purposes of providing funds for the development of a sports complex, including, but not limited to, purchasing property, equipping, constructing, operating and furnishing the complex, entering into a binding lease agreement, management contract or other such agreement, and constructing, developing, extending and implementing infrastructure improvements, and/or paying the principal of and interest on bonds issued on the indebtedness incurred under Sections 5 through 7 of this act, the governing authorities of the city are authorized, in their discretion, to levy and collect from the following persons a tax, which shall be in addition to all of the taxes and assessments imposed. The tax shall be imposed on every person, firm or corporation operating a hotel or motel in the city, at a rate of Five Dollars and Seventy-five Cents (\$5.75) per night for each occupied room.



75 (2) Persons, firms or corporations liable for the tax
76 imposed under subsection (1) of this section shall add the amount
77 of the levy to the sales price of the rooms set out in subsection
78 (1) of this section and shall collect, insofar as is practicable,
79 the amount of the tax due by them from the person renting the room
80 at the time of payment therefor.

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

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

92 (5) The proceeds of the tax shall not be considered with the
93 city's general fund revenues but shall be dedicated to and
94 expended solely for the purposes specified in this section and the
95 project.

96 **SECTION 3.** Before any tax authorized under this act may be
97 imposed, the governing authorities shall adopt a resolution
98 declaring their intention to levy the tax, setting forth the
99 amount of the tax to be imposed, a description of the project for



100 which the tax revenue collected may be used and expended, and the
101 date upon which the tax shall become effective, and calling for an
102 election to be held on the question. The date of the election
103 shall be fixed in the resolution. Notice of such intention and
104 the election shall be published once each week for at least three
105 (3) consecutive weeks in a newspaper published or having a general
106 circulation in the city, with the first publication of the notice
107 to be made not less than forty-five (45) days before the date
108 fixed in the resolution for the election and the last publication
109 to be made not more than fourteen (14) days before the election.
110 At the election, all qualified electors of the city may vote, and
111 the ballots used in the election shall have printed thereon a
112 brief statement of the amount and purposes of the proposed tax
113 levy and the words "FOR THE SPECIAL HOTEL TAX" and, on a separate
114 line, "AGAINST THE SPECIAL HOTEL TAX," and the voters shall vote
115 by placing a cross (X) or check (✓) opposite their choice on the
116 proposition. When the results of the election shall have been
117 canvassed and certified, the city may levy the tax if sixty
118 percent (60%) of the qualified electors who voted on the issue in
119 the election voted in favor of the tax. At least thirty (30) days
120 before the effective date of the tax provided in this section, the
121 governing authorities shall furnish to the Department of Revenue a
122 certified copy of the resolution evidencing the tax.

123 **SECTION 4.** Accounting for receipts and expenditures of the
124 funds herein described shall be made separately from the



accounting of receipts and expenditures of the general fund and any other funds of the city. The records reflecting the receipts and expenditures of the funds prescribed in this act shall be audited annually by an independent certified public accountant, and the accountant shall make a written report of his audit to the governing authorities. The audit shall be made and completed as soon as practicable after the close of the fiscal year, and expenses of the audit shall be paid from the funds derived in accordance with this act.

SECTION 5. (1) For the purpose of providing funds for the development of a sports complex, including, but not limited to, purchasing property, equipping, constructing, operating and furnishing the complex, entering into a binding lease agreement, management contract or other such agreement, and constructing, developing, extending and implementing infrastructure improvements, the governing authorities are authorized to incur indebtedness in an aggregate principal amount not exceeding an amount for which debt service is capable of being funded by the proceeds of the special sales tax levied under this act or under any existing law authorizing the issuance of bonds, notes or other evidences of debt, for the purpose of financing the project. The governing authorities may pledge the revenues derived from the tax levy authorized by this act to repay any indebtedness that the city may be authorized to incur under the laws of the state.



(2) Except as otherwise provided in this section, bonds issued under this section may be issued in accordance with the provisions of Sections 21-33-301 through 21-33-329, Mississippi Code of 1972. If the city issues bonds pursuant to Section 21-33-301 et seq., Mississippi Code of 1972, the bonds shall not be included in the limitation on indebtedness under state law. The bonds authorized by this act and the income from those bonds and all security agreements and mortgages executed as security for those bonds made pursuant to the provisions hereof, and the revenues derived from the bonds, shall be exempt from all income taxation in the state.

SECTION 6. (1) Bonds issued under the provisions of this act shall be dated, shall bear interest at such rate or rates (which rate or rates may be fixed, adjustable or variable), shall mature at such time or times in either serial or term form or both not exceeding twenty (20) years from their date, and may be made redeemable prior to maturity at such price or prices, and upon such terms and conditions as may be determined by the city. The bonds shall be in such form and denomination or denominations and payable at such place or places, either within the state or without the state, and may be authenticated in such manner, as the city may determine by resolution. The bonds shall be executed on behalf of the city by the manual or facsimile signature. In cases where any officer whose signature or a facsimile of whose signature shall appear on any bonds shall cease to be such officer



174 before the delivery of and payment for such bonds, such signature
175 or such facsimile shall nevertheless be valid and sufficient for
176 all purposes the same as if such officer had remained in office
177 until such delivery and payment. The bonds may be issued in book
178 entry or in fully registered form, or any combination, or may be
179 payable to a specific person, as the city may determine, and
180 provision may be made for the conversion from one form to another.
181 The duty of conversion may be imposed upon a trustee in a trust
182 indenture.

183 (2) The city shall sell the bonds at such price or prices as
184 it shall determine, at a public or private sale.

185 (3) The bonds shall be issued under and subject to such
186 terms, conditions and covenants providing for the payment of the
187 principal, redemption premium, if any, and interest thereon and
188 such other terms, conditions, covenants and protective provisions
189 safeguarding such payment, not inconsistent with this act, as may
190 be found to be necessary by the city for the most advantageous
191 sale of the bonds.

192 (4) All bonds issued by the city under this act, except for
193 bonds issued pursuant to the provisions of Section 21-33-301 et
194 seq., Mississippi Code of 1972, shall be limited obligations of
195 the city, the principal of, redemption premium, if any, and
196 interest on which shall be payable solely from the tax authorized
197 by this act. The bonds issued under the authority of this act
198 shall never constitute an indebtedness of the city within the



199 meaning of any state constitutional provision or statutory
200 limitation, and shall never constitute nor give rise to a
201 pecuniary liability of the city or a charge against its general
202 credit or taxing powers, and such fact shall be plainly stated on
203 the face of each such bond. All bonds issued under the authority
204 of this act shall be construed to be negotiable instruments,
205 despite the fact that they are payable solely from a specified
206 source.

207 **SECTION 7.** (1) Any bonds of the city at any time
208 outstanding under this act may be refunded by the city by the
209 issuance of its refunding bonds in such amount as the governing
210 authorities may deem necessary, but not exceeding:

211 (a) The principal amount of the bonds being refunded;

212 (b) Applicable redemption premiums, if any, thereon;

213 (c) Unpaid interest on the bonds to be refunded to the
214 date or delivery or exchange of the refunding bonds;

215 (d) In the event the proceeds from the sale of the
216 refunding bonds are to be deposited in trust as hereafter
217 provided, interest to accrue on the bonds to be refunded from the
218 date of delivery of the refunding bonds to the date of maturity or
219 to a redemption date of the bonds to be refunded; and

220 (e) Expenses, premiums and commissions deemed by the
221 governing authorities to be necessary in connection with the
222 issuance of the refunding bonds.



(2) Any refunding may be effected, whether the bonds to be refunded shall have then matured or shall thereafter mature, either by exchange of the refunding bonds for the bonds to be refunded with the consent of the holders of the bonds to be so refunded, or by sale of the refunding bonds and application of the proceeds to the payment of the bonds to be refunded, and regardless of whether the bonds to be refunded were issued in connection with the same projects or separate projects, and regardless of whether the bonds proposed to be refunded shall be payable on the same date or on different dates or shall be due serially or otherwise.

SECTION 8. The principal proceeds from the sale of any refunding bonds shall be applied only as follows:

(a) To the immediate payment and retirement of the bonds being refunded; or

(b) To the extent not required for the immediate payment of the bonds being refunded, then such proceeds shall be deposited in trust to provide for the payment and retirement of the bonds being refunded and to pay any expenses incurred in connection with the refunding, but may also be used to pay interest on the refunding bonds prior to the retirement of the bonds being refunded. Money in any such trust fund may be invested in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, or in certificates of deposit issued by a bank or trust



company located in the state if the certificates are secured by a pledge of any of those obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. Nothing in this act shall be construed as a limitation on the duration of any deposit in trust for the retirement of bonds being refunded but which shall not have matured and which shall not be presently redeemable.

SECTION 9. The bonds issued under the provisions of this act shall be legal investments for commercial banks, savings and loan associations and insurance companies organized under the laws of the state.

SECTION 10. The bonds issued under the provisions of this act may be validated in the manner provided by law.

SECTION 11. (1) There is established the Meridian-Lauderdale Sports Commission, which shall be composed of five (5) voting members, who shall be known as commissioners and appointed as follows:

(a) Three (3) members shall be appointed at large by the mayor of the city, with the advice and consent of the city council, for initial terms of three (3) years, two (2) years and one (1) year. All appointees under this paragraph shall be residents of the city; and

(b) Two (2) members shall be appointed at large by the president of the board of supervisors of the county, with the



advice and consent of the remaining members of the board of supervisors, for initial terms of two (2) years and one (1) year. All appointments made by the president pursuant to this paragraph shall be residents of the city.

(2) The terms of all appointments made subsequent to the initial appointment shall be made for five (5) years. Any vacancy which may occur shall be filled in the same manner as the original appointment and shall be made for the unexpired term. Each member of the commission shall serve until his or her successor is appointed and qualified.

(3) The mayor of the city shall designate a chairperson of the commission from among the membership of the commission. The vice chairperson and secretary shall be elected by the commission from among the membership of the commission for a term of two (2) years. The vice chairperson and secretary may be reelected, and the chairperson may be reappointed.

(4) The commissioners shall serve without compensation.

(5) A quorum shall consist of three (3) voting members of the commission. The commission shall establish itself as a nonprofit corporation and shall adopt rules and regulations as may govern the time and place for holding meetings, regular and special.

SECTION 12. The city shall establish a debt service reserve fund with any remaining special sales tax proceeds remaining after the annual payment of debt service on the bonds and may, in its



discretion, once the debt service reserve fund has been established, use those proceeds toward the early retirement of the bonds or remit any surplus special sales tax proceeds to the sports commission for maintenance and operation of the project.

SECTION 13. (1) With oversight and within the discretion of the city, the sports commission is authorized and empowered to invite proposals from and make available all pertinent information to developers interested in acquiring, constructing, developing, managing, operating or owning the project, or any portion thereof, by public notice through publication in a newspaper having a general circulation in the county, which publication shall be made once and not less than thirty (30) days prior to the execution of any contract to acquire, construct, develop, manage, operate or own the project, or any portion thereof, and prior to the delivery of any instrument of conveyance with respect thereto. Such notice shall identify the project, or portion thereof, and shall state that proposals shall be made by those interested within thirty (30) days after the date of publication of the notice, and that such further information as is available may be obtained at such office as shall be designated in the notice.

(2) With oversight and within the discretion of the city, the sports commission shall consider all such proposals and the financial and legal ability of the developer making such proposals to carry them out. The sports commission may accept such proposals as it deems to be in the public interest and in



323 furtherance of the purposes of this act and may negotiate to enter
324 into an agreement with any developer whereby the developer will
325 agree to acquire, construct, develop, manage, operate or own the
326 project, or any portion thereof. Thereafter, the sports
327 commission may execute such contract and deliver deeds, leases and
328 other instruments and take all steps necessary to effectuate such
329 contract.

330 (3) With oversight and within the discretion of the city,
331 the sports commission is authorized and empowered to sell, lease,
332 trade, exchange or otherwise dispose of any real property or the
333 improvements thereon granted to it by the city or county in
334 connection with the project, upon such terms and conditions and
335 with or without consideration as it deems necessary and proper,
336 including the authority and power to enter into a binding lease
337 agreement, management contract or other such agreement related to
338 the project for a term not to exceed seventy-five (75) years
339 concerning all or any portion of the project. The sports
340 commission is further authorized, in connection with the project,
341 to acquire by gift, purchase or otherwise any real property or the
342 improvements thereon, and to own, hold, maintain, control and
343 develop such real property or the improvements thereon, for any
344 purpose, including the authority and power to enter into a binding
345 lease agreement, management contract or other such agreement for a
346 term not to exceed seventy-five (75) years concerning all or any
347 portion of the project.



(4) With oversight and within the discretion of the city, the sports commission is empowered to enter into a binding lease agreement, management contract or other such agreement with a developer related to the construction, operation and maintenance of a sports complex for a term not to exceed seventy-five (75) years concerning all or any portion of the project. Upon the construction of the sports complex, either when substantially complete or complete, the sports commission is further authorized, in its discretion, to enter into a binding lease agreement, management contract or other such agreement related to the sports complex for a negotiated fee, after which the sports commission may own the sports complex free and clear.

(5) With oversight and within the discretion of the city, the sports commission is empowered and authorized under this act to engage in all of the powers provided to it in this section and Section 12 of this act and may act as a nonprofit developer for the project in lieu of inviting proposals from private or third-party developers.

SECTION 14. The tax imposed by this act shall stand repealed on the first day of the month immediately succeeding the date the payment of the principal of, redemption premium, if any, and interest of the bonds issued under this act have been paid in full, or twenty (20) years from the effective date of the tax authorized in this act, whichever is the earlier date.



372 **SECTION 15.** This act shall be deemed to be full and complete
373 authority for the exercise of the powers granted under this act
374 and shall not be in derogation of any existing law of this state,
375 but shall be considered additional, supplemental and alternative
376 to any other authority granted by law.

377 **SECTION 16.** This act shall take effect and be in force from
378 and after its passage.

