

By: Representatives Currie, Felsher,
Crawford, Turner

To: Tourism

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 453

1 AN ACT TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER FUNDS
2 OUT OF THE CORONAVIRUS STATE FISCAL RECOVERY FUND TO THE SPECIAL
3 FUND CREATED BY THIS ACT; TO CREATE THE "MISSISSIPPI TOURISM
4 RECOVERY FUND - ROUND 2" AS A SPECIAL FUND IN THE STATE TREASURY
5 TO BE ADMINISTERED BY THE DEPARTMENT OF FINANCE AND ADMINISTRATION
6 FOR THE PURPOSE OF PROVIDING FUNDS TO DESTINATION MARKETING
7 ORGANIZATIONS TO ASSIST IN PAYING COSTS OF CERTAIN MARKETING
8 ACTIVITIES; TO DEFINE THE TERMS "DESTINATION MARKETING
9 ORGANIZATIONS" AND "MARKETING ACTIVITIES" FOR THE PURPOSES OF THIS
10 ACT; TO PROVIDE FOR THE MANNER IN WHICH THE DEPARTMENT OF FINANCE
11 AND ADMINISTRATION SHALL DISTRIBUTE FUNDS TO DESTINATION MARKETING
12 ORGANIZATIONS UNDER THIS ACT; TO CREATE THE "MISSISSIPPI
13 DESTINATION DEVELOPMENT FUND" AS A SPECIAL FUND IN THE STATE
14 TREASURY TO BE ADMINISTERED BY THE DEPARTMENT OF FINANCE AND
15 ADMINISTRATION FOR THE PURPOSE OF PROVIDING FUNDS TO SUPPORT
16 INCREASED TOURIST VISITATION; AND FOR RELATED PURPOSES.

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

18 **SECTION 1.** The COVID-19 public health emergency has had a
19 significant negative impact on Mississippi's tourism industry.
20 American Rescue Plan Act funds are specifically targeted toward
21 assisting in the recovery of the tourism and hospitality sectors.
22 The funds provided in this act are necessary expenditures related
23 to COVID-19, the purpose of which is to publicize the resumption
24 of tourism activities and steps taken to ensure a safe tourism



25 experience and to support the travel and hospitality economy of
26 Mississippi.

27 **SECTION 2.** Upon the effective date of this act, the State
28 Fiscal Officer shall transfer the sum of Fifty-two Million Dollars
29 (\$52,000,000.00) from the Coronavirus State Fiscal Recovery Fund
30 to the Mississippi Tourism Recovery Fund - Round 2 created by
31 Section 3 of this act.

32 **SECTION 3.** (1) As used in this section, the following words
33 and phrases shall have the meanings ascribed in this section
34 unless the context clearly indicates otherwise:

35 (a) "Destination marketing organization" means:

36 (i) Special local governmental units created by
37 local and private laws of the State of Mississippi for the purpose
38 of tourism promotion, funded by special local tax levies, and
39 staffed with professionals engaged in out-of-state tourism
40 marketing and tourism product development for municipalities,
41 counties and/or regions; or

42 (ii) Publicly-funded local organizations that
43 engage in out-of-state tourism marketing and tourism development
44 for municipalities, counties and/or regions.

45 (b) "Marketing activities" means multimedia marketing
46 and advertising, including digital media, broadcast media and
47 printed media, including travel publications, production, travel
48 market sector analysis, consumer travel sentiment, public
49 relations, communication strategy, direct sales bookings, group



50 tour bookings, tourism development and administrative costs to
51 execute marketing activities related to the business disruption
52 effects of the Coronavirus Disease 2019 as expressed in Section 1
53 of this act.

54 (2) (a) There is hereby created in the State Treasury a
55 special fund to be designated as the "Mississippi Tourism Recovery
56 Fund - Round 2," which shall consist of funds made available by
57 the Legislature in any manner and funds from any other source
58 designated for deposit into such fund. The fund shall be
59 maintained by the State Treasurer as a separate and special fund,
60 separate and apart from the General Fund of the state. Unexpended
61 amounts remaining in the fund at the end of a fiscal year shall
62 not lapse into the State General Fund, and any investment earnings
63 or interest earned on amounts in the fund shall be deposited to
64 the credit of the fund. Monies in the fund shall be used by the
65 Department of Finance and Administration, upon appropriation by
66 the Legislature, for the purposes provided in this section.
67 Monies in the fund shall be disbursed in compliance with the
68 guidelines, guidance, rules, regulations and/or other criteria, as
69 may be amended from time to time, of the United States Department
70 of the Treasury regarding the use of monies from the American
71 Rescue Plan Act. Monies in the fund shall be disbursed by the
72 Department of Finance and Administration to assist destination
73 marketing organizations in paying costs for marketing activities
74 as provided in this section. The Department of Finance and



75 Administration shall determine, in conjunction with the
76 destination marketing organizations, the allocations of monies
77 provided under this paragraph (a) as follows:

78 (i) Not more than Nine Million Four Hundred
79 Twenty-seven Thousand Five Hundred Fifty-seven Dollars
80 (\$9,427,557.00) of such monies shall be allocated to destination
81 marketing organizations in a manner that will provide monies to a
82 destination marketing organization in an amount equal to
83 seventy-five percent (75%) of the destination marketing
84 organization's marketing and advertising expenditures during the
85 2019 fiscal year, and

86 (ii) Not more than Forty-two Million Five Hundred
87 Seventy-two Thousand Four Hundred Forty-three Dollars
88 (\$42,572,443.00) of such monies shall be allocated to destination
89 marketing organizations based on the proportion that a destination
90 marketing organization's contribution toward total tourism
91 visitors in the state according to the 2019 Fiscal Year Visit
92 Mississippi Visitors Profile Report bears to all destination
93 marketing organizations' contributions toward total tourism
94 visitors in the state according to the 2019 Fiscal Year Visit
95 Mississippi Visitors Profile Report. However, a destination
96 marketing organization shall not receive an amount less than Four
97 Hundred Thousand Dollars (\$400,000.00) under this subparagraph
98 (ii).



99 (b) Within fifteen (15) days after the effective date
100 of this act, the Department of Finance and Administration shall
101 distribute the funds allocated under paragraph (a) of this
102 subsection (2) to eligible destination marketing organizations.
103 Before receiving funds under this subsection (2), a destination
104 marketing organization must certify to the Department of Finance
105 and Administration that:

106 (i) The funds will only be used for marketing
107 activities, and

108 (ii) The destination marketing organization will
109 comply with applicable federal and state regulations and
110 requirements related to American Rescue Plan Act funds, and

111 (iii) The destination marketing organization will
112 obligate all funds by December 31, 2024 and fully expend all funds
113 by December 31, 2026.

114 (c) Destination marketing organizations receiving funds
115 under this subsection (2) shall keep and maintain records related
116 to expenditures. Destination marketing organizations receiving
117 funds under this subsection (2) shall also track impacts of their
118 marketing activities through special levy tax receipts, hotel
119 occupancy indicators, other tourism industry metrics, and
120 analytics from marketing campaigns, as appropriate. Such
121 destination marketing organizations shall provide semi-annual
122 reports on expenditures and economic impacts of their marketing
123 activities to the Department of Finance and Administration, the



124 Governor, the Lieutenant Governor, the Speaker of the House of
125 Representatives and the Department of Audit.

126 (d) Subject to applicable purchasing laws, destination
127 marketing organizations will give preference, when available and
128 practical, to Mississippi-based companies for any new contracts
129 entered into for marketing activities.

130 (3) The Department of Finance and Administration and the
131 Department of Audit shall have all powers necessary for the
132 implementation of this section.

133 (4) If the Office of Inspector General of the United States
134 Department of the Treasury, or the Office of Inspector General of
135 any other federal agency having oversight over the use of monies
136 from the Coronavirus State and Local Fiscal Recovery Funds
137 established by the American Rescue Plan Act determines that the
138 Department of Finance and Administration or recipient has expended
139 or otherwise used any of the funds appropriated to the Department
140 of Finance and Administration under this act for any purpose that
141 is not in compliance with the guidelines, guidance, rules,
142 regulations and/or other criteria, as may be amended from time to
143 time, by the United States Department of the Treasury regarding
144 the use of monies from the Coronavirus State and Local Fiscal
145 Recovery Funds established by the American Rescue Plan Act, and
146 (b) the State of Mississippi is required to repay the federal
147 government for any of those funds that the Office of the Inspector
148 General determined were expended or otherwise used improperly by



149 the Department of Finance and Administration or recipient, then
150 the Department of Finance and Administration or recipient, as the
151 case may be, that expended or otherwise used those funds
152 improperly shall be required to pay the amount of those funds to
153 the State of Mississippi for repayment to the federal government.

154 **SECTION 4.** There is hereby created in the State Treasury a
155 special fund to be designated as the "Mississippi Destination
156 Development Fund," which shall consist of funds made available by
157 the Legislature in any manner and funds from any other source
158 designated for deposit into such fund. The fund shall be
159 maintained by the State Treasurer as a separate and special fund,
160 separate and apart from the General Fund of the state. Unexpended
161 amounts remaining in the fund at the end of a fiscal year shall
162 not lapse into the State General Fund, and any investment earnings
163 or interest earned on amounts in the fund shall be deposited to
164 the credit of the fund. Monies in the fund shall be used by the
165 Department of Finance and Administration, upon appropriation by
166 the Legislature, for the purposes provided in this section.
167 Monies in the fund shall be disbursed in compliance with the
168 guidelines, guidance, rules, regulations and/or other criteria, as
169 may be amended from time to time, of the United States Department
170 of the Treasury regarding the use of monies from the American
171 Rescue Plan Act. Monies in the fund shall be disbursed by the
172 Department of Finance and Administration for the following
173 purposes that support increased tourist visitation:



- 174 (a) Planning assistance;
- 175 (b) Enhancing outdoor venues and parks;
- 176 (c) Downtown revitalization;
- 177 (d) Improving public health amenities at tourism
178 attractions and museums including displays and installations,
179 signage, public health enhancements, and public green spaces;
- 180 (e) Enhancing recreational offerings that specifically
181 support additional tourist visitation; and
- 182 (f) Improving wayfinding signage to direct travelers to
183 support local tourist attractions and businesses.

184 **SECTION 5.** This act shall take effect and be in force from
185 and after its passage.

