HOUSE BILL NO. 453

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

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
14
15 SECTION 1. The COVID-19 public health emergency has had a
16 significant negative impact on Mississippi's tourism industry.
17 American Rescue Plan Act funds are specifically targeted toward
18 assisting in the recovery of the tourism and hospitality sectors.
19 The funds provided in this act are necessary expenditures related
20 to COVID-19, the purpose of which is to publicize the resumption
21 of tourism activities and steps taken to ensure a safe tourism
22 experience and to support the travel and hospitality economy of
23 Mississippi.
SECTION 2. Upon the effective date of this act, the State Fiscal Officer shall transfer the sum of Fifty-two Million Dollars ($52,000,000.00) from the Budget Contingency Fund to the Mississippi Tourism Recovery Fund - Round 2 created by Section 3 of this act.

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

(a) "Destination marketing organization" means:

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

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

(b) "Marketing activities" means multimedia marketing and advertising, including digital media, broadcast media and printed media, including travel publications, production, travel market sector analysis, consumer travel sentiment, public relations, communication strategy, direct sales bookings, group tour bookings, tourism development and administrative costs to execute marketing activities related to the business disruption...
effects of the Coronavirus Disease 2019 as expressed in Section 1 of this act.

(2) (a) There is hereby created in the State Treasury a special fund to be designated as the "Mississippi Tourism Recovery Fund - Round 2," which shall consist of funds made available by the Legislature in any manner and funds from any other source designated for deposit into such fund. The fund shall be maintained by the State Treasurer as a separate and special fund, separate and apart from the General Fund of the state. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any investment earnings or interest earned on amounts in the fund shall be deposited to the credit of the fund. Monies in the fund shall be used by the Department of Finance and Administration, upon appropriation by the Legislature, for the purposes provided in this section. Monies in the fund shall be disbursed in compliance with the guidelines, guidance, rules, regulations and/or other criteria, as may be amended from time to time, of the United States Department of the Treasury regarding the use of monies from the American Rescue Plan Act. Monies in the fund shall be disbursed by the Department of Finance and Administration to assist destination marketing organizations in paying costs for marketing activities as provided in this section. The Department of Finance and Administration shall determine, in conjunction with the
destination marketing organizations, the allocations of monies provided under this paragraph (a) as follows:

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

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

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

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

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

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

(c) Destination marketing organizations receiving funds under this subsection (2) shall keep and maintain records related to expenditures. Destination marketing organizations receiving funds under this subsection (2) shall also track impacts of their marketing activities through special levy tax receipts, hotel occupancy indicators, other tourism industry metrics, and analytics from marketing campaigns, as appropriate. Such destination marketing organizations shall provide semi-annual reports on expenditures and economic impacts of their marketing activities to the Department of Finance and Administration, the Governor, the Lieutenant Governor, the Speaker of the House of Representatives and the Department of Audit.
(d) Subject to applicable purchasing laws, destination marketing organizations will give preference, when available and practical, to Mississippi-based companies for any new contracts entered into for marketing activities.

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

(4) If the Office of Inspector General of the United States Department of the Treasury, or the Office of Inspector General of any other federal agency having oversight over the use of monies from the Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act determines that the Department of Finance and Administration or recipient has expended or otherwise used any of the funds appropriated to the Department of Finance and Administration under this act for any purpose that is not in compliance with the guidelines, guidance, rules, regulations and/or other criteria, as may be amended from time to time, by the United States Department of the Treasury regarding the use of monies from the Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act, and (b) the State of Mississippi is required to repay the federal government for any of those funds that the Office of the Inspector General determined were expended or otherwise used improperly by the Department of Finance and Administration or recipient, then the Department of Finance and Administration or recipient, as the
case may be, that expended or otherwise used those funds improperly shall be required to pay the amount of those funds to the State of Mississippi for repayment to the federal government.

SECTION 4. This act shall take effect and be in force from and after its passage.