To: Tourism

MISSISSIPPI LEGISLATURE
REGULAR SESSION 2022

By: Representatives Currie, Felsher, Crawford, Turner

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 453

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

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

SECTION 1. The COVID-19 public health emergency has had a
significant negative impact on Mississippi's tourism industry.
American Rescue Plan Act funds are specifically targeted toward
assisting in the recovery of the tourism and hospitality sectors.
The funds provided in this act are necessary expenditures related
to COVID-19, the purpose of which is to publicize the resumption
of tourism activities and steps taken to ensure a safe tourism
experience and to support the travel and hospitality economy of 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 Coronavirus State Fiscal Recovery 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).
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. There is hereby created in the State Treasury a
special fund to be designated as the "Mississippi Destination
Development Fund," 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 for the following
purposes that support increased tourist visitation:
(a) Planning assistance;
(b) Enhancing outdoor venues and parks;
(c) Downtown revitalization;
(d) Improving public health amenities at tourism attractions and museums including displays and installations, signage, public health enhancements, and public green spaces;
(e) Enhancing recreational offerings that specifically support additional tourist visitation; and
(f) Improving wayfinding signage to direct travelers to support local tourist attractions and businesses.

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