

By: Representatives Read, Haney, McGee,
Paden

To: Appropriations

HOUSE BILL NO. 841

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; AND FOR RELATED PURPOSES.

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

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



23 **SECTION 2.** Upon the effective date of this act, the State
24 Fiscal Officer shall transfer the sum of Fifty-two Million Dollars
25 (\$52,000,000.00) from the Coronavirus State Fiscal Recovery Fund
26 to the Mississippi Tourism Recovery Fund - Round 2 created by
27 Section 3 of this act.

28 **SECTION 3.** (1) As used in this section, the following words
29 and phrases shall have the meanings as defined in this section
30 unless the context clearly indicates otherwise:

31 (a) "Destination marketing organization" means:

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

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

41 (b) "Marketing activities" means multimedia marketing
42 and advertising, including digital media, broadcast media and
43 printed media, including travel publications, production, travel
44 market sector analysis, consumer travel sentiment, public
45 relations, communication strategy, direct sales bookings, group
46 tour bookings, tourism development and administrative costs to
47 execute marketing activities related to the business disruption



48 effects of the Coronavirus Disease 2019 as expressed in Section 1
49 of this act.

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



72 destination marketing organizations, the allocations of monies
73 provided under this paragraph (a) as follows:

74 (i) Not more than Nine Million Four Hundred
75 Twenty-seven Thousand Five Hundred Fifty-seven Dollars
76 (\$9,427,557.00) of such monies shall be allocated to destination
77 marketing organizations in a manner that will provide monies to a
78 destination marketing organization in an amount equal to
79 seventy-five percent (75%) of the destination marketing
80 organization's marketing and advertising expenditures during the
81 2019 fiscal year, and

82 (ii) Not more than Forty-two Million Five Hundred
83 Seventy-two Thousand Four Hundred Forty-three Dollars
84 (\$42,572,443.00) of such monies shall be allocated to destination
85 marketing organizations based on the proportion that a destination
86 marketing organization's contribution toward total tourism
87 visitors in the state according to the 2019 Fiscal Year Visit
88 Mississippi Visitors Profile Report bears to all destination
89 marketing organizations' contributions toward total tourism
90 visitors in the state according to the 2019 Fiscal Year Visit
91 Mississippi Visitors Profile Report. However, a destination
92 marketing organization shall not receive an amount less than Four
93 Hundred Thousand Dollars (\$400,000.00) under this subparagraph
94 (ii).

95 (b) Within fifteen (15) days after the effective date
96 of this act, the Department of Finance and Administration shall



97 distribute the funds allocated under paragraph (a) of this
98 subsection (2) to eligible destination marketing organizations.
99 Before receiving funds under this subsection (2), a destination
100 marketing organization must certify to the Department of Finance
101 and Administration that:

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

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

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

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



122 (d) Subject to applicable purchasing laws, destination
123 marketing organizations will give preference, when available and
124 practical, to Mississippi-based companies for any new contracts
125 entered into for marketing activities.

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

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

142 (b) the State of Mississippi is required to repay the federal
143 government for any of those funds that the Office of the Inspector
144 General determined were expended or otherwise used improperly by
145 the Department of Finance and Administration or recipient, then
146 the Department of Finance and Administration or recipient, as the



147 case may be, that expended or otherwise used those funds
148 improperly shall be required to pay the amount of those funds to
149 the State of Mississippi for repayment to the federal government.

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

