

By: Senator(s) Blackwell, Parker

To: Local and Private

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 2513

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF  
2 OLIVE BRANCH, MISSISSIPPI, TO LEVY A TAX UPON THE GROSS SALES OF  
3 HOTELS AND MOTELS DERIVED FROM ROOM RENTALS FOR THE PURPOSES OF  
4 TOURISM AND PARKS AND RECREATION; TO PROVIDE FOR AN ELECTION ON  
5 WHETHER THE TAX MAY BE LEVIED; FOR THE PURPOSES OF TOURISM AND  
6 PARKS AND RECREATION, TO AUTHORIZE THE CITY TO ISSUE GENERAL  
7 OBLIGATION BONDS OR INCUR OTHER INDEBTEDNESS IN AN AGGREGATE  
8 PRINCIPAL AMOUNT NOT IN EXCESS OF AN AMOUNT FOR WHICH DEBT SERVICE  
9 IS CAPABLE OF BEING FUNDED BY THE PROCEEDS OF THE SPECIAL SALES  
10 TAX LEVIED UNDER THIS ACT; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** As used in this act, the following terms shall  
13 have the following meanings unless a different meaning is clearly  
14 indicated by the context in which they are used:

15 (a) "City" means the City of Olive Branch, Mississippi.

16 (b) "Governing authorities" means the governing  
17 authorities of the City of Olive Branch, Mississippi.

18 (c) "Hotel" or "motel" means any establishment engaged  
19 in the business of furnishing or providing rooms intended or  
20 designed for dwelling, lodging or sleeping purposes to transient  
21 guests, where the establishment consists of six (6) or more guest  
22 rooms. The term "hotel" or "motel" does not include any hospital,



23 convalescent or nursing home or sanitarium, or any hotel-like  
24 facility operated by or in connection with a hospital or medical  
25 clinic providing rooms exclusively for patients and their  
26 families.

27       **SECTION 2.** (1) For the purpose of providing funds to  
28 promote tourism and parks and recreation, the governing  
29 authorities are authorized, in their discretion, to levy and  
30 collect from the following persons a tax, which shall be in  
31 addition to all of the taxes and assessments imposed. The tax  
32 shall be imposed on every person, firm or corporation operating a  
33 motel or hotel in the city, at a rate not to exceed one percent  
34 (1%) of the gross proceeds of overnight room rentals for each such  
35 hotel or motel.

36       (2) Persons, firms or corporations liable for the levy  
37 imposed under subsection (1) of this section shall add the amount  
38 of the levy to the sales price of the rooms and products set out  
39 in subsection (1) of this section and shall collect, insofar as is  
40 practicable, the amount of the tax due by them from the person  
41 receiving the services or product at the time of payment therefor.

42       (3) The tax shall be collected by and paid to the Department  
43 of Revenue on a form prescribed by the Department of Revenue in  
44 the manner that state sales taxes are computed, collected and  
45 paid; and full enforcement provisions and all other provisions of  
46 Title 27, Chapter 65, Mississippi Code of 1972, shall apply as  
47 necessary to the implementation and administration of this act.



48           (4) The proceeds of the tax, less three percent (3%) thereof  
49 which shall be retained by the Department of Revenue to defray the  
50 cost of collection, shall be paid to the governing authorities on  
51 or before the fifteenth day of the month following the month in  
52 which collected.

53           (5) The proceeds of the tax shall not be considered by the  
54 city as general fund revenues but shall be dedicated to and  
55 expended solely for the purposes specified in this section.

56           **SECTION 3.** Before any tax authorized under this act may be  
57 imposed, the governing authorities shall adopt a resolution  
58 declaring their intention to levy the tax, setting forth the  
59 amount of the tax to be imposed, the date upon which the tax shall  
60 become effective, and calling for an election to be held on the  
61 question. The date of the election shall be fixed in the  
62 resolution. Notice of such intention shall be published once each  
63 week for at least three (3) consecutive weeks in a newspaper  
64 published or having a general circulation in the city, with the  
65 first publication of the notice to be made not less than  
66 twenty-one (21) days before the date fixed in the resolution for  
67 the election and the last publication to be made not more than  
68 seven (7) days before the election. At the election, all  
69 qualified electors of the city may vote, and the ballots used in  
70 the election shall have printed thereon a brief statement of the  
71 amount and purposes of the proposed tax levy and the words "FOR  
72 THE TAX" and, on a separate line, "AGAINST THE TAX," and the



73 voters shall vote by placing a cross (X) or check (✓) opposite  
74 their choice on the proposition. When the results of the election  
75 shall have been canvassed and certified, the city may levy the tax  
76 if sixty percent (60%) of the qualified electors who vote in the  
77 election vote in favor of the tax. At least thirty (30) days  
78 before the effective date of the tax provided in this section, the  
79 governing authorities shall furnish to the Department of Revenue a  
80 certified copy of the resolution evidencing the tax.

81       **SECTION 4.** Accounting for receipts and expenditures of the  
82 funds herein described shall be made separately from the  
83 accounting of receipts and expenditures of the general fund and  
84 any other funds of the city. The records reflecting the receipts  
85 and expenditures of the funds prescribed in this act shall be  
86 audited annually by an independent certified public accountant,  
87 and the accountant shall make a written report of his audit to the  
88 governing authorities. The audit shall be made and completed as  
89 soon as practicable after the close of the fiscal year, and  
90 expenses of the audit shall be paid from the funds derived in  
91 accordance with this act.

92       **SECTION 5.** (1) For the purposes of providing funds to pay  
93 costs associated with the improvements described in Section 2(1)  
94 of this act, the governing authorities are authorized to issue  
95 general obligation bonds of the city or incur other indebtedness  
96 in an aggregate principal amount not in excess of an amount for



97 which debt service is capable of being funded by the proceeds of  
98 the special sales tax levied under this act.

99 (2) Except as otherwise provided in this section, bonds  
100 issued under this section shall be issued in accordance with the  
101 provisions of Sections 21-33-301 through 21-33-329, and Sections  
102 31-25-1 through 31-25-107, Mississippi Code of 1972, or as allowed  
103 by other applicable law. Bonds authorized to be issued under this  
104 section shall not be included in the limitation on indebtedness of  
105 the city. Bonds issued under the provisions of this section and  
106 income therefrom shall be exempt from all taxation in the State of  
107 Mississippi.

108 **SECTION 6.** Sections 1 through 4 of this act shall be  
109 repealed from and after July 1, 2026, with such time frame to  
110 allow sufficient time to service the debt outlined in Section 5 of  
111 this act. Any tax levied pursuant to this act may continue to be  
112 levied for such period as is necessary to service debt associated  
113 with any bonds issued pursuant to Section 5 of this act.

114 **SECTION 7.** This act shall take effect and be in force from  
115 and after its passage.

