MISSISSIPPI LEGISLATURE

By: Senator(s) Williams, Polk, Butler (36th), DeBar, Frazier, Michel, Parks, Jackson (11th)

To: Tourism; Appropriations

REGULAR SESSION 2022

ANNOUNCING SHORT TITLE

COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 2849

AN ACT TO ESTABLISH THE COVID-19 DESTINATION MARKETING ORGANIZATION GRANT PROGRAM FOR THE PURPOSE OF PROMOTING TOURISM BY AWARDING GRANTS TO DESTINATION MARKETING ORGANIZATIONS FROM FUNDS PROVIDED BY THE AMERICAN RESCUE PLAN ACT OF 2021; TO PROVIDE THAT THE MISSISSIPPI DEPARTMENT OF FINANCE AND ADMINISTRATION SHALL ADMINISTER THE GRANT PROGRAM; TO CREATE A SPECIAL FUND IN THE STATE TREASURY FOR PROGRAM FUNDS; AND FOR RELATED PURPOSES.

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

SECTION 1. (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 section 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.

(2) The Mississippi Department of Finance and Administration shall establish and administer the COVID-19 Destination Marketing Organization Grant Program for the purpose of promoting tourism by
awarding grants to destination marketing organizations from funds provided by the American Rescue Plan Act (ARPA) of 2021 (Public Law No. 117-2). The department shall award grants to eligible destination marketing organizations in the amount of Ten Million Dollars ($10,000,000.00) each year for three (3) years, subject to the availability of funds appropriated by the Legislature.

(3) 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 subsection
(1) of this section.

(4) (a) There is created a special fund in the State
Treasury to be known as the "COVID-19 Destination Marketing
Organization Grant Program Fund," from which awards authorized
under this section shall be disbursed by the Mississippi
Department of Finance and Administration.

(b) All monies disbursed from the COVID-19 Destination
Marketing Organization Grant Program Fund shall be in compliance
with the guidelines, guidance, rules, regulations or other
criteria, as may be amended from time to time, of the United
States Department of the Treasury regarding the use of monies
received by or on behalf of the State of Mississippi through the
Coronavirus State Fiscal Recovery Fund established by the American
Rescue Plan Act of 2021 (Public Law No. 117-2). Unexpended
amounts of any monies remaining in the funds at the end of a
fiscal year shall not lapse into the Coronavirus State Fiscal
Recovery Fund or the State General Fund, and any investment
earnings or interest earned on amounts in the program fund shall
be deposited to the credit of COVID-19 Destination Marketing
Organization Grant Program Fund.

(c) If there are unobligated Coronavirus State Fiscal
Recovery Fund monies remaining in the fund, on the later of
December 17, 2024, or fourteen (14) days prior to the fund
obligation deadline provided by the federal government, the Department of Finance and Administration shall transfer these unobligated balances to the Coronavirus State Fiscal Recovery Fund. The Department of Finance and Administration shall then transfer the unobligated balance of Coronavirus State Fiscal Recovery Funds from the Coronavirus State Fiscal Recovery Fund to the State and School Employees' Life and Health Insurance Fund for an amount not to exceed the lesser of Sixty Million Dollars ($60,000,000.00) or the amount of allowable ARPA expenditures, by no later than December 31, 2024, or on the date of the fund obligation deadline provided by the federal government. The Department of Finance and Administration shall then transfer all remaining unobligated balances of Coronavirus State Fiscal Recovery Funds from the Coronavirus State Fiscal Recovery Fund to the Unemployment Compensation Fund up to the ARPA allowable amount, by no later than December 31, 2024, or on the date of the fund obligation deadline provided by the federal government.

(5) The use of funds allocated under this program shall be subject to audit by the United States Department of the Treasury's Office of Inspector General and the Mississippi Office of the State Auditor. Each person receiving funds under this program found to be fully or partially noncompliant with the requirements in this section shall return to the state all or a portion of the funds received.
The Mississippi Department of Finance and Administration shall determine, in conjunction with the destination marketing organizations, the allocations of monies provided each year for three (3) years as follows:

(i) Not more than Seven Million Two Hundred Eighteen Thousand Three Hundred Sixty-one Dollars ($7,218,361.00) 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 prior fiscal year before funding; and

(ii) Not more than Two Million Seven Hundred Eighty-one Thousand Six Hundred Thirty-nine Dollars ($2,781,639.00) 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 prior Fiscal Year Visit Mississippi Visitors Profile Report bears to all destination marketing organizations' contributions toward total tourism visitors in the state according to the prior Fiscal Year Visit Mississippi Visitors Profile Report.

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

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

(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, unless otherwise authorized by federal law or guidance.

(c) Destination marketing organizations receiving funds under this section shall keep and maintain records related to expenditures. Destination marketing organizations receiving funds under this section 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 semiannual 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.

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

(8) None of the funds provided in this section shall be used for administrative expenses to create and administer the program.

(9) 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 (a) 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 section 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.

(10) This section shall stand repealed on July 1, 2026.

SECTION 2. This act shall take effect and be in force from and after its passage.