Mississippi Legislature

Regular Session 2022

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

To: Tourism; Appropriations

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 Division of Tourism, Mississippi Development Authority, 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 Mississippi Department of Tourism 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 division 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.

(2) For purposes of this section, "destination marketing organization" means 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.

(3) (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 act shall be disbursed by the Mississippi Department of
Tourism.

(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; and

(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. 

(4) 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 act shall return to the state all or a portion of the funds received.
(5) (a) The Mississippi Department of Tourism 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 of enactment, the Mississippi Department of Tourism shall distribute the funds allocated under this act to eligible destination marketing
organizations. Before receiving funds under this act, a
destination marketing organization must certify to the Mississippi
Department of Tourism that:

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

(ii) The funds will be expended before December
31, 2026, unless otherwise authorized by federal law or guidance.

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

(6) This act shall stand repealed on July 1, 2026.
SECTION 2. This act shall take effect and be in force from and after its passage.