

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

To: Tourism; Appropriations

SENATE BILL NO. 2849

1 AN ACT TO ESTABLISH THE COVID-19 DESTINATION MARKETING
2 ORGANIZATION GRANT PROGRAM FOR THE PURPOSE OF PROMOTING TOURISM BY
3 AWARDING GRANTS TO DESTINATION MARKETING ORGANIZATIONS FROM FUNDS
4 PROVIDED BY THE AMERICAN RESCUE PLAN ACT OF 2021; TO PROVIDE THAT
5 THE DIVISION OF TOURISM, MISSISSIPPI DEVELOPMENT AUTHORITY, SHALL
6 ADMINISTER THE GRANT PROGRAM; TO CREATE A SPECIAL FUND IN THE
7 STATE TREASURY FOR PROGRAM FUNDS; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** (1) The Mississippi Department of Tourism shall
10 establish and administer the COVID-19 Destination Marketing
11 Organization Grant Program for the purpose of promoting tourism by
12 awarding grants to destination marketing organizations from funds
13 provided by the American Rescue Plan Act (ARPA) of 2021 (Public
14 Law No. 117-2). The division shall award grants to eligible
15 destination marketing organizations in the amount of Ten Million
16 Dollars (\$10,000,000.00) each year for three (3) years, subject to
17 the availability of funds appropriated by the Legislature.

18 (2) For purposes of this section, "destination marketing
19 organization" means special local governmental units created by
20 local and private laws of the State of Mississippi for the purpose



21 of tourism promotion, funded by special local tax levies, and
22 staffed with professionals engaged in out-of-state tourism
23 marketing and tourism product development for municipalities,
24 counties and/or regions.

25 (3) (a) There is created a special fund in the State
26 Treasury, to be known as the "COVID-19 Destination Marketing
27 Organization Grant Program Fund" from which awards authorized
28 under this act shall be disbursed by the Mississippi Department of
29 Tourism.

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

44 (c) If there are unobligated Coronavirus State Fiscal
45 Recovery Fund monies remaining in the fund, on the later of



46 December 17, 2024, or fourteen (14) days prior to the fund
47 obligation deadline provided by the federal government, the
48 Department of Finance and Administration shall transfer these
49 unobligated balances to the Coronavirus State Fiscal Recovery
50 Fund. The Department of Finance and Administration shall then
51 transfer the unobligated balance of Coronavirus State Fiscal
52 Recovery Funds from the Coronavirus State Fiscal Recovery Fund to
53 the State and School Employees' Life and Health Insurance Fund for
54 an amount not to exceed the lesser of Sixty Million Dollars
55 (\$60,000,000.00) or the amount of allowable ARPA expenditures, by
56 no later than December 31, 2024, or on the date of the fund
57 obligation deadline provided by the federal government. The
58 Department of Finance and Administration shall then transfer all
59 remaining unobligated balances of Coronavirus State Fiscal
60 Recovery Funds from the Coronavirus State Fiscal Recovery Fund to
61 the Unemployment Compensation Fund up to the ARPA allowable
62 amount, by no later than December 31, 2024, or on the date of the
63 fund obligation deadline provided by the federal government.

64 (4) The use of funds allocated under this program shall be
65 subject to audit by the United States Department of the Treasury's
66 Office of Inspector General and the Mississippi Office of the
67 State Auditor. Each person receiving funds under this program
68 found to be fully or partially noncompliant with the requirements
69 in this act shall return to the state all or a portion of the
70 funds received.



71 (5) (a) The Mississippi Department of Tourism shall
72 determine, in conjunction with the destination marketing
73 organizations, the allocations of monies provided each year for
74 three (3) years as follows:

75 (i) Not more than Seven Million Two Hundred
76 Eighteen Thousand Three Hundred Sixty-one Dollars (\$7,218,361.00)
77 of such monies shall be allocated to destination marketing
78 organizations in a manner that will provide monies to a
79 destination marketing organization in an amount equal to
80 seventy-five percent (75%) of the destination marketing
81 organization's marketing and advertising expenditures during the
82 prior fiscal year before funding, and

83 (ii) Not more than Two Million Seven Hundred
84 Eighty-one Thousand Six Hundred Thirty-nine Dollars
85 (\$2,781,639.00) of such monies shall be allocated to destination
86 marketing organizations based on the proportion that a destination
87 marketing organization's contribution toward total tourism
88 visitors in the state according to the prior Fiscal Year Visit
89 Mississippi Visitors Profile Report bears to all destination
90 marketing organizations' contributions toward total tourism
91 visitors in the state according to the prior Fiscal Year Visit
92 Mississippi Visitors Profile Report.

93 (b) Within fifteen (15) days of enactment, the
94 Mississippi Department of Tourism shall distribute the funds
95 allocated under this act to eligible destination marketing



96 organizations. Before receiving funds under this act, a
97 destination marketing organization must certify to the Mississippi
98 Department of Tourism that:

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

101 (ii) The funds will be expended before December
102 31, 2026, unless otherwise authorized by federal law or guidance.

103 (c) Destination marketing organizations receiving funds
104 under this act shall keep and maintain records related to
105 expenditures. Destination marketing organizations receiving funds
106 under this act shall also track impacts of their marketing
107 activities through special levy tax receipts, hotel occupancy
108 indicators, other tourism industry metrics, and analytics from
109 marketing campaigns, as appropriate. Such destination marketing
110 organizations shall provide quarterly reports on expenditures and
111 economic impacts of their marketing activities to the Department
112 of Finance and Administration, the Governor, the Lieutenant
113 Governor, the Speaker of the House of Representatives and the
114 Department of Audit.

115 (d) Subject to applicable purchasing laws, destination
116 marketing organizations will give preference, when available and
117 practical, to Mississippi-based companies for any new contracts
118 entered into for marketing activities.

119 (6) This act shall stand repealed on July 1, 2026.



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

