

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

To: Tourism; Appropriations

COMMITTEE SUBSTITUTE
FOR
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 MISSISSIPPI DEPARTMENT OF FINANCE AND ADMINISTRATION 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 COVID-19 public health emergency has had
10 a significant negative impact on Mississippi's tourism industry.
11 American Rescue Plan Act funds are specifically targeted toward
12 assisting in the recovery of the tourism and hospitality sectors.
13 The funds provided in this section are necessary expenditures
14 related to COVID-19, the purpose of which is to publicize the
15 resumption of tourism activities and steps taken to ensure a safe
16 tourism experience and to support the travel and hospitality
17 economy of Mississippi.

18 (2) The Mississippi Department of Finance and Administration
19 shall establish and administer the COVID-19 Destination Marketing
20 Organization Grant Program for the purpose of promoting tourism by



21 awarding grants to destination marketing organizations from funds
22 provided by the American Rescue Plan Act (ARPA) of 2021 (Public
23 Law No. 117-2). The department shall award grants to eligible
24 destination marketing organizations in the amount of Ten Million
25 Dollars (\$10,000,000.00) each year for three (3) years, subject to
26 the availability of funds appropriated by the Legislature.

27 (3) As used in this section, the following words and phrases
28 shall have the meanings ascribed in this section unless the
29 context clearly indicates otherwise:

30 (a) "Destination marketing organization" means:

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

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

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



46 execute marketing activities related to the business disruption
47 effects of the Coronavirus Disease 2019 as expressed in subsection
48 (1) of this section.

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

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

68 (c) If there are unobligated Coronavirus State Fiscal
69 Recovery Fund monies remaining in the fund, on the later of
70 December 17, 2024, or fourteen (14) days prior to the fund



71 obligation deadline provided by the federal government, the
72 Department of Finance and Administration shall transfer these
73 unobligated balances to the Coronavirus State Fiscal Recovery
74 Fund. The Department of Finance and Administration shall then
75 transfer the unobligated balance of Coronavirus State Fiscal
76 Recovery Funds from the Coronavirus State Fiscal Recovery Fund to
77 the State and School Employees' Life and Health Insurance Fund for
78 an amount not to exceed the lesser of Sixty Million Dollars
79 (\$60,000,000.00) or the amount of allowable ARPA expenditures, by
80 no later than December 31, 2024, or on the date of the fund
81 obligation deadline provided by the federal government. The
82 Department of Finance and Administration shall then transfer all
83 remaining unobligated balances of Coronavirus State Fiscal
84 Recovery Funds from the Coronavirus State Fiscal Recovery Fund to
85 the Unemployment Compensation Fund up to the ARPA allowable
86 amount, by no later than December 31, 2024, or on the date of the
87 fund obligation deadline provided by the federal government.

88 (5) The use of funds allocated under this program shall be
89 subject to audit by the United States Department of the Treasury's
90 Office of Inspector General and the Mississippi Office of the
91 State Auditor. Each person receiving funds under this program
92 found to be fully or partially noncompliant with the requirements
93 in this section shall return to the state all or a portion of the
94 funds received.



95 (6) (a) The Mississippi Department of Finance and
96 Administration shall determine, in conjunction with the
97 destination marketing organizations, the allocations of monies
98 provided each year for three (3) years as follows:

99 (i) Not more than Seven Million Two Hundred
100 Eighteen Thousand Three Hundred Sixty-one Dollars (\$7,218,361.00)
101 of such monies shall be allocated to destination marketing
102 organizations in a manner that will provide monies to a
103 destination marketing organization in an amount equal to
104 seventy-five percent (75%) of the destination marketing
105 organization's marketing and advertising expenditures during the
106 prior fiscal year before funding; and

107 (ii) Not more than Two Million Seven Hundred
108 Eighty-one Thousand Six Hundred Thirty-nine Dollars
109 (\$2,781,639.00) of such monies shall be allocated to destination
110 marketing organizations based on the proportion that a destination
111 marketing organization's contribution toward total tourism
112 visitors in the state according to the prior Fiscal Year Visit
113 Mississippi Visitors Profile Report bears to all destination
114 marketing organizations' contributions toward total tourism
115 visitors in the state according to the prior Fiscal Year Visit
116 Mississippi Visitors Profile Report.

117 (b) Within fifteen (15) days after the effective date
118 of this act, the Mississippi Department of Finance and
119 Administration shall distribute the funds allocated under this



120 section to eligible destination marketing organizations. Before
121 receiving funds under this section, a destination marketing
122 organization must certify to the Mississippi Department of Finance
123 and Administration that:

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

126 (ii) The destination marketing organization will
127 comply with applicable federal and state regulations and
128 requirements related to American Rescue Plan Act funds; and

129 (iii) The destination marketing organization will
130 obligate all funds by December 31, 2024, and fully expend all
131 funds by December 31, 2026, unless otherwise authorized by federal
132 law or guidance.

133 (c) Destination marketing organizations receiving funds
134 under this section shall keep and maintain records related to
135 expenditures. Destination marketing organizations receiving funds
136 under this section shall also track impacts of their marketing
137 activities through special levy tax receipts, hotel occupancy
138 indicators, other tourism industry metrics, and analytics from
139 marketing campaigns, as appropriate. Such destination marketing
140 organizations shall provide semiannual reports on expenditures and
141 economic impacts of their marketing activities to the Department
142 of Finance and Administration, the Governor, the Lieutenant
143 Governor, the Speaker of the House of Representatives and the
144 Department of Audit.



145 (d) Subject to applicable purchasing laws, destination
146 marketing organizations will give preference, when available and
147 practical, to Mississippi-based companies for any new contracts
148 entered into for marketing activities.

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

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

154 (9) If the Office of Inspector General of the United States
155 Department of the Treasury, or the Office of Inspector General of
156 any other federal agency having oversight over the use of monies
157 from the Coronavirus State and Local Fiscal Recovery Funds
158 established by the American Rescue Plan Act, determines that (a)
159 the Department of Finance and Administration or recipient has
160 expended or otherwise used any of the funds appropriated to the
161 Department of Finance and Administration under this section for
162 any purpose that is not in compliance with the guidelines,
163 guidance, rules, regulations and/or other criteria, as may be
164 amended from time to time, by the United States Department of the
165 Treasury regarding the use of monies from the Coronavirus State
166 and Local Fiscal Recovery Funds established by the American Rescue
167 Plan Act, and (b) the State of Mississippi is required to repay
168 the federal government for any of those funds that the Office of
169 the Inspector General determined were expended or otherwise used



170 improperly by the Department of Finance and Administration or
171 recipient, then the Department of Finance and Administration or
172 recipient, as the case may be, that expended or otherwise used
173 those funds improperly shall be required to pay the amount of
174 those funds to the State of Mississippi for repayment to the
175 federal government.

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

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

