

## Senate Amendments to House Bill No. 453

TO THE CLERK OF THE HOUSE:

THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

### AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

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.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

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.

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Eugene S. Clarke  
Secretary of the Senate