

By: Representatives Waldo, Lancaster,
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To: Local and Private
Legislation

HOUSE BILL NO. 1720

1 AN ACT TO AMEND CHAPTER 1016, LOCAL AND PRIVATE LAWS OF 2004,
2 AS LAST AMENDED BY CHAPTER 908, LOCAL AND PRIVATE LAWS OF 2020, TO
3 EXTEND THE DATE OF REPEAL FROM JULY 1, 2024, TO JULY 1, 2028, ON
4 THE PROVISION OF LAW THAT AUTHORIZES THE GOVERNING AUTHORITIES OF
5 THE CITY OF PONTOTOC TO LEVY A TAX UPON THE GROSS SALES OF HOTELS,
6 MOTELS AND RESTAURANTS FOR THE PROMOTION OF TOURISM AND PARKS AND
7 RECREATION; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Chapter 1016, Local and Private Laws of 2004, as
10 amended by Chapter 962, Local and Private Laws of 2007, as amended
11 by Chapter 955, Local and Private Laws of 2012, as amended by
12 Chapter 940, Local and Private Laws of 2016, as amended by
13 Chapter 908, Local and Private Laws of 2020, is amended as
14 follows:

15 Section 1. As used in this act, the following terms shall
16 have the following meanings unless a different meaning is clearly
17 indicated by the context in which they are used:

18 (a) "Governing authorities" means the governing
19 authorities of the City of Pontotoc, Mississippi.



20 (b) "Hotel" or "motel" means any establishment engaged
21 in the business of furnishing or providing rooms intended or
22 designed for dwelling, lodging or sleeping purposes to transient
23 guests, where such establishment consists of six (6) or more guest
24 rooms and does not encompass any hospital, convalescent or nursing
25 home or sanitarium, or any hotel-like facility operated by or in
26 connection with a hospital or medical clinic providing rooms
27 exclusively for patients and their families.

28 (c) "Restaurant" means all places where prepared food
29 and beverages are sold for consumption, whether such food is
30 consumed on the premises or not. "Restaurant" as defined herein
31 does not include any school, hospital, convalescent or nursing
32 home, or any restaurant-like facility operated by or in connection
33 with a school, hospital, medical clinic, convalescent or nursing
34 home providing food for students, patients, visitors and their
35 families.

36 Section 2. (1) For the purpose of providing funds to
37 promote tourism and parks and recreation, the governing
38 authorities of the City of Pontotoc, Mississippi, are authorized,
39 in their discretion, to levy and collect from the persons
40 hereinafter specified a tax, which shall be in addition to all of
41 the taxes and assessments imposed. The tax shall be imposed on
42 the following persons:

43 (a) A tax upon every person, firm or corporation
44 operating a motel or hotel in the City of Pontotoc, Mississippi,



45 at a rate not to exceed two percent (2%) of the gross proceeds of
46 room rentals for each such hotel or motel.

47 (b) A tax upon every person, firm or corporation
48 operating a restaurant or such other business, where prepared food
49 or drink is sold to the public in the City of Pontotoc,
50 Mississippi, at a rate not to exceed two percent (2%) of the gross
51 proceeds of the sales of such restaurant or business.

52 (2) Persons, firms or corporations liable for the levy
53 imposed under subsection (1) of this section shall add the amount
54 of the levy to the sales price of the rooms and products set out
55 herein and shall collect, insofar as is practicable, the amount of
56 the tax due by them from the person receiving the services or
57 product at the time of payment therefor.

58 (3) Such tax shall be collected by and paid to the
59 Department of Revenue on a form prescribed by the Department of
60 Revenue in the manner that state sales taxes are computed,
61 collected and paid; and full enforcement provisions and all other
62 provisions of Chapter 65, Title 27, Mississippi Code of 1972,
63 shall apply as necessary to the implementation and administration
64 of this act.

65 (4) The proceeds of such tax, less three percent (3%)
66 thereof which shall be retained by the Department of Revenue to
67 defray the cost of collection, shall be paid to the governing
68 authorities of the City of Pontotoc, Mississippi, on or before the
69 fifteenth day of the month following the month in which collected.



70 (5) The proceeds of such tax shall not be considered by the
71 City of Pontotoc as general fund revenues but shall be dedicated
72 to and expended solely for the purposes specified in this section.

73 Section 3. (1) Before the tax authorized by this act may be
74 imposed, the governing authorities shall adopt a resolution
75 declaring their intention to levy the tax, setting forth the
76 amount of such tax and establishing the date on which the tax
77 initially shall be levied and collected. Notice of the proposed
78 tax shall be published once each week for at least three (3)
79 consecutive weeks in a newspaper having a general circulation in
80 the City of Pontotoc. The first publication of the notice shall
81 be made not less than twenty-one (21) days before the date fixed
82 in the resolution on which the tax initially is to be levied and
83 collected, and the last publication of the notice shall be made
84 not more than seven (7) days before such date. If, within the
85 time of giving notice, twenty percent (20%) or one thousand five
86 hundred (1,500), whichever is less, of the qualified electors of
87 the City of Pontotoc, file a written petition against the levy of
88 such tax, then the tax shall not be levied unless authorized by a
89 sixty percent (60%) majority of the qualified electors of the City
90 of Pontotoc, voting at an election to be called and held for that
91 purpose. At least thirty (30) days before the effective date of
92 the tax, the governing authorities shall furnish to the Department
93 of Revenue a certified copy of the resolution evidencing such tax.



94 (2) If the tax levied under this chapter was imposed without
95 a vote of the electorate, the governing authorities shall, within
96 sixty (60) days after the effective date of House Bill No. 1328,
97 2012 Regular Session, by resolution spread upon its minutes,
98 declare the intention of the governing authorities to continue
99 imposing the tax and describe the tax levy including the tax rate,
100 annual revenue collections and the purposes for which the proceeds
101 are used. The resolution shall be published once a week for at
102 least three (3) consecutive weeks in a newspaper published or
103 having a general circulation in the municipality, with the first
104 publication to be made within fourteen (14) days after the
105 governing authorities adopt the resolution declaring their
106 intention to continue the tax. If, on or before the date
107 specified in the resolution for filing a written protest, which
108 date shall be not less than forty-five (45) days and not more than
109 sixty (60) days after the governing authorities adopt the
110 resolution, twenty percent (20%) or one thousand five hundred
111 (1,500), whichever is less, of the qualified electors of the
112 municipality file a written protest against the imposition of the
113 tax, then an election upon the levy and assessment of the tax
114 shall be called and held as in the manner provided for in
115 subsection (1) of this section, with the election to be conducted
116 at the next special election day as such is defined by Section
117 23-15-833, Mississippi Code of 1972, occurring more than sixty
118 (60) days after the date specified in the resolution for filing a



119 written protest. If the requisite number of qualified electors
120 vote against the imposition of the tax, the tax shall cease to be
121 imposed on the first day of the month following certification of
122 the election results by the election commissioners of the
123 municipality to the governing authorities. The governing
124 authorities shall notify the Department of Revenue of the date of
125 the discontinuance of the tax and shall publish sufficient notice
126 thereof in a newspaper published or having a general circulation
127 in the municipality. If no protest is filed, then the governing
128 authorities shall state that fact in their minutes and may
129 continue the levy and assessment of the tax.

130 This subsection (2) shall not apply if the revenue from the
131 tax authorized by this chapter has been contractually pledged for
132 the payment of debt incurred prior to the effective date of House
133 Bill No. 1328, 2012 Regular Session, until such time as the debt
134 is satisfied. Once the debt has been satisfied, the governing
135 authorities shall, within sixty (60) days, adopt a resolution
136 declaring the intention of the governing authorities to continue
137 the tax which shall initiate the procedure described in subsection
138 (1) of this section.

139 Section 4. Accounting for receipts and expenditures of the
140 funds herein described shall be made separately from the
141 accounting of receipts and expenditures of the general fund and
142 any other funds of the City of Pontotoc, Mississippi. The records
143 reflecting the receipts and expenditures of the funds prescribed



144 herein shall be audited annually by an independent certified
145 public accountant, and the accountant shall make a written report
146 of his audit to the governing authorities. The audit shall be
147 made and completed as soon as practicable after the close of the
148 fiscal year, and expenses of such audit shall be paid from the
149 funds derived in accordance with this act.

150 Section 5. The provisions of this act shall be repealed from
151 and after July 1, * * * 2028.

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

