

By: Senator(s) Suber

To: Local and Private

SENATE BILL NO. 2001

1 AN ACT TO AMEND CHAPTER 917, LOCAL AND PRIVATE LAWS OF 2015,  
 2 AS LAST AMENDED BY CHAPTER 909, LOCAL AND PRIVATE LAWS OF 2020,  
 3 WHICH AUTHORIZES THE GOVERNING AUTHORITIES OF THE CITY OF HOUSTON,  
 4 MISSISSIPPI, TO LEVY A TAX UPON THE GROSS SALES OF HOTELS AND  
 5 MOTELS DERIVED FROM ROOM RENTALS AND UPON THE GROSS PROCEEDS OF  
 6 SALES OF RESTAURANTS, TO EXTEND UNTIL DECEMBER 31, 2028, THE  
 7 REPEAL DATE ON THIS ACT; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Chapter 917, Local and Private Laws of 2015, as  
 10 amended by Chapter 960, Local and Private Laws of 2016, as amended  
 11 by Chapter 909, Local and Private Laws of 2020, is amended as  
 12 follows:

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

16 (a) "Governing authorities" means the governing  
 17 authorities of the City of Houston, Mississippi.

18 (b) "Hotel" or "motel" means any establishment engaged  
 19 in the business of furnishing or providing rooms intended or  
 20 designed for dwelling, lodging or sleeping purposes to transient



21 guests, where the establishment consists of four (4) or more guest  
22 rooms. The term "hotel" or "motel" does not include any hospital,  
23 convalescent or nursing home or sanitarium, or any hotel-like  
24 facility operated by or in connection with a hospital or medical  
25 clinic providing rooms exclusively for patients and their  
26 families.

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

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

40 (a) A tax upon every person, firm or corporation  
41 operating a motel or hotel in the City of Houston, at a rate not  
42 to exceed two percent (2%) of the gross proceeds of room rentals  
43 for each such hotel or motel.

44 (b) A tax upon every person, firm or corporation  
45 operating a restaurant in the City of Houston, at a rate not to



46 exceed two percent (2%) of the gross proceeds of the sales of the  
47 restaurant.

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

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

60 (4) The proceeds of the tax, less three percent (3%) thereof  
61 which shall be retained by the Department of Revenue to defray the  
62 cost of collection, shall be paid to the governing authorities on  
63 or before the fifteenth day of the month following the month in  
64 which collected.

65 (5) The proceeds of the tax shall not be considered by the  
66 City of Houston as general fund revenues but shall be dedicated to  
67 and expended solely for the purposes specified in this section.

68 Section 3. Before any tax authorized under this act may be  
69 imposed, the governing authorities shall adopt a resolution  
70 declaring their intention to levy the tax, setting forth the



71 amount of the tax to be imposed, the date upon which the tax shall  
72 become effective, and calling for an election to be held on the  
73 question. The date of the election shall be fixed in the  
74 resolution. Notice of such intention shall be published once each  
75 week for at least three (3) consecutive weeks in a newspaper  
76 published or having a general circulation in the City of Houston,  
77 with the first publication of the notice to be made not less than  
78 twenty-one (21) days before the date fixed in the resolution for  
79 the election and the last publication to be made not more than  
80 seven (7) days before the election. At the election, all  
81 qualified electors of the City of Houston may vote, and the  
82 ballots used in the election shall have printed thereon a brief  
83 statement of the amount and purposes of the proposed tax levy and  
84 the words "FOR THE TAX" and, on a separate line, "AGAINST THE  
85 TAX," and the voters shall vote by placing a cross (X) or check  
86 (✓) opposite their choice on the proposition. When the results  
87 of the election shall have been canvassed and certified, the city  
88 may levy the tax if sixty percent (60%) of the qualified electors  
89 who vote in the election vote in favor of the tax. At least  
90 thirty (30) days before the effective date of the tax provided in  
91 this section, the governing authorities shall furnish to the  
92 Department of Revenue a certified copy of the resolution  
93 evidencing the tax.

94 Section 4. Before the expenditure of the proceeds of the tax  
95 authorized by this act, a budget reflecting the anticipated



96 receipts and expenditures shall be approved by the governing  
97 authorities of the city. The first budget of receipts and  
98 expenditures shall cover the period beginning with the effective  
99 date of the tax and ending with the end of the city's fiscal year,  
100 and thereafter, the budget shall be on the same fiscal basis as  
101 the budget of the city.

102 Section 5. Accounting for receipts and expenditures of the  
103 funds herein described shall be made separately from the  
104 accounting of receipts and expenditures of the general fund and  
105 any other funds of the City of Houston. The records reflecting  
106 the receipts and expenditures of the funds prescribed in this act  
107 shall be audited annually by an independent certified public  
108 accountant, and the accountant shall make a written report of his  
109 audit to the governing authorities. The audit shall be made and  
110 completed as soon as practicable after the close of the fiscal  
111 year, and expenses of the audit shall be paid from the funds  
112 derived in accordance with this act.

113 Section 6. This act shall be repealed from and after  
114 December 31, \* \* \* 2028.

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

