

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.

