

By: Representative Keen

To: Local and Private
Legislation

HOUSE BILL NO. 1803

1 AN ACT TO AMEND CHAPTER 934, LOCAL AND PRIVATE LAWS OF 2022,
2 TO EXTEND THE DATE OF REPEAL FROM JULY 1, 2026, TO JULY 1, 2029,
3 ON THE PROVISION OF LAW THAT AUTHORIZES THE GOVERNING AUTHORITIES
4 OF THE CITY OF OLIVE BRANCH, MISSISSIPPI, TO LEVY A TAX UPON THE
5 GROSS SALES OF HOTELS AND MOTELS DERIVED FROM ROOM RENTALS FOR THE
6 PURPOSES OF TOURISM AND PARKS AND RECREATION AND THAT AUTHORIZES
7 THE CITY TO ISSUE GENERAL OBLIGATION BONDS OR INCUR OTHER
8 INDEBTEDNESS IN AN AGGREGATE PRINCIPAL AMOUNT NOT IN EXCESS OF AN
9 AMOUNT FOR WHICH DEBT SERVICE IS CAPABLE OF BEING FUNDED BY THE
10 PROCEEDS OF THE SPECIAL SALES TAX LEVIED UNDER THIS ACT; AND FOR
11 RELATED PURPOSES.

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

13 **SECTION 1.** Chapter 934, Local and Private Laws of 2022, is
14 amended as 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) "City" means the City of Olive Branch, Mississippi.

19 (b) "Governing authorities" means the governing
20 authorities of the City of Olive Branch, Mississippi.

21 (c) "Hotel" or "motel" means any establishment engaged
22 in the business of furnishing or providing rooms intended or



23 designed for dwelling, lodging or sleeping purposes to transient
24 guests, where the establishment consists of six (6) or more guest
25 rooms. The term "hotel" or "motel" does not include any hospital,
26 convalescent or nursing home or sanitarium, or any hotel-like
27 facility operated by or in connection with a hospital or medical
28 clinic providing rooms exclusively for patients and their
29 families.

30 Section 2. (1) For the purpose of providing funds to
31 promote tourism and parks and recreation, the governing
32 authorities are authorized, in their discretion, to levy and
33 collect from the following persons a tax, which shall be in
34 addition to all of the taxes and assessments imposed. The tax
35 shall be imposed on every person, firm or corporation operating a
36 motel or hotel in the city, at a rate not to exceed one percent
37 (1%) of the gross proceeds of overnight room rentals for each such
38 hotel or motel.

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

45 (3) The tax shall be collected by and paid to the Department
46 of Revenue on a form prescribed by the Department of Revenue in
47 the manner that state sales taxes are computed, collected and



48 paid; and full enforcement provisions and all other provisions of
49 Title 27, Chapter 65, Mississippi Code of 1972, shall apply as
50 necessary to the implementation and administration of this act.

51 (4) The proceeds of the tax, less three percent (3%) thereof
52 which shall be retained by the Department of Revenue to defray the
53 cost of collection, shall be paid to the governing authorities on
54 or before the fifteenth day of the month following the month in
55 which collected.

56 (5) The proceeds of the tax shall not be considered by the
57 city as general fund revenues but shall be dedicated to and
58 expended solely for the purposes specified in this section.

59 Section 3. Before any tax authorized under this act may be
60 imposed, the governing authorities shall adopt a resolution
61 declaring their intention to levy the tax, setting forth the
62 amount of the tax to be imposed, the date upon which the tax shall
63 become effective, and calling for an election to be held on the
64 question. The date of the election shall be fixed in the
65 resolution. Notice of such intention shall be published once each
66 week for at least three (3) consecutive weeks in a newspaper
67 published or having a general circulation in the city, with the
68 first publication of the notice to be made not less than
69 twenty-one (21) days before the date fixed in the resolution for
70 the election and the last publication to be made not more than
71 seven (7) days before the election. At the election, all
72 qualified electors of the city may vote, and the ballots used in



73 the election shall have printed thereon a brief statement of the
74 amount and purposes of the proposed tax levy and the words "FOR
75 THE TAX" and, on a separate line, "AGAINST THE TAX," and the
76 voters shall vote by placing a cross (X) or check (✓) opposite
77 their choice on the proposition. When the results of the election
78 shall have been canvassed and certified, the city may levy the tax
79 if sixty percent (60%) of the qualified electors who vote in the
80 election vote in favor of the tax. At least thirty (30) days
81 before the effective date of the tax provided in this section, the
82 governing authorities shall furnish to the Department of Revenue a
83 certified copy of the resolution evidencing the tax.

84 Section 4. Accounting for receipts and expenditures of the
85 funds herein described shall be made separately from the
86 accounting of receipts and expenditures of the general fund and
87 any other funds of the city. The records reflecting the receipts
88 and expenditures of the funds prescribed in this act shall be
89 audited annually by an independent certified public accountant,
90 and the accountant shall make a written report of his audit to the
91 governing authorities. The audit shall be made and completed as
92 soon as practicable after the close of the fiscal year, and
93 expenses of the audit shall be paid from the funds derived in
94 accordance with this act.

95 Section 5. (1) For the purposes of providing funds to pay
96 costs associated with the improvements described in Section 2(1)
97 of this act, the governing authorities are authorized to issue



98 general obligation bonds of the city or incur other indebtedness
99 in an aggregate principal amount not in excess of an amount for
100 which debt service is capable of being funded by the proceeds of
101 the special sales tax levied under this act.

102 (2) Except as otherwise provided in this section, bonds
103 issued under this section shall be issued in accordance with the
104 provisions of Sections 21-33-301 through 21-33-329, and Sections
105 31-25-1 through 31-25-107, Mississippi Code of 1972, or as allowed
106 by other applicable law. Bonds authorized to be issued under this
107 section shall not be included in the limitation on indebtedness of
108 the city. Bonds issued under the provisions of this section and
109 income therefrom shall be exempt from all taxation in the State of
110 Mississippi.

111 Section 6. Sections 1 through 4 of this act shall be
112 repealed from and after July 1, * * * 2029, with such time frame
113 to allow sufficient time to service the debt outlined in Section 5
114 of this act. Any tax levied pursuant to this act may continue to
115 be levied for such period as is necessary to service debt
116 associated with any bonds issued pursuant to Section 5 of this
117 act.

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

