By: Senator(s) Sparks

To: Local and Private

SENATE BILL NO. 3057

AN ACT TO AMEND CHAPTER 940, LOCAL AND PRIVATE LAWS OF 2017, AS AMENDED BY CHAPTER 935, LOCAL AND PRIVATE LAWS OF 2021, TO EXTEND UNTIL JULY 1, 2029, THE REPEAL DATE ON THE LAW THAT AUTHORIZES THE GOVERNING AUTHORITIES OF THE CITY OF BOONEVILLE, MISSISSIPPI, TO LEVY AN ADDITIONAL SALES TAX OF NOT MORE THAN 2% UPON THE GROSS PROCEEDS OF SALES OF HOTELS AND MOTELS DERIVED FROM ROOM RENTALS AND UPON THE GROSS PROCEEDS OF SALES OF RESTAURANTS FOR THE PURPOSE OF PROVIDING FUNDS TO PROMOTE TOURISM, PARKS AND RECREATION IN THE CITY; AND FOR RELATED PURPOSES.

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

SECTION 1. Chapter 940, Local and Private Laws of 2017, as amended by Chapter 935, Local and Private Laws of 2021, is amended as follows:

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

(a) "City" means the City of Booneville, Mississippi.

(b) "Governing authorities" means the governing authorities of the City of Booneville, Mississippi.

(c) "Hotel" or "motel" means any establishment engaged in the business of furnishing or providing rooms intended or designed for dwelling, lodging or sleeping purposes to transient guests, where the establishment consists of six (6) or more guest rooms. The term "hotel" or "motel" does not include any hospital, convalescent or nursing home or sanitarium, or any hotel-like facility operated by or in connection with a hospital or medical clinic providing rooms exclusively for patients and their families.

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

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

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

(b) A tax upon every person, firm or corporation operating a restaurant in the City of Booneville, at a rate not to exceed two percent (2%) of the gross proceeds of the sales of the restaurant.

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

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

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

(5) The proceeds of the tax shall not be considered by the City of Booneville as general fund revenues but shall be dedicated to and expended solely for the purposes specified in this section. In no event shall the proceeds of the tax be expended on any

private property, payment for any legal fees or payment for any salaries, including salaries related to any grant for the promotion of tourism and parks and recreation.

Section 3. Before any tax authorized under this act may be imposed, the governing authorities shall adopt a resolution declaring their intention to levy the tax, setting forth the amount of the tax to be imposed, the date upon which the tax shall become effective and calling for an election to be held on the question. The election shall be held on June 6, 2017, which is the general election for municipal officers, and such date shall be fixed in the resolution. Notice of such intention and the election shall be published once each week for at least three (3) consecutive weeks in a newspaper published or having a general circulation in the City of Booneville, with the first publication of the notice to be made not less than twenty-one (21) days before the date fixed in the resolution for the election and the last publication to be made not more than seven (7) days before the election. At the election, all qualified electors of the City of Booneville may vote, and the ballots used in the election shall have printed thereon a brief statement of the amount and purposes of the proposed tax levy and the words "FOR THE TAX" and, on a separate line, "AGAINST THE TAX" and the voters shall vote by placing a cross (X) or check (✓) opposite their choice on the proposition. When the results of the election shall have been canvassed and certified, the city may levy the tax if sixty percent (60%) of the qualified electors who vote in the election vote in favor of the tax. At least thirty (30) days before the effective date of the tax provided in this section, the governing authorities shall furnish to the Department of Revenue a certified copy of the resolution evidencing the tax. If sixty percent (60%) of the qualified electors do not vote in favor of the tax, the tax shall not be levied. An election under this section may not be held more often than once a year.

Section 4. Accounting for receipts and expenditures of the revenue from the tax shall be made separately from the accounting of receipts and expenditures of the general fund and any other funds of the city. The records reflecting the receipts and expenditures of the revenue from the tax shall be audited annually by an independent certified public accountant who does not audit the funds of the municipal general funds of the city, and the accountant shall make a written report of his audit to the governing authorities as well as each respective member of the Mississippi House of Representatives and the Mississippi Senate who represents the city. The audit shall be made and completed as soon as practicable after the close of the fiscal year, and expenses of the audit shall be paid from the funds derived pursuant to this act.

Section 5. This act shall be repealed from and after July 1, *** * *** <u>2029</u>.

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

ST: City of Booneville; extend date of repeal on city's hotel, motel and restaurant tax.