

By: Senator(s) Blackwell, Parker

To: Local and Private

## SENATE BILL NO. 3264

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

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

14 **SECTION 1.** Chapter 934, Local and Private Laws of 2022, is  
15 amended as follows:

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

19 (a) "City" means the City of Olive Branch, Mississippi.

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

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



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

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

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

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



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

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

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

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



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

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

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



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

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

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

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

