By: Senator(s) Posey

To: Local and Private; Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3206

AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF HAZLEHURST TO LEVY A TAX UPON THE GROSS PROCEEDS OF HOTELS AND MOTELS DERIVED FROM ROOM RENTALS AND UPON THE GROSS PROCEEDS OF SALES OF RESTAURANTS; TO PROVIDE THAT SUCH TAX SHALL BE COLLECTED BY THE STATE TAX COMMISSION; TO PROVIDE THAT THE REVENUE RECEIVED BY THE CITY OF HAZLEHURST FROM SUCH TAX SHALL BE DEDICATED AND EXPENDED SOLELY FOR TOURISM DEVELOPMENT, RETAIL/WHOLESALE MANUFACTURING AND RESIDENTIAL GROWTH, INCLUDING DESIGNATION AS A RETIREMENT COMMUNITY, AND ANY OTHER RELATED ECONOMIC DEVELOPMENT, TOURISM DEVELOPMENT OR COMMUNITY PURPOSE PROMOTIONS; AND FOR RELATED PURPOSES.

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

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

(a) "Governing authorities" means the Mayor and Board of Aldermen of the City of Hazlehurst, Mississippi.

(b) "Hotel," "motel" or "bed and breakfast" means any establishment engaged in the business of furnishing or providing rooms intended or designed for dwelling, lodging or sleeping purposes to transient guests and which are known in the trade as such. The term "hotel," "motel" or "bed and breakfast" 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.

(c) "Restaurant" means all places, including hotel and motel dining rooms, cafeterias, cafes, lunch stands, grocery and convenience stands, where prepared food and beverages, including beer and alcoholic beverages, are sold for consumption, whether such food is consumed 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. The term "restaurant" does not include any facility that derives less than fifty percent (50%) of its revenue from the sale of prepared food and beverages.

(d) "Prepared food" means food prepared on the premises of a restaurant.

SECTION 2. (1) For the purpose of providing funds for the promotion and marketing of the attributes of the City of Hazlehurst for tourism development, retail/wholesale manufacturing and residential growth, including designation as a retirement community, and any other related economic development, tourism development or community purpose promotions, the governing authorities of the City of Hazlehurst 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 on the following persons:

(a) A tax upon every person, firm or corporation operating a hotel, motel or bed and breakfast in the City of Hazlehurst, at a rate not to exceed one percent (1%) of the gross proceeds derived from room rentals; and

(b) A tax upon every person, firm or corporation operating a restaurant in the City of Hazlehurst, at a rate not to exceed one percent (1%) of the gross proceeds of the sales of beer and alcoholic beverages sold for consumption on the premises of such restaurant and the sales of all prepared foods of such restaurant whether consumed on the premises or off the premises of such restaurant.

(2) Persons, firms or corporations liable for the levy 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) Such tax shall be collected by and paid to the State Tax Commission on a form prescribed by the State Tax Commission 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 such tax, less three percent (3%) thereof which shall be retained by the State Tax Commission to defray the cost of collection, shall be paid to the governing authorities of the City of Hazlehurst, on or before the fifteenth day of the month in which collected.

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

SECTION 3. Before any tax authorized under this act may be imposed, the governing authorities shall adopt a resolution declaring its intention to levy the tax, setting forth the amount of such tax to be imposed, the date upon which such tax shall become effective and calling for a referendum to be held on the question. The date of the election shall be the first Tuesday after the first Monday in November 2002. Notice of such intention shall be published once each week for at least three (3) consecutive weeks in a newspaper published or having a general circulation in the county, with the first publication of such 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 Hazlehurst may vote, and the ballots used in such 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 any such election shall have been canvassed and certified, the city may levy the tax beginning on the first day of January 2003, if a majority 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 State Tax Commission a certified copy of the resolution evidencing such tax.

SECTION 4. Accounting for receipts and expenditures of the funds described in this act must be made separately from the accounting of receipts and expenditures of the general fund and any other funds of the City of Hazlehurst. The records reflecting the receipts and expenditures of the funds prescribed in this act shall be audited annually by an independent certified public accountant, and the accountant shall make a written report of his audit to the governing authorities. The audit shall be made and completed as soon as practicable after the close of the fiscal year, and expenses of such audit shall be paid from the funds derived pursuant to this act.

SECTION 5. The governing authorities of the City of Hazlehurst are directed to submit this act, immediately upon approval by the Governor, or upon approval by the Legislature subsequent to a veto, to the Attorney General of the United States or to the United States District Court for the District of Columbia in accordance with the provisions of the Voting Rights Act of 1965, as amended and extended.

SECTION 6. This act shall take effect and be in force from and after the date it is effectuated under Section 5 of the Voting Rights Act of 1965, as amended and extended.

ST: Hazlehurst; levy a hotel/motel and restaurant tax.