MISSISSIPPI LEGISLATURE REGULAR SESSION 2004

By: Representatives Holland, Turner

To: Local and Private Legislation; Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1787

AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF SALTILLO, MISSISSIPPI, 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 AND CONVENIENCE STORES; TO PROVIDE THAT THE TAX SHALL BE COLLECTED BY THE STATE TAX COMMISSION; TO PROVIDE THAT THE REVENUE RECEIVED BY THE CITY OF SALTILLO FROM THE TAX SHALL BE EXPENDED TO PROMOTE TOURISM AND TO ENCOURAGE RETIRED PERSONS TO REMAIN IN OR RELOCATE TO THE SALTILLO AREA; TO REQUIRE A REFERENDUM ON WHETHER THE TAX MAY BE LEVIED; TO REQUIRE THAT A MAJORITY OF THE QUALIFIED ELECTORS OF THE CITY MUST APPROVE THE TAX LEVY; 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" mean the governing authorities of the City of Saltillo, Mississippi.

(b) "Hotel" or "motel" means any establishment engaged in the business of furnishing or providing six (6) or more rooms intended or designed for dwelling, lodging or sleeping purposes to transient guests. 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.

(c) "Restaurant" or "convenience store" means all places where prepared food and beverages are sold for consumption, whether such food is consumed on the premises or not. The terms "restaurant" and "convenience store" do 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 purpose of providing funds to promote tourism and to encourage retired persons to remain in or relocate to the Saltillo area, 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 on the following persons:

(a) A tax upon every person, firm or corporation operating a hotel or motel in the City of Saltillo, at a rate not to exceed two percent (2%) of the gross proceeds derived from room rentals; and

(b) A tax upon every person, firm or corporation operating a restaurant or convenience store in the City of Saltillo, where prepared food and drink is sold to the public, at a rate not to exceed two percent (2%) of the gross proceeds of the sales of such restaurant or convenience store.

(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) The 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 the tax, less than 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, 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 Saltillo 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 of the City of Saltillo shall adopt a resolution declaring its intention to levy the taxes, setting forth the amount of the tax to be imposed, the date upon which the tax shall become effective and calling for a referendum to be held on the question. The date of the referendum shall be set in the resolution. Notice of the 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 referendum and the last publication to be made not more than seven (7) days before the referendum. At the referendum, all qualified electors of the City of Saltillo may vote, and the ballots used in such referendum 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 referendum shall have been canvassed by the election commission and certified, the city may levy the taxes beginning on the first day of the second month following the referendum, only if at least a majority of the qualified electors who vote in the election vote in favor of the tax. In the event that a majority of the qualified electors who vote at the referendum vote for the tax, the governing authorities shall furnish to the State Tax Commission a certified copy of the resolution evidencing the tax,

no less than thirty (30) days before the effective date of the 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 Saltillo. 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 under this act.

SECTION 5. The provisions of this act shall be repealed from and after June 1, 2007.

SECTION 6. The governing authorities 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 7. 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.