

By: Representatives Janus, Bentz, Dedeaux,
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To: Local and Private
Legislation; Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1823

1 AN ACT TO PROVIDE FOR A TAX ON GROSS PROCEEDS OF ROOM RENTALS
2 BY HOTELS AND MOTELS IN HARRISON COUNTY, MISSISSIPPI, TO BE
3 EXPENDED TO RETIRE BONDS AUTHORIZED TO BE ISSUED BY THE COUNTY
4 UNDER THIS ACT; TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION
5 BONDS OF THE COUNTY IN THE AMOUNT OF UP TO \$61,000,000.00 TO
6 DEFRAY THE COSTS OF EXPANDING AND RENOVATING THE MISSISSIPPI COAST
7 COLISEUM AND CONVENTION CENTER AND TO RETIRE BONDS PREVIOUSLY
8 ISSUED BY THE COUNTY TO EXPAND THE COLISEUM AND CONVENTION CENTER;
9 TO AMEND CHAPTER 58, LAWS OF THE EXTRAORDINARY SESSION OF 1954, AS
10 LAST AMENDED BY CHAPTER 989, LOCAL AND PRIVATE LAWS OF 1999, TO
11 PROVIDE THAT THE FULL AMOUNT OF THE HOTEL AND MOTEL ROOM RENTAL
12 TAX PROVIDED FOR IN THOSE LAWS SHALL BE PAID TO THE HARRISON
13 COUNTY TOURISM COMMISSION AFTER THE BONDS PREVIOUSLY ISSUED BY THE
14 COUNTY TO EXPAND THE COLISEUM AND CONVENTION CENTER HAVE BEEN
15 RETIRED; AND FOR RELATED PURPOSES.

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

17 **SECTION 1.** For the purposes of Sections 1 through 10 of this
18 act:

19 (a) "Board of supervisors" means the Board of
20 Supervisors of Harrison County, Mississippi.

21 (b) "County" means Harrison County, Mississippi.

22 (c) "Hotel" or "motel" means a place of lodging that at
23 any one (1) time will accommodate transient guests on a daily or
24 weekly basis and that are known to the trade as such, including
25 hotels, motels, bed and breakfast inns, time-share condominiums,
26 tourist courts, rooming houses or other places where sleeping
27 accommodations are furnished or offered for pay if more than ten
28 (10) rooms are available for transient guests, excluding nursing
29 homes or institutions for the aged or infirm as defined in Section
30 43-11-1, Mississippi Code of 1972, and personal care homes.
31 Hotels and motels with ten (10) or fewer rental units are exempt.

32 **SECTION 2.** (1) Upon the issuance of bonds provided for in
33 Section 5 of this act, the board of supervisors shall levy, assess

34 and collect from every person, firm, corporation or other entity
35 operating hotels or motels in the county, a tax, in addition to
36 all other taxes or assessments now imposed, which shall be equal
37 to two and three-fourths percent (2-3/4%) of the gross proceeds
38 from room rentals of all hotels or motels in the county.

39 (2) Persons, firms, corporations or other entities liable
40 for the tax imposed by subsection (1) of this section shall add
41 the amount of such tax to the room rental and in addition thereto
42 shall collect, insofar as practicable, the amount of the tax due
43 from the person renting the room at the time of payment therefor.

44 **SECTION 3.** (1) On or before the fifteenth day of the month
45 before the imposition of the tax authorized in Section 2 of this
46 act, the board of supervisors shall give written notification to
47 the Chairman of the State Tax Commission of the date on which the
48 tax will become effective.

49 (2) The tax shall be collected by and paid to the State Tax
50 Commission in the same manner as state sales taxes are computed,
51 collected and paid, and full enforcement provisions and all other
52 provisions of Chapter 65, Title 27, Mississippi Code of 1972,
53 shall apply as necessary to the implementation of Sections 1
54 through 10 of this act.

55 (3) Except as otherwise provided in Section 27-3-58,
56 Mississippi Code of 1972, the revenue from the special tax
57 collected under the provisions of this section during the
58 preceding month shall be paid to the county on or before the
59 fifteenth day of each month.

60 (4) The proceeds of that tax shall be placed into a separate
61 fund apart from the county general fund and any other funds of the
62 county, and shall be expended by the county as provided in Section
63 9(1) of this act.

64 (5) The tax imposed by Sections 1 through 10 of this act
65 shall stand repealed on the first day of the month immediately
66 following the date the payment of the principal of, redemption

67 premium, if any, and interest on the bonds issued under Sections 1
68 through 10 of this act have been paid in full. Any revenue from
69 the tax remaining after the payment of the principal of,
70 redemption premium, if any, and interest on the bonds issued under
71 Sections 1 through 10 of this act have been paid in full shall be
72 transferred to the county general fund.

73 **SECTION 4.** (1) The proceeds of the bonds issued under
74 Sections 1 through 10 of this act shall be used, in the following
75 order of priority, for the purpose of: (a) retiring the bonds
76 issued by the board of supervisors after May 1, 1995, for the
77 purpose of defraying the cost of expanding the Mississippi Coast
78 Coliseum and Convention Center, up to a maximum amount of Three
79 Million Five Hundred Thousand Dollars (\$3,500,000.00); and (b)
80 defraying the cost of constructing, repairing, equipping,
81 remodeling, enlarging, expanding or improving the Mississippi
82 Coast Coliseum and Convention Center.

83 (2) None of the proceeds of the bonds issued under Sections
84 1 through 10 of this act may be expended for the purpose
85 authorized under subsection (1)(a) of this section until all of
86 the monies remaining in the special fund established under Section
87 7 of Chapter 58, Laws of the Extraordinary Session of 1954, as
88 last amended by House Bill No. 1823, 2004 Regular Session, have
89 been expended to retire the bonds issued by the board of
90 supervisors after May 1, 1995, for the expansion of the
91 Mississippi Coast Coliseum and Convention Center.

92 **SECTION 5.** The board of supervisors is authorized and
93 empowered, in its discretion, to issue general obligation bonds of
94 the county in the aggregate principal amount not to exceed
95 Sixty-one Million Dollars (\$61,000,000.00) for the purposes
96 provided for in Section 4 of this act. As used in Sections 1
97 through 10 of this act, "bonds" shall be deemed to mean and
98 include bonds, refunding bonds, notes or certificates of
99 participation. The full faith and credit of the county shall be

100 irrevocably pledged for the payment of the principal of and
101 interest on the bonds.

102 **SECTION 6.** Bonds authorized by Sections 1 through 10 of this
103 act, other than refunding bonds, shall be issued under
104 Sections 19-9-1 through 19-9-31, Mississippi Code of 1972, or as
105 may be otherwise provided by law, including, but not limited to,
106 Section 31-25-1 et seq., Mississippi Code of 1972.

107 **SECTION 7.** Bonds issued under Sections 1 through 10 of this
108 act shall not be deemed indebtedness within the meaning of
109 Section 19-9-5, Mississippi Code of 1972. Bonds issued under
110 Sections 1 through 10 of this act shall be submitted by validation
111 under Sections 31-13-1 through 31-13-11, Mississippi Code of 1972.

112 **SECTION 8.** Bonds issued under Sections 1 through 10 of this
113 act may be refunded at any time and from time to time by the
114 county under an authorizing resolution of the board of
115 supervisors, directing issuance of refunding bonds in accordance
116 with the "Mississippi Bond Refinancing Act" (Sections 31-27-1 et
117 seq., Mississippi Code of 1972).

118 **SECTION 9.** (1) The avails of the tax provided for in
119 Sections 1 through 10 of this act shall be used for the payment of
120 the principal of, redemption premium, if any, and interest on the
121 bonds, for the payment of expenses of issuance thereof or reserve
122 funds therefor and for marketing the facility.

123 (2) To the extent the proceeds of the tax provided for in
124 Sections 1 through 10 of this act and any other amounts that may,
125 from time to time, be available for the payment of the principal
126 of, redemption premium, if any, and interest on the bonds,
127 including any available revenues of the project or any available
128 revenues of the county, are not sufficient for that purpose, the
129 board of supervisors shall levy a special ad valorem tax upon all
130 of the taxable property within the county, which shall be
131 sufficient, together with other money available for that purpose,
132 to provide for the payment of the principal of, redemption

133 premium, if any, and interest on those bonds according to the
134 terms thereof.

135 **SECTION 10.** Sections 1 through 10 of this act shall be
136 liberally construed for the purposes set out in Sections 1 through
137 10 of this act, and the power granted by Sections 1 through 10 of
138 this act shall be deemed to be full and complete authority for the
139 issuance of bonds under Sections 1 through 10 of this act and
140 shall be construed as additional, cumulative and supplemental to
141 any power granted to the county by any general or local and
142 private act of the Legislature.

143 **SECTION 11.** Chapter 58, Laws of the Extraordinary Session of
144 1954, as amended by Chapter 810, Local and Private Laws of 1966,
145 as amended by Chapter 820, Local and Private Laws of 1972, as
146 amended by Chapter 973, Local and Private Laws of 1979, as amended
147 by Chapter 881, Local and Private Laws of 1980, as amended by
148 Chapter 918, Local and Private Laws of 1990, as amended by Chapter
149 882, Local and Private Laws of 1991, as amended by Chapter 937,
150 Local and Private Laws of 1995, as amended by Chapter 989, Local
151 and Private Laws of 1999, is amended as follows:

152 Section 1. The Board of Supervisors of Harrison County,
153 Mississippi, in its discretion, may levy a special ad valorem tax
154 not in excess of one (1) mill upon all the taxable property within
155 said county to provide funds for the Harrison County Tourism
156 Commission for the purpose of advertising, promoting conventions,
157 and bringing into favorable notice the opportunities,
158 possibilities and tourism resources of said county.

159 Section 2. (1) For the purposes of providing funds to
160 promote tourism and conventions in Harrison County, there is
161 hereby levied and assessed against and shall be collected from
162 every person, firm or corporation operating hotels or motels in
163 Harrison County an assessment, in addition to all other taxes now
164 imposed, which shall be equal to the following amounts:

165 (a) Until the date that the bonds previously issued by
166 the board of supervisors for the expansion of the Mississippi
167 Coast Coliseum and Convention Center are retired under the
168 provisions of Section (4)(a) of House Bill No. 1823, 2004 Regular
169 Session, three percent (3%) of the gross proceeds from room rental
170 of all such hotels or motels in Harrison County; and

171 (b) From and after the date that the bonds previously
172 issued by the board of supervisors for the expansion of the
173 Mississippi Coast Coliseum and Convention Center are retired under
174 the provisions of Section (4)(a) of House Bill No. 1823, 2004
175 Regular Session, two and one-fourth percent (2-1/4%) of the gross
176 proceeds from room rental of all such hotels or motels in Harrison
177 County.

178 Persons liable for the tax imposed herein shall add the amount of
179 tax to the room rental and in addition thereto shall collect,
180 insofar as practicable, the amount of the tax due by him from the
181 person receiving the services or goods at the time of payment
182 therefor.

183 (2) For the purposes of this act, the words "hotel" and
184 "motel" shall mean a place of lodging that at any one (1) time
185 will accommodate transient guests on a daily or weekly basis and
186 that are known to the trade as such, including hotels, motels, bed
187 and breakfast inns, time-share condominiums, tourist courts,
188 rooming houses or other places where sleeping accommodations are
189 furnished or offered for pay if more than ten (10) rooms are
190 available for transient guests, excluding nursing homes or
191 institutions for the aged or infirmed as defined in Section
192 43-11-1 and personal care homes. Hotels and motels with ten (10)
193 or less rental units are exempt.

194 (3) Such tax shall be collected by and paid to the State Tax
195 Commission on a form to be prescribed by the State Tax Commission
196 in the same manner that state sales taxes are collected and paid;
197 and the full enforcement provisions and all other provisions of

198 the Mississippi Sales Tax Law shall apply as necessary for the
199 implementation and administration of this act.

200 (4) On or before the fifteenth day of the month following
201 the month in which collected, the proceeds of such tax, less three
202 percent (3%) to be retained by the State Tax Commission to defray
203 the costs of collection, shall be paid by the commission, as
204 follows, for expenditure as authorized in this act:

205 (a) Until the date that the bonds previously issued by
206 the board of supervisors for the expansion of the Mississippi
207 Coast Coliseum and Convention Center are retired under the
208 provisions of Section (4)(a) of House Bill No. 1823, 2004 Regular
209 Session, (i) two-thirds (2/3) of the proceeds shall be paid to the
210 Harrison County Tourism Commission, and (ii) one-third (1/3) of
211 the proceeds shall be paid to the Board of Supervisors of Harrison
212 County.

213 (b) From and after the date that the bonds previously
214 issued by the board of supervisors for the expansion of the
215 Mississippi Coast Coliseum and Convention Center are retired under
216 the provisions of Section (4)(a) of House Bill No. 1823, 2004
217 Regular Session, the full amount of the proceeds shall be paid to
218 the Harrison County Tourism Commission.

219 Section 3. The Harrison County Tourism Commission shall be
220 composed of seven (7) members, appointed as hereinafter provided.
221 The board of supervisors shall appoint two (2) members of the
222 commission who are qualified electors of the City of Biloxi; two
223 (2) members who are qualified electors of the City of Gulfport;
224 one (1) member who is a qualified elector of the City of Pass
225 Christian; one (1) member who is a qualified elector of the City
226 of Long Beach; and one (1) member who is a qualified elector of
227 the County of Harrison outside of the boundaries of the four (4)
228 municipalities in the county. In the selection of commissioners,
229 the board shall make every effort to select individuals who are
230 knowledgeable of, or actively involved in, the tourism industry.

231 The said commission shall be appointed within sixty (60) days of
232 the effective date of this act, in the following manner:

233 (1) Two (2) members for one (1) year.

234 (2) Two (2) members for two (2) years.

235 (3) One (1) member for three (3) years.

236 (4) One (1) member for four (4) years.

237 (5) One (1) member for five (5) years.

238 The board shall draw lots to determine which of the seven (7)
239 members of the commission shall be appointed for the various
240 initial terms of office. Provided, however, that all subsequent
241 appointments shall be made for five-year terms, except that the
242 board shall appoint a member to fill a vacancy for the unexpired
243 term only. Within sixty (60) days after the effective date of
244 House Bill 1716, 1990 Regular Session, the board of supervisors
245 shall appoint two (2) additional members to the Tourism
246 Commission. The board of supervisors shall appoint one (1) member
247 who is a qualified elector of the City of d'Iberville and one (1)
248 member who is a qualified elector of the County of Harrison for a
249 term of five (5) years. All subsequent appointments shall be for
250 a term of five (5) years and an appointment to fill a vacancy
251 shall be for the unexpired term only. Before entering on the
252 duties of the office each appointed member of the Tourism
253 Commission shall enter into and give bond to be approved by the
254 Secretary of State of the State of Mississippi in the sum of Fifty
255 Thousand Dollars (\$50,000.00) conditioned on the satisfactory
256 performance of his duties. This bond's premium shall be paid from
257 the Tourism Commission Fund. Such bond shall be payable to
258 Harrison County and in the event of a breach thereof, suit may be
259 brought by the county for the benefit of the Tourism Commission.
260 The commission may authorize the payment of per diem not to exceed
261 the uniform per diem rate provided in Section 25-3-69, Mississippi
262 Code of 1972, to commission members for each day in the discharge
263 of their official duties. Such per diem expenditures shall be

264 included in the annual budget of the commission and shall be
265 subject to approval of the Harrison County Board of Supervisors.
266 The commission shall elect officers and adopt rules and
267 regulations; and shall fix a regular meeting date, but may provide
268 for special meetings. The commission shall keep minutes of its
269 proceedings, as are necessary to carry out its responsibilities
270 under this act. It is the intent of this enactment to supersede
271 the Advisory Commission and those duties performed by the board of
272 supervisors pursuant to Chapter 820, Local and Private Laws of
273 1972, with the commission herein created, and to provide for the
274 orderly transfer of all duties and powers heretofore exercised by
275 those bodies to the Harrison County Tourism Commission, which
276 shall have the sole authority to budget and contract for
277 expenditures for the fiscal year beginning October 1, 1979,
278 subject to the approval of the board of supervisors as herein
279 provided.

280 Section 4. Before the expenditures of funds allocated to it
281 by this act, the Tourism Commission shall annually adopt a budget
282 that will reflect the anticipated expenditures for promotion,
283 advertising and operation. Such budget shall be subject to the
284 approval of the Harrison County Board of Supervisors and shall
285 comply with all the requirements of the general laws of the State
286 of Mississippi covering the advertisement for bids and the
287 expenditure of funds.

288 Section 5. The Harrison County Tourism Commission
289 established hereunder shall have the authority to promote tourism
290 and in this regard the commission is empowered:

291 (a) To receive and expend revenues from any sources
292 including, but not limited to, private enterprise;

293 (b) To own, lease or contract for the use, purchase or
294 lease of any real or personal property, including, but not limited
295 to, furnishings, fixtures and any equipment useful and necessary
296 in the promotion of tourism and convention business;

297 (c) To sell, convey or otherwise dispose of all or any
298 part of its property and assets in accordance with general laws of
299 the State of Mississippi providing for such disposal;

300 (d) To have and exercise all powers necessary or
301 convenient to effect any and all of the purposes for which the
302 commission is organized, and further, to appoint and employ
303 individuals and agencies acting in its behalf for any and all of
304 the aforementioned powers and responsibilities;

305 (e) To have and exercise all powers necessary and
306 convenient to conduct the business of promoting and managing
307 conventions and to carry out the purposes of the convention staff
308 of the Mississippi Coast Coliseum Commission by agreement between
309 the two (2) commissions.

310 Section 6. The Advisory Commission, created and established
311 under the provisions of Chapter 820, Local and Private Laws of
312 1972, shall be and the same is hereby abolished effective October
313 1, 1979, and the commissioners and all members, agents,
314 representatives and employees of the said Advisory Commission and
315 the Harrison County Board of Supervisors are required and directed
316 to cooperate with the Harrison County Tourism Commission to
317 effectuate an orderly transfer of its duties to that commission in
318 accordance with this act, and to deliver to the Harrison County
319 Tourism Commission all property, funds, money, accounts, records,
320 etc., now in their possession, which were transferred to the board
321 of supervisors pursuant to Chapter 820, Local and Private Laws of
322 1972, such delivery to be made not later than October 1, 1979, and
323 where required, in such cases as real property, if any, the
324 Chairman of the said Advisory Commission and the Secretary thereof
325 or the President of the Harrison County Board of Supervisors are
326 authorized, empowered and directed to make, execute and deliver in
327 favor of the Harrison County Tourism Commission any bill of sale,
328 deed or other document required to transfer title of any property
329 transferred pursuant to Chapter 820, Local and Private Laws of

330 1972, which was held in the name of the County Advertising
331 Commission. Nothing herein shall be construed to waive the rights
332 of compelling such action by a writ of mandamus in accordance with
333 the laws of Mississippi. Provided further, that on October 1,
334 1979, all rights of office of any of the commissioners of the
335 Advisory Commission, its attorneys or agents, be and the same are
336 hereby finally determined and ended, and its former employees
337 shall serve at the pleasure of the Tourism Commission.

338 Section 7. The Board of Supervisors of Harrison County shall
339 deposit the funds allocated to it by Section 2(4)(a)(ii) of this
340 act into a special fund in the county treasury. Monies in the
341 special fund shall be expended by the board of supervisors to pay
342 the principal of and interest on up to Ten Million Dollars
343 (\$10,000,000.00) of general obligation bonds issued by the county
344 after May 1, 1995, to defray the costs of expanding the
345 Mississippi Coast Coliseum and Convention Center. After the
346 issuance of the bonds under Sections 1 through 10 of House Bill
347 No. 1823, 2004 Regular Session, all of the monies remaining in
348 this special fund shall be expended to retire the bonds issued by
349 the county after May 1, 1995, for the expansion of the Coliseum
350 and Convention Center, before any funds may be expended under the
351 provisions of Section 4(a) of House Bill No. 1823, 2004 Regular
352 Session, to retire those bonds.

353 **SECTION 12.** The Harrison County Tourism Commission shall
354 hire annually a private certified public accounting firm to
355 complete an audit of the revenues and expenditures of the
356 commission and its compliance with this act and any other law of
357 the State of Mississippi, including any local and private law of
358 the state. A copy of the annual audit shall be provided to the
359 State Department of Audit and to each of the members of the
360 Mississippi Senate and House of Representatives who represent
361 Harrison County.

362 **SECTION 13.** This act shall take effect and be in force from
363 and after its passage.