MISSISSIPPI LEGISLATURE REGULAR SESSION 2007

By: Representatives Myers, Cockerham, Mims

To: Local and Private Legislation

HOUSE BILL NO. 1796

AN ACT TO AMEND CHAPTER 904, LOCAL AND PRIVATE LAWS OF 2005, TO EXTEND THE DATE OF REPEAL ON THE PROVISION OF LAW THAT AUTHORIZES THE GOVERNING AUTHORITIES OF THE CITY OF MCCOMB, MISSISSIPPI, TO IMPOSE A TOURISM TAX WITHIN THE CITY, AND TO EXPEND THE PROCEEDS OF THE TAX TO PROMOTE TOURISM AND ECONOMIC DEVELOPMENT; AND FOR RELATED PURPOSES.

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

SECTION 1. Chapter 904, Local and Private Laws of 2005, is amended as follows:

Section 1. As used in this act, the following words shall have the meanings ascribed to them in this section unless otherwise clearly indicated by the context in which they are used:

(a) "Hotel" or "motel" means any establishment engaged in the business of furnishing or providing rooms intended or designed for lodging or sleeping purposes for transient guests, which establishment consists of five (5) or more guest rooms and does not encompass 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.

(b) "City" means the City of McComb, Mississippi.

Section 2. (1) For the purpose of providing funds for the purpose of promoting and advertising the attributes of the City of McComb, Mississippi, as they relate to tourism and economic development, and for promoting tourism and economic development events and activities in the city, the governing authorities of the City of McComb, Mississippi, in their discretion, may levy, assess and collect from every person, firm and corporation operating a hotel or motel in the city, a tax that may be cited as

a "tourism tax," which shall be in addition to all other taxes and assessments imposed by the city, as provided in this act.

(2) The tax shall be an amount not to exceed three percent (3%) of the gross proceeds derived from hotel and motel room rentals in the city, excluding charges for telephone, laundry and similar services. The tax shall not be levied upon or collected from gross proceeds of nontaxable rooms, room rentals for day meetings that do not serve as overnight sleeping accommodations or room rentals to residential guests of a hotel or motel.

(3) Persons liable for the tax imposed pursuant to this act shall add the amount of tax to the gross proceeds from room rentals and shall collect, insofar as practicable, the amount of the tax due by him from the person receiving the services at the time of payment for the services.

(4) The tax shall be collected by and paid to the State Tax Commission on a form prescribed by the State Tax Commission, in the same manner that state sales taxes are computed, collected and paid; and the 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.

(5) The proceeds of the tax, less three percent (3%) to be retained by the State Tax Commission to defray the costs of collection, shall be paid to the governing authorities of the city on or before the fifteenth day of the month following the month in which they were collected.

(6) The proceeds of the tax shall not be considered by the city as general fund revenues but shall be dedicated solely for the purposes set forth in subsection (1) of this section, as determined by the governing authorities of the city, which are designed to promote tourism and economic development in the city.

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 date of the election shall be fixed in the resolution. 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 City of McComb, 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 McComb 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 State Tax Commission a certified copy of the resolution evidencing the tax.

Section 4. Before the expenditure of the proceeds of the tax authorized by this act, a budget reflecting the anticipated receipts and expenditures shall be approved by the governing authorities of the city. The first budget of receipts and expenditures shall cover the period beginning with the effective date of the tax and ending with the end of the city's fiscal year, and thereafter, the budget shall be on the same fiscal basis as the budget of the city.

Section 5. Accounting for receipts and expenditures of the funds derived from the proceeds of the tax authorized by this act 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 these funds shall be audited annually by an independent certified public accountant and the audit shall be included in the General Purpose Statement of the City of McComb, Mississippi. The audit shall be made and completed as soon as practicable after the close of the city's fiscal year, and copies of the report of the audit shall be filed with the clerk of the city. The expenses of this audit may be paid from the funds derived pursuant to Section 2 of this act.

Section 6. Sections 1 through 5 of this act shall stand repealed on December 31, 2009.

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