

By: Senator(s) Pickering

To: Local and Private;
Finance

SENATE BILL NO. 3112

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 ELLISVILLE, MISSISSIPPI, TO LEVY A TAX UPON THE GROSS SALES OF
3 HOTELS AND MOTELS DERIVED FROM ROOM RENTALS AND UPON THE GROSS
4 PROCEEDS OF SALES OF CERTAIN RESTAURANTS; TO PROVIDE THAT THE
5 REVENUE FROM THE TAX SHALL BE EXPENDED BY THE CITY OF ELLISVILLE
6 FOR THE PURPOSE OF UPGRADING INFRASTRUCTURE; TO PROVIDE THAT THE
7 TAX SHALL BE COLLECTED BY THE STATE TAX COMMISSION AND PAID TO THE
8 CITY OF ELLISVILLE; TO PROVIDE FOR AN ELECTION ON WHETHER THE TAX
9 MAY BE LEVIED; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** As used in this act, the following terms shall
12 have the following meanings unless a different meaning is clearly
13 indicated by the context in which they are used:

14 (a) "Governing authorities" means the governing
15 authorities of the City of Ellisville, Mississippi.

16 (b) "Hotel" or "motel" means any establishment engaged
17 in the business of furnishing or providing rooms intended or
18 designed for dwelling, lodging or sleeping purposes to transient
19 guests, where the establishment consists of six (6) or more guest
20 rooms. The term "hotel" or "motel" does not include any hospital,
21 convalescent or nursing home or sanitarium, or any hotel-like
22 facility operated by or in connection with a hospital or medical
23 clinic providing rooms exclusively for patients and their
24 families.

25 (c) "Restaurant" means all businesses that receive
26 fifty percent (50%) or more of their gross revenue from the sale
27 of prepared food and beverages sold for consumption on the
28 premises of the business. The term "restaurant" does not include
29 any school, hospital, convalescent or nursing home, or any
30 restaurant-like facility operated by or in connection with a

31 school, hospital, medical clinic, convalescent or nursing home
32 providing food for students, patients, visitors or their families.

33 **SECTION 2.** (1) For the purpose of providing funds to
34 upgrade infrastructure in the City of Ellisville, the governing
35 authorities are authorized, in their discretion, to levy and
36 collect from the following persons a tax, which shall be in
37 addition to all of the taxes and assessments imposed. The tax
38 shall be imposed on the following persons:

39 (a) A tax upon every person, firm or corporation
40 operating a motel or hotel in the City of Ellisville, at a rate
41 not to exceed one percent (1%) of the gross proceeds of room
42 rentals for each such hotel or motel.

43 (b) A tax upon every person, firm or corporation
44 operating a restaurant in the City of Ellisville, at a rate not to
45 exceed one percent (1%) of the gross proceeds of the sales of the
46 restaurant.

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

53 (3) The tax shall be collected by and paid to the
54 Mississippi State Tax Commission on a form prescribed by the State
55 Tax Commission in the manner that state sales taxes are computed,
56 collected and paid; and full enforcement provisions and all other
57 provisions of Chapter 65, Title 27, Mississippi Code of 1972,
58 shall apply as necessary to the implementation and administration
59 of this act.

60 (4) The proceeds of the tax, less three percent (3%) thereof
61 which shall be retained by the State Tax Commission to defray the
62 cost of collection, shall be paid to the governing authorities on

63 or before the fifteenth day of the month following the month in
64 which collected.

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

68 **SECTION 3.** Before any tax authorized under this act may be
69 imposed, the governing authorities shall adopt a resolution
70 declaring their intention to levy the tax, setting forth the
71 amount of the tax to be imposed, the date upon which the tax shall
72 become effective and calling for an election to be held on the
73 question. The date of the election shall be fixed in the
74 resolution. Notice of such intention and the election shall be
75 published once each week for at least three (3) consecutive weeks
76 in a newspaper published or having a general circulation in the
77 City of Ellisville, with the first publication of the notice to be
78 made not less than twenty-one (21) days before the date fixed in
79 the resolution for the election and the last publication to be
80 made not more than seven (7) days before the election. At the
81 election, all qualified electors of the City of Ellisville may
82 vote, and the ballots used in the election shall have printed
83 thereon a brief statement of the amount and purposes of the
84 proposed tax levy and the words "FOR THE TAX" and, on a separate
85 line, "AGAINST THE TAX" and the voters shall vote by placing a
86 cross (X) or check (√) opposite their choice on the proposition.
87 When the results of the election shall have been canvassed and
88 certified, the city may levy the tax if sixty percent (60%) of the
89 qualified electors who vote in the election vote in favor of the
90 tax. At least thirty (30) days before the effective date of the
91 tax provided in this section, the governing authorities shall
92 furnish to the State Tax Commission a certified copy of the
93 resolution evidencing the tax.

94 **SECTION 4.** Accounting for receipts and expenditures of the
95 funds herein described shall be made separately from the

96 accounting of receipts and expenditures of the general fund and
97 any other funds of the City of Ellisville. The records reflecting
98 the receipts and expenditures of the funds prescribed in this act
99 shall be audited annually by an independent certified public
100 accountant, and the accountant shall make a written report of his
101 audit to the governing authorities. The audit shall be made and
102 completed as soon as practicable after the close of the fiscal
103 year, and expenses of the audit shall be paid from the funds
104 derived in accordance with this act.

105 **SECTION 5.** The provisions of this act shall be repealed from
106 and after July 1, 2012.

107 **SECTION 6.** The governing authorities are directed to submit
108 this act, immediately upon approval by the Governor, or upon
109 approval by the Legislature subsequent to a veto, to the Attorney
110 General of the United States or to the United States District
111 Court for the District of Columbia in accordance with the
112 provisions of the Voting Rights Act of 1965, as amended and
113 extended.

114 **SECTION 7.** This act shall take effect and be in force from
115 and after the date it is effectuated under Section 5 of the Voting
116 Rights Act of 1965, as amended and extended.