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**STATEMENT ON LEGISLATIVE PROPOSALS**  
*Clarification on Special Tax Items*

January 11, 2019

The City Council unanimously passed its 2019 legislative priorities at the December 18, 2018 meeting, following an in-depth discussion on the proposals with local legislators at the prior meeting.

Given recent local media headlines and other assumptions on social media regarding two of the items dealing with taxation, and in an effort to clarify these legislative proposals in case you missed the discussion at the City Council meeting, the following context is offered for your edification:

- **Hotel/Motel Tax** - This 3% special tax for the purpose of promoting tourism, economic development and recreation has been in place since 2005 as passed by 72% of voters in Pascagoula, until the 2017 legislative session where legislative wrangling caused the special levy to not be renewed under the previous City Council. The current City Council is asking the Legislature to allow the citizens of Pascagoula the opportunity to reinstate this special tax through a referendum (a vote) as previously and overwhelmingly endorsed by voters in the City for similar purposes. It would require a 60% approval by voters. The loss of this special tax, the funding of which came primarily from out of town visitors who stayed in our local hotels/motels, has resulted in upwards of an estimated \$175,000 loss in funding over the previous 18 months since it wasn't renewed by the Legislature.
- **Municipal Option Sales Tax** – Should the Legislature approve, this potential 1% sales tax would only be implemented if the voters in Pascagoula allow it through a referendum (a vote) with 60% approval. The Mississippi Municipal League, which represents cities and towns across Mississippi, has had this as part of its legislative agenda for many years, as most believe strongly in home rule, meaning local cities and towns, its elected councils and boards of aldermen, and its citizens through a public referendum should be able to decide what projects and initiatives are worthy of special taxes for limited uses and limited times, items such as new facilities for police and fire or other departments, economic development, recreation and the like. Approval by the Legislature of this local and private option would allow the City Council to offer a project for public consideration and the voters would be allowed to endorse it with their vote for a specified time or vote no.

“These items are specifically targeted at allowing the citizens a direct voice in their local government through a public referendum,” said Mayor Dane Maxwell. “Statements otherwise implying that the City Council is looking at ways to increase taxes are misleading and show an obvious lack of full understanding of the issues at hand. This is about giving the people the opportunity to vote on items that give this City Council and future City Councils direction on what they value.”

