

By: Lott

To: Local and Private
Legislation; Ways and
Means

HOUSE BILL NO. 1676

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 PETAL, MISSISSIPPI, TO IMPOSE A SPECIAL SALES TAX OF NOT MORE THAN
3 1% ON THE GROSS PROCEEDS OF ALL SALES OR THE GROSS INCOME OF
4 BUSINESSES IN THE MUNICIPALITY DERIVED FROM ACTIVITIES TAXED AT
5 THE RATE OF 7% OR MORE UNDER THE MISSISSIPPI SALES TAX LAW; TO
6 PROVIDE THAT THE SPECIAL SALES TAX SHALL NOT BE LEVIED UNLESS
7 AUTHORIZED BY AT LEAST THREE-FIFTHS OF THE VOTES CAST AT AN
8 ELECTION CALLED AND HELD FOR SUCH PURPOSE; TO AUTHORIZE THE CITY
9 OF PETAL, MISSISSIPPI, TO INCUR AN INDEBTEDNESS IN AN AMOUNT NOT
10 GREATER THAN AN AMOUNT WHOSE DEBT SERVICE IS CAPABLE OF BEING
11 FUNDED BY THE PROCEEDS OF THE SPECIAL SALES TAX; TO PROVIDE THAT
12 THE SPECIAL SALES TAX REVENUE COLLECTED PURSUANT TO SUCH A TAX
13 SHALL BE USED AND EXPENDED BY THE MUNICIPALITY ONLY TO FUND THE
14 CONSTRUCTION OF CERTAIN TRANSPORTATION, RECREATION AND
15 INFRASTRUCTURE PROJECTS AND/OR OTHER CAPITAL PROJECTS; TO PROVIDE
16 FOR THE DISCONTINUANCE OF THE SPECIAL SALES TAX UPON COMPLETION OF
17 THE FUNDING OF THE CONSTRUCTION FOR WHICH THE TAX WAS LEVIED; AND
18 FOR RELATED PURPOSES.

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

20 SECTION 1. The governing authorities of the City of Petal,
21 Mississippi, may impose upon all persons as a privilege for
22 engaging or continuing in business or doing business within such
23 municipality, a special sales tax at the rate of not more than one
24 percent (1%) of the gross proceeds of sales or gross income of the
25 business, as the case may be, derived from any of the activities
26 taxed at the rate of seven percent (7%) or more under the
27 Mississippi Sales Tax Law, Section 27-65-1 et seq., as provided
28 hereinafter. The tax levied by this section shall apply to every
29 person making sales, delivery or installations of tangible
30 personal property or services within any municipality which has
31 adopted the levy herein authorized but shall not apply to sales
32 exempted by Sections 27-65-19, 27-65-101, 27-65-103, 27-65-105,
33 27-65-107, 27-65-109 and 27-65-111 of the Mississippi Sales Tax
34 Law.

35 SECTION 2. (1) The governing authorities of the City of
36 Petal, Mississippi, shall specify in the resolution ordering the
37 election required by subsection (2) of this section, the specific
38 transportation, recreation and infrastructure projects or other
39 capital projects, or both, that the revenue collected pursuant to
40 the tax levy may be used and expended to construct.

41 (2) The tax levy authorized herein shall not be made unless
42 authorized by at least three-fifths (3/5) of the votes cast at an
43 election to be called and held for that purpose. Notice of such
44 election shall be given, the election shall be held and the result
45 thereof determined, as far as is practicable, in the same manner
46 as other elections are held in the municipality. At such
47 election, all qualified electors of the municipality may vote.
48 The ballots used at such election shall have printed thereon a
49 brief description of the sales tax, the amount of the sales tax
50 levy, a description of the specific transportation, recreation and
51 infrastructure projects or other capital projects, or both, that
52 the tax revenue may be used and expended to construct and the
53 words "FOR THE LOCAL SALES TAX" and "AGAINST THE LOCAL SALES TAX"
54 and the voter shall vote by placing a cross (X) or check mark (U)
55 opposite his choice on the proposition. When the results of the
56 election have been canvassed by the election commissioners of the
57 municipality and certified by them to the governing authorities,
58 it shall be the duty of such governing authorities to determine
59 and adjudicate whether at least three-fifths (3/5) of the
60 qualified electors who voted in such election voted in favor of
61 the tax. If the election results in favor of the levy, the
62 governing authorities shall adopt a resolution declaring the levy
63 and collection of the tax provided in Sections 1 through 3 of this
64 act and shall set the first day of the second month following the
65 date of such adoption as the effective date of the tax levy. A
66 certified copy of this resolution together with the result of the
67 election shall be furnished to the State Tax Commission not less

68 than thirty (30) days prior to the effective date of the levy.

69 SECTION 3. (1) The special sales tax authorized by Sections
70 1 through 3 of this act shall be collected by the State Tax
71 Commission, shall be accounted for separately from the amount of
72 sales tax collected for the state in the municipality and shall be
73 paid to the municipality in which collected. Payments to the City
74 of Petal, Mississippi, shall be made by the State Tax Commission
75 on or before the fifteenth day of the month following the month in
76 which the tax was collected.

77 (2) The proceeds of the special sales tax shall be placed
78 into a separate fund apart from the municipal general fund and any
79 other funds of the municipality, and shall be expended by the
80 municipality solely for the purpose of paying any indebtedness or
81 other obligation the municipality may incur for the
82 transportation, recreation and infrastructure project or other
83 capital projects, or both, specified in the resolution ordering
84 the election.

85 (3) All provisions of the Mississippi Sales Tax Law
86 applicable to filing of returns, discounts to the taxpayer,
87 remittances to the State Tax Commission, enforced collection,
88 rights of taxpayers, recovery of improper taxes, refunds of
89 overpaid taxes or other provisions of law providing for imposition
90 and collection of the state sales tax shall apply to the special
91 sales tax authorized by Sections 1 through 3 of this act, except
92 where there is a conflict, in which case the provisions of
93 Sections 1 through 3 of this act shall control. Any damages,
94 penalties or interest collected for the nonpayment of taxes
95 imposed hereunder, or for noncompliance with the provisions of
96 Sections 1 through 3 of this act, shall be paid to the
97 municipality in which such damages were collected on the same
98 basis and in the same manner as the tax proceeds. Any overpayment
99 of tax for any reason that has been disbursed to the municipality
100 or any payment of the tax to any municipality in error may be

101 adjusted by the State Tax Commission on any subsequent payment to
102 the municipality involved pursuant to the provisions of the
103 Mississippi Sales Tax Law. The State Tax Commission may, from
104 time to time, make such rules and regulations not inconsistent
105 with Sections 1 through 3 of this act as may be deemed necessary
106 to carry out its provisions, and such rules and regulations shall
107 have the full force and effect of law.

108 (4) The special sales tax shall be discontinued by the
109 governing authorities of the City of Petal, Mississippi, on the
110 first day of the month immediately succeeding the date any
111 indebtedness incurred pursuant to this act, including interest, is
112 retired, or in the event the municipality incurs no indebtedness,
113 the first day of the month after all obligations for the
114 construction of the transportation, recreation and infrastructure
115 projects or other capital projects, or both, have been paid. Any
116 amount remaining in the separate fund containing the proceeds of
117 the special tax not necessary to retire the debt or pay any other
118 obligations, shall be transferred to the municipal general fund.

119 SECTION 4. The governing authorities of the City of Petal,
120 Mississippi, that levies a special sales tax pursuant to Sections
121 1 through 3 of this act may incur indebtedness of the municipality
122 in an aggregate principal amount that is not in excess of an
123 amount whose debt service is capable of being funded by the
124 proceeds of the special sales tax levied pursuant to Sections 1
125 through 3 of this act. The indebtedness authorized by this
126 section shall not be considered when computing any limitation of
127 indebtedness of the municipality established by law.

128 SECTION 5. The Attorney General of the State of Mississippi
129 shall submit this act, immediately upon approval by the Governor,
130 or upon approval by the Legislature subsequent to a veto, to the
131 Attorney General of the United States or to the United States
132 District Court for the District of Columbia in accordance with the
133 provisions of the Voting Rights Act of 1965, as amended and

134 extended.

135 SECTION 6. This act shall take effect and be in force from
136 and after the date it is effectuated under Section 5 of the Voting
137 Rights Act of 1965, as amended and extended.