AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF ELLISVILLE TO IMPOSE A SPECIAL TAX NOT TO EXCEED TWO PERCENT OF THE GROSS REVENUE DERIVED FROM THE OCCUPANCY OF INNS, BED AND BREAKFAST ESTABLISHMENTS AND HOTEL AND MOTEL ROOMS LOCATED WITHIN THE MUNICIPALITY AND UPON THE GROSS REVENUE OF RESTAURANTS LOCATED WITHIN THE MUNICIPALITY THAT DERIVE FIFTY PERCENT OR MORE OF THEIR GROSS REVENUE FROM THE SALE OF PREPARED FOODS; TO PROVIDE THAT THE SPECIAL TAX SHALL NOT BE LEVIED UNLESS AUTHORIZED BY AT LEAST A MAJORITY OF THE VOTES CAST AT AN ELECTION CALLED AND HELD FOR SUCH PURPOSE; TO PROVIDE THAT THE SPECIAL TAX REVENUE COLLECTED PURSUANT TO SUCH A TAX SHALL BE USED AND EXPENDED BY THE MUNICIPALITY ONLY TO FUND THE CONSTRUCTION OF INFRASTRUCTURE PROJECTS WITHIN THE MUNICIPALITY; TO AUTHORIZE THE MUNICIPALITY TO INCUR INDEBTEDNESS IN AN AMOUNT NOT GREATER THAN AN AMOUNT FOR WHICH DEBT SERVICE IS CAPABLE OF BEING FUNDED BY THE PROCEEDS OF THE SPECIAL TAX; AND FOR RELATED PURPOSES.

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

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) "Bed and breakfast," "hotel," "inn" and "motel" means any establishment engaged in the business of furnishing or providing rooms intended or designed for dwelling, lodging or sleeping purposes to transient guests, where such establishment consists of two (2) or more guest rooms. "Bed and breakfast," "hotel," "inn" and "motel" do not include or encompass any hospital, convalescent or nursing home, 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) "Restaurant" means all places where prepared food and beverages are sold for consumption, whether such food is consumed on the premises or not. "Restaurant" does not include any school, hospital, convalescent or nursing home, or any...
restaurant-like facility operated by or in connection with a school, hospital, medical clinic, convalescent or nursing home providing food for students, patients, visitors and their families.

(c) "Prepared food" means any food prepared on the premises of a restaurant, including fountain drinks but excluding food and beverages sold through vending machines and nonprepared groceries and beverages.

(d) "Beverage" means all beverages, whether alcoholic or nonalcoholic.

(e) "Infrastructure project" means any project for which the primary purpose is to construct, reconstruct, renovate, repair, replace or improve roads, streets, highways, bridges, sewer systems, drainage structures or related municipal facilities, and to acquire real or personal property, easements, buildings, equipment, fixtures or other property or facilities to perform such projects.

(f) "Governing authorities" means the Mayor and Board of Aldermen of the City of Ellisville.

(g) "Municipality" means the City of Ellisville, Mississippi.

SECTION 2. (1) The governing authorities of the City of Ellisville, Mississippi, in its discretion, upon resolution duly adopted and entered upon their official minutes, may provide for the holding of a special election for the purpose of determining whether to impose a special tax to defer expenses related to municipal infrastructure projects. Such tax, if so imposed, shall not exceed two percent (2%) of the gross revenue derived from the occupancy of inns, bed and breakfast establishments, and hotel and motel rooms located in the municipality. The tax shall apply to all inns, bed and breakfast establishments, and hotels and motels as defined in Section 1 of this act. For the purpose of calculating gross revenues derived from the occupancy of inns, bed
and breakfast establishments, and hotel and motel rooms, the gross
revenue, sales or income of all such establishments owned,
operated or controlled by the same person, persons or corporation
may be aggregated.

(2) Such tax also shall include, but not exceed, two percent
(2%) of the gross revenue derived from the sale of prepared food
and beverages by restaurants within the municipality where fifty
percent (50%) or more of the gross revenue of the restaurant is
derived from the sale of prepared food. This tax shall apply to
all restaurants as defined in Section 1 of this act. For the
purpose of calculating the gross revenue derived from the sale of
prepared foods and beverages, the gross revenue, sales or income
of all restaurants, located within the city limits of the
municipality owned, operated or controlled by the same person,

SECTION 3. (1) The tax authorized under this act shall not
be levied until (a) the governing authorities of the municipality
adopt a resolution favoring the tax levy, fixing the amount of the
tax levy and fixing the date on which the tax levy is proposed to
commence, which shall be the first day of a month, but not later
than the first day of the second month from the adoption of the
resolution, and specifying the infrastructure projects for which
the revenue collected pursuant to the tax levy may be used and
expended; and (b) the tax levy is approved by a majority of the
qualified electors of such municipality voting at an election to
be called and held for that purpose.

(2) Notice of the election shall be given, the election
shall be held and the result thereof determined, as far as is
practicable, in the same manner as other elections are held in the
municipality. At such election, all qualified electors of the
municipality may vote. The ballots used at such election shall
have printed thereon a brief description of the tax, the amount of
the tax levy, a description of the specific infrastructure
projects for which the tax revenue may be used and expended and the words "FOR THE INFRASTRUCTURE TAX" and "AGAINST THE INFRASTRUCTURE TAX" and the voter shall vote by placing a cross (X) or check mark (✓) opposite his choice on the proposition. When the results of the election have been canvassed by the election commissioners of the municipality and certified by them to the governing authorities, the governing authorities shall determine and adjudicate whether at least a majority of the qualified electors who voted in the election voted in favor of the tax. If the election results in favor of the levy, the governing authorities shall adopt a resolution declaring the levy and collection of the tax provided for and shall set the first day of the second month following the date of such adoption as the effective date of the tax levy. A certified copy of this resolution together with the result of the election shall be furnished to the State Tax Commission not less than thirty (30) days before the effective date of the levy.

SECTION 4. (1) Persons liable for the tax authorized under this act shall add the amount of tax to the sales price or gross income and, in addition, shall collect, insofar as practicable, the amount of the tax due by him from the person receiving the services or goods at the time of payment therefor.

(2) 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.

(3) The proceeds of the tax, less three percent (3%) to be retained by the State Tax Commission to defray the costs of collections, shall be paid to the municipality on or before the fifteenth day of the month following the month in which collected and shall be deposited into a special municipal account apart from.
the municipal general fund and any other funds of the
municipality. Monies in the special account may be expended by
the municipality solely for the purpose of defraying any expenses
or paying any indebtedness or other obligation the municipality
may incur for the infrastructure projects specified in the
resolution ordering the election.

(4) The proceeds of the tax shall not be considered by the
municipality as general fund revenues, but shall be dedicated to
and used by the municipality solely for the purpose of defraying
expenses of municipal infrastructure projects.

(5) The tax is supplemental and in addition to all other
taxes that the municipality may levy and does not limit or
restrict any other taxing authority of the municipality.

SECTION 5. If a special tax is imposed under this act, the
governing authorities of the municipality may incur indebtedness
of the municipality in an aggregate principal amount that is not
in excess of an amount for which debt service is capable of being
funded by the proceeds of the special tax. The indebtedness
authorized by this section shall not be considered when computing
any limitation of indebtedness of the municipality established by
law.

SECTION 6. This act shall take effect and be in force from
and after its passage.