

By: Representatives Young, Robinson (84th),
Snowden

To: Local and Private
Legislation; Ways and Means

HOUSE BILL NO. 1770

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 MERIDIAN, MISSISSIPPI, TO LEVY A TAX UPON THE GROSS SALES OF
3 RESTAURANTS IN AN AMOUNT NOT TO EXCEED TWO PERCENT OF GROSS SALES;
4 TO PROVIDE THAT SUCH TAX SHALL BE COLLECTED BY THE STATE TAX
5 COMMISSION AND PAID TO THE CITY OF MERIDIAN; TO PROVIDE THAT THE
6 PORTION OF THE PROCEEDS RECEIVED BY THE CITY OF MERIDIAN SHALL BE
7 USED TO PAY THE DEBT SERVICE ON BONDS ISSUED BY THE CITY OF
8 MERIDIAN AND THAT ANY PROCEEDS IN EXCESS OF THE AMOUNT NECESSARY
9 TO PAY THE DEBT SERVICE MAY BE USED FOR THE SAME PURPOSES AS BONDS
10 AUTHORIZED UNDER THIS ACT AND FOR THE SUPPORT AND OPERATIONAL
11 EXPENSES OF THE MISSISSIPPI STATE UNIVERSITY RILEY EDUCATION AND
12 PERFORMING ARTS CENTER; TO AUTHORIZE THE CITY OF MERIDIAN TO ISSUE
13 GENERAL OBLIGATION BONDS FOR THE PURPOSE OF DEFRAYING THE PLANNED
14 CONSTRUCTION, EQUIPPING AND FURNISHING OF THE SOUTHERN ARTS AND
15 ENTERTAINMENT CENTER, INCLUDING A CONFERENCE CENTER, A PERFORMING
16 ARTS THEATER, AN AMPHITHEATER AND AN ARTISTS' VILLAGE; AND FOR
17 RELATED PURPOSES.

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

19 **SECTION 1.** As used in this act, the following terms shall
20 have the meanings ascribed to them in this section unless a
21 different meaning is clearly indicated by the context in which
22 they are used:

23 (a) "City" means the City of Meridian, Mississippi.

24 (b) "Governing authorities" means the governing
25 authorities of the City of Meridian, Mississippi.

26 (c) "Restaurant" means all places within the corporate
27 limits of the city where prepared food and beverages are sold for
28 consumption, whether such food is consumed on the premises or not.
29 The term "restaurant" does not include any school, hospital,
30 convalescent or nursing home, or any restaurant-like facility
31 operated by or in connection with a school, hospital, medical
32 clinic, convalescent or nursing home providing food for students,
33 patients, visitors or their families.

34 **SECTION 2.** (1) Before the issuance of bonds provided for in
35 this act, the governing authorities shall levy, assess and collect
36 from every person, firm, corporation or other entity operating a
37 restaurant in the city, a tax, in addition to all other taxes or
38 assessments now imposed, which shall be equal to two percent (2%)
39 of the gross proceeds of the sales of prepared food and beverages.

40 (2) Persons, firms, corporations or other entities liable
41 for the tax imposed by subsection (1) of this section shall add
42 the amount of such tax to the sales price of the food and
43 beverages set out in subsection (1) of this section and shall
44 collect, insofar as practicable, the amount of the tax due from
45 the person purchasing the food or beverages at the time of payment
46 therefor.

47 **SECTION 3.** Before any tax authorized under Section 2 of this
48 act may be imposed, the governing authorities shall adopt a
49 resolution declaring its intention to levy the taxes, setting
50 forth the amount of such tax to be imposed, the date upon which
51 such taxes shall become effective, calling for a referendum to be
52 held on the question and establishing the date of the referendum.
53 Notice of such intention shall be published once each week for at
54 least three (3) consecutive weeks in a newspaper published or
55 having a general circulation in the city, with the first
56 publication of such notice to be made not less than twenty-one
57 (21) days before the date fixed in the resolution for the
58 referendum and the last publication to be made not more than seven
59 (7) days before the referendum. At the referendum, all qualified
60 electors of the city may vote, and the ballots used in such
61 referendum shall have printed thereon a brief statement of the
62 amount and purposes of the proposed tax levy and the words "FOR
63 THE FOOD AND BEVERAGE TAX TO FUND CONSTRUCTION AND OPERATION OF
64 THE SOUTHERN ARTS AND ENTERTAINMENT CENTER" and, on a separate
65 line, "AGAINST THE FOOD AND BEVERAGE TAX TO FUND CONSTRUCTION AND
66 OPERATION OF THE SOUTHERN ARTS AND ENTERTAINMENT CENTER," and the

67 voters shall vote by placing a cross (X) or check (✓) opposite
68 their choice on the proposition. When the results of any such
69 referendum shall have been canvassed by the election commission
70 and certified, the city may levy the taxes beginning on the first
71 day of the second month following the referendum, only if at least
72 sixty percent (60%) of the qualified electors who vote in the
73 election vote in favor of the tax. No public funds shall be used
74 for the purpose of promoting the adoption of the referendum and no
75 employee of the city, other than elected public officials, may
76 promote the referendum during business hours.

77 **SECTION 4.** (1) On or before the fifteenth day of the month
78 before the imposition of the tax authorized in Section 2 of this
79 act, the governing authorities shall give written notification to
80 the Chairman of the State Tax Commission of the date on which the
81 tax will become effective.

82 (2) The tax shall be collected by and paid to the State Tax
83 Commission in the same manner as state sales taxes are computed,
84 collected and paid, and full enforcement provisions and all other
85 provisions of Chapter 65, Title 27, Mississippi Code of 1972,
86 shall apply as necessary to the implementation of this act.

87 (3) Except as otherwise provided in Section 27-3-58, the
88 revenue from the special tax collected under the provisions of
89 this section during the preceding month shall be paid to the city
90 on or before the fifteenth day of each month.

91 (4) The proceeds of such tax shall be placed into a special
92 fund apart from the city general fund and any other funds of the
93 city, and shall be expended by the city strictly in accordance
94 with the following priority:

95 (a) Firstly, for the scheduled debt service on the
96 bonds issued under this act;

97 (b) Secondly, to the extent that the proceeds of the
98 tax exceed the amount necessary to satisfy the debt service

required under paragraph (a) of this subsection, for expenses related to:

(i) The same purposes for which proceeds from the issuance of bonds under this act may be expended under Section 5 of this act; and

(ii) For the support and operational expenses of the Mississippi State University Riley Education and Performing Arts Center. The amount used for the purposes described in this subparagraph (ii) shall not exceed Five Million Dollars (\$5,000,000.00), in the aggregate.

(5) The tax imposed by Section 2 of this act shall stand repealed on the first day of the month immediately succeeding the date the payment of the principal of, redemption premium, if any, and interest on the bonds issued under this act have been paid in full.

(6) Any money remaining in the special fund after the payment of the principal of, redemption premium, if any, and interest on the bonds issued under this act have been paid in full shall be transferred to the city general fund.

SECTION 5. The proceeds of the bonds issued under this act shall be used alone, or in combination with other funds from whatever source, public or private, to defray the planned construction, equipping and furnishing of the Southern Arts and Entertainment Center, including a conference center, a performing arts theater, an amphitheater and an artists' village, as authorized under Section 39-25-1.

SECTION 6. The governing authorities are authorized and empowered, in their discretion, to issue general obligation bonds of the city in the aggregate principal amount not to exceed Twenty Million Dollars (\$20,000,000.00) for the purposes provided for in Section 5 of this act. As used in this act, "bonds" shall be deemed to mean and include bonds, refunding bonds, notes or certificates of participation. The full faith and credit of the

city shall be irrevocably pledged for the payment of the principal of and interest on the bonds.

SECTION 7. Bonds authorized by this act, other than refunding bonds, shall be issued under Sections 21-33-301 through 21-33-329, or as may be otherwise provided by law; however, no election shall be held under the provisions of Sections 21-33-307 through 21-33-311, upon the question of the issuance of bonds authorized under this act.

SECTION 8. Bonds issued under this act shall not be deemed indebtedness within the meaning of Section 21-33-303. Bonds issued under this act shall be submitted by validation under Sections 31-13-1 through 31-13-11.

SECTION 9. Bonds issued under this act may be refunded at any time and from time to time by the city under an authorizing resolution of the governing authorities, directing issuance of refunding bonds in accordance with the "Mississippi Bond Refinancing Act" (Section 31-27-1 et seq., Mississippi Code of 1972).

SECTION 10. This act shall be liberally construed for the purposes herein set out, the power hereby granted shall be deemed to be full and complete authority for the issuance of bonds under this act and shall be construed as additional, cumulative and supplemental to any power granted to the city by any general or local and private act of the Legislature.

SECTION 11. The governing authorities of the City of Meridian shall submit this act, immediately upon approval by the Governor, or upon approval by the Legislature subsequent to a veto, to the Attorney General of the United States or to the United States District Court for the District of Columbia in accordance with the provisions of the Voting Rights Act of 1965, as amended and extended.

163 **SECTION 12.** This act shall take effect and be in force from
164 and after the date it is effectuated under Section 5 of the Voting
165 Rights Act of 1965, as amended and extended.