

By: Representative Busby

To: Ways and Means

HOUSE BILL NO. 991

1 AN ACT TO AMEND SECTION 67-1-5, MISSISSIPPI CODE OF 1972, TO
2 REVISE THE DEFINITION OF THE TERM "QUALIFIED RESORT AREA" UNDER
3 THE LOCAL OPTION ALCOHOLIC BEVERAGE CONTROL LAW; AND FOR RELATED
4 PURPOSES.

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

6 **SECTION 1.** Section 67-1-5, Mississippi Code of 1972, is
7 amended as follows:

8 67-1-5. For the purposes of this chapter and unless
9 otherwise required by the context:

10 (a) "Alcoholic beverage" means any alcoholic liquid,
11 including wines of more than five percent (5%) of alcohol by
12 weight, capable of being consumed as a beverage by a human being,
13 but shall not include light wine and beer, as defined in Section
14 67-3-3, Mississippi Code of 1972, but shall include native wines.
15 The words "alcoholic beverage" shall not include ethyl alcohol
16 manufactured or distilled solely for fuel purposes or beer of an
17 alcoholic content of more than eight percent (8%) by weight if the
18 beer is legally manufactured in this state for sale in another
19 state.



20 (b) "Alcohol" means the product of distillation of any
21 fermented liquid, whatever the origin thereof, and includes
22 synthetic ethyl alcohol, but does not include denatured alcohol or
23 wood alcohol.

24 (c) "Distilled spirits" means any beverage containing
25 more than four percent (4%) of alcohol by weight produced by
26 distillation of fermented grain, starch, molasses or sugar,
27 including dilutions and mixtures of these beverages.

28 (d) "Wine" or "vinous liquor" means any product
29 obtained from the alcoholic fermentation of the juice of sound,
30 ripe grapes, fruits or berries and made in accordance with the
31 revenue laws of the United States.

32 (e) "Person" means and includes any individual,
33 partnership, corporation, association or other legal entity
34 whatsoever.

35 (f) "Manufacturer" means any person engaged in
36 manufacturing, distilling, rectifying, blending or bottling any
37 alcoholic beverage.

38 (g) "Wholesaler" means any person, other than a
39 manufacturer, engaged in distributing or selling any alcoholic
40 beverage at wholesale for delivery within or without this state
41 when such sale is for the purpose of resale by the purchaser.

42 (h) "Retailer" means any person who sells, distributes,
43 or offers for sale or distribution, any alcoholic beverage for use
44 or consumption by the purchaser and not for resale.



45 (i) "State Tax Commission," "commission" or
46 "department" means the Department of Revenue of the State of
47 Mississippi, which shall create a division in its organization to
48 be known as the Alcoholic Beverage Control Division. Any
49 reference to the commission or the department hereafter means the
50 powers and duties of the Department of Revenue with reference to
51 supervision of the Alcoholic Beverage Control Division.

52 (j) "Division" means the Alcoholic Beverage Control
53 Division of the Department of Revenue.

54 (k) "Municipality" means any incorporated city or town
55 of this state.

56 (l) "Hotel" means an establishment within a
57 municipality, or within a qualified resort area approved as such
58 by the department, where, in consideration of payment, food and
59 lodging are habitually furnished to travelers and wherein are
60 located at least twenty (20) adequately furnished and completely
61 separate sleeping rooms with adequate facilities that persons
62 usually apply for and receive as overnight accommodations. Hotels
63 in towns or cities of more than twenty-five thousand (25,000)
64 population are similarly defined except that they must have fifty
65 (50) or more sleeping rooms. Any such establishment described in
66 this paragraph with less than fifty (50) beds shall operate one or
67 more regular dining rooms designed to be constantly frequented by
68 customers each day. When used in this chapter, the word "hotel"
69 shall also be construed to include any establishment that meets



the definition of "bed and breakfast inn" as provided in this section.

(m) "Restaurant" means:

(i) A place which is regularly and in a bona fide manner used and kept open for the serving of meals to guests for compensation, which has suitable seating facilities for guests, and which has suitable kitchen facilities connected therewith for cooking an assortment of foods and meals commonly ordered at various hours of the day; the service of such food as sandwiches and salads only shall not be deemed in compliance with this requirement. Except as otherwise provided in this paragraph, no place shall qualify as a restaurant under this chapter unless twenty-five percent (25%) or more of the revenue derived from such place shall be from the preparation, cooking and serving of meals and not from the sale of beverages, or unless the value of food given to and consumed by customers is equal to twenty-five percent (25%) or more of total revenue; or

(ii) Any privately owned business located in a building in a historic district where the district is listed in the National Register of Historic Places, where the building has a total occupancy rating of not less than one thousand (1,000) and where the business regularly utilizes ten thousand (10,000) square feet or more in the building for live entertainment, including not only the stage, lobby or area where the audience sits and/or stands, but also any other portion of the building necessary for



the operation of the business, including any kitchen area, bar area, storage area and office space, but excluding any area for parking. In addition to the other requirements of this subparagraph, the business must also serve food to guests for compensation within the building and derive the majority of its revenue from event-related fees, including, but not limited to, admission fees or ticket sales to live entertainment in the building, and from the rental of all or part of the facilities of the business in the building to another party for a specific event or function.

(n) "Club" means an association or a corporation:

(i) Organized or created under the laws of this state for a period of five (5) years prior to July 1, 1966;

(ii) Organized not primarily for pecuniary profit but for the promotion of some common object other than the sale or consumption of alcoholic beverages;

(iii) Maintained by its members through the payment of annual dues;

(iv) Owning, hiring or leasing a building or space in a building of such extent and character as may be suitable and adequate for the reasonable and comfortable use and accommodation of its members and their guests;

(v) The affairs and management of which are conducted by a board of directors, board of governors, executive



committee, or similar governing body chosen by the members at a regular meeting held at some periodic interval; and

(vi) No member, officer, agent or employee of which is paid, or directly or indirectly receives, in the form of a salary or other compensation any profit from the distribution or sale of alcoholic beverages to the club or to members or guests of the club beyond such salary or compensation as may be fixed and voted at a proper meeting by the board of directors or other governing body out of the general revenues of the club.

The department may, in its discretion, waive the five-year provision of this paragraph. In order to qualify under this paragraph, a club must file with the department, at the time of its application for a license under this chapter, two (2) copies of a list of the names and residences of its members and similarly file, within ten (10) days after the election of any additional member, his name and address. Each club applying for a license shall also file with the department at the time of the application a copy of its articles of association, charter of incorporation, bylaws or other instruments governing the business and affairs thereof.

(o) "Qualified resort area" means any area or locality outside of the limits of incorporated municipalities in this state commonly known and accepted as a place which regularly and customarily attracts tourists, vacationists and other transients because of its historical, scenic or recreational facilities or



144 attractions, or because of other attributes which regularly and
145 customarily appeal to and attract tourists, vacationists and other
146 transients in substantial numbers; however, no area or locality
147 shall so qualify as a resort area until it has been duly and
148 properly approved as such by the department. The department may
149 not approve an area as a qualified resort area after July 1, 2018,
150 if any portion of such proposed area is located within two (2)
151 miles of a convent or monastery that is located in a county
152 traversed by Interstate 55 and U.S. Highway 98. A convent or
153 monastery may waive such distance restrictions in favor of
154 allowing approval by the department of an area as a qualified
155 resort area. Such waiver shall be in written form from the owner,
156 the governing body, or the appropriate officer of the convent or
157 monastery having the authority to execute such a waiver, and the
158 waiver shall be filed with and verified by the department before
159 becoming effective.

160 (i) The department may approve an area or locality
161 outside of the limits of an incorporated municipality that is in
162 the process of being developed as a qualified resort area if such
163 area or locality, when developed, can reasonably be expected to
164 meet the requisites of the definition of the term "qualified
165 resort area." In such a case, the status of qualified resort area
166 shall not take effect until completion of the development.

167 (ii) The term includes any state park which is
168 declared a resort area by the department; however, such



169 declaration may only be initiated in a written request for resort
170 area status made to the department by the Executive Director of
171 the Department of Wildlife, Fisheries and Parks, and no permit for
172 the sale of any alcoholic beverage, as defined in this chapter,
173 except an on-premises retailer's permit, shall be issued for a
174 hotel, restaurant or bed and breakfast inn in such park.

175 (iii) The term includes:

176 1. The clubhouses associated with the state
177 park golf courses at the Lefleur's Bluff State Park, the John Kyle
178 State Park, the Percy Quin State Park and the Hugh White State
179 Park;

180 2. The clubhouse and associated golf course
181 where the golf course is adjacent to one or more planned
182 residential developments and the golf course and all such
183 developments collectively include at least seven hundred fifty
184 (750) acres and at least four hundred (400) residential units;

185 3. Any facility located on property that is a
186 game reserve with restricted access that consists of at least
187 three thousand (3,000) contiguous acres with no public roads and
188 that offers as a service hunts for a fee to overnight guests of
189 the facility;

190 4. Any facility located on federal property
191 surrounding a lake and designated as a recreational area by the
192 United States Army Corps of Engineers that consists of at least
193 one thousand five hundred (1,500) acres;



194 5. Any facility that is located in a
195 municipality that is bordered by the Pearl River, traversed by
196 Mississippi Highway 25, adjacent to the boundaries of the Jackson
197 International Airport and is located in a county which has voted
198 against coming out from under the dry law; however, any such
199 facility may only be located in areas designated by the governing
200 authorities of such municipality;

201 6. Any municipality with a population in
202 excess of ten thousand (10,000) according to the latest federal
203 decennial census that is located in a county that is bordered by
204 the Pearl River and is not traversed by Interstate Highway 20,
205 with a population in excess of forty-five thousand (45,000)
206 according to the latest federal decennial census; however, the
207 governing authorities of such a municipality may by ordinance:

208 a. Specify the hours of operation of
209 facilities that offer alcoholic beverages for sale;

210 b. Specify the percentage of revenue
211 that facilities that offer alcoholic beverages for sale must
212 derive from the preparation, cooking and serving of meals and not
213 from the sale of beverages;

214 c. Designate the areas in which
215 facilities that offer alcoholic beverages for sale may be located;

216 7. The West Pearl Restaurant Tax District as
217 defined in Chapter 912, Local and Private Laws of 2007;



218 8. a. Land that is located in any county in
219 which Mississippi Highway 43 and Mississippi Highway 25 intersect
220 and:

221 A. Owned by the Pearl River Valley
222 Water Supply District, and/or

223 B. Located within the Reservoir
224 Community District, zoned commercial, east of Old Fannin Road,
225 north of Regatta Drive, south of Spillway Road, west of Hugh Ward
226 Boulevard and accessible by Old Fannin Road, Spillway Road, Spann
227 Drive and/or Lake Vista Place, and/or

228 C. Located within the Reservoir
229 Community District, zoned commercial, west of Old Fannin Road,
230 south of Spillway Road and extending to the boundary of the
231 corporate limits of the City of Flowood, Mississippi;

232 b. The board of supervisors of such
233 county, with respect to B and C of this item 8, may by resolution
234 or other order:

235 A. Specify the hours of operation
236 of facilities that offer alcoholic beverages for sale,

237 B. Specify the percentage of
238 revenue that facilities that offer alcoholic beverages for sale
239 must derive from the preparation, cooking and serving of meals and
240 not from the sale of beverages, and

241 C. Designate the areas in which
242 facilities that offer alcoholic beverages for sale may be located;



243 9. Any facility located on property that is a
244 game reserve with restricted access that consists of at least
245 eight hundred (800) contiguous acres with no public roads, that
246 offers as a service hunts for a fee to overnight guests of the
247 facility, and has accommodations for at least fifty (50) overnight
248 guests;

249 10. Any facility that:

250 a. Consists of at least six thousand
251 (6,000) square feet being heated and cooled along with an
252 additional adjacent area that consists of at least two thousand
253 two hundred (2,200) square feet regardless of whether heated and
254 cooled,

255 b. For a fee is used to host events such
256 as weddings, reunions and conventions,

257 c. Provides lodging accommodations
258 regardless of whether part of the facility and/or located adjacent
259 to or in close proximity to the facility, and

260 d. Is located on property that consists
261 of at least thirty (30) contiguous acres;

262 11. Any facility and related property:

263 a. Located on property that consists of
264 at least one hundred twenty-five (125) contiguous acres and
265 consisting of an eighteen (18) hole golf course, and/or located in
266 a facility that consists of at least eight thousand (8,000) square
267 feet being heated and cooled,



b. Used for the purpose of providing meals and hosting events, and

c. Used for the purpose of teaching culinary arts courses and/or turf management and grounds keeping courses, and/or outdoor recreation and leadership courses;

12. Any facility and related property that:

a. Consist of at least eight thousand (8,000) square feet being heated and cooled,

b. For a fee is used to host events,

c. Is used for the purpose of culinary arts courses, live entertainment courses and arts performances, and/or outdoor recreation and leadership courses;

13. The clubhouse and associated golf course where the golf course is adjacent to one or more residential developments and the golf course and all such developments collectively include at least two hundred (200) acres and at least one hundred fifty (150) residential units and are located a. in a county that has voted against coming out from under the dry law; and b. outside of but in close proximity to a municipality in such county which has voted under Section 67-1-14, after January 1, 2013, to come out from under the dry law;

14. The clubhouse and associated eighteen (18) hole golf course located in a municipality traversed by Interstate Highway 55 and U.S. Highway 51 that has voted to come out from under the dry law;



15. Land that is planned for mixed use development and consists of at least two hundred (200) contiguous acres with one or more planned residential developments collectively planned to include at least two hundred (200) residential units when completed and which land is located:

a. In a county that has voted to come out from under the dry law,

b. Outside the corporate limits of any municipality in such county and adjacent to or in close proximity to a golf course located in a municipality in such county, and

c. Within one (1) mile of a state institution of higher learning.

The status of these municipalities, districts, clubhouses, facilities, golf courses and areas described in subparagraph (iii) of this paragraph (o) as qualified resort areas does not require any declaration of same by the department.

(p) "Native wine" means any product, produced in Mississippi for sale, having an alcohol content not to exceed twenty-one percent (21%) by weight and made in accordance with revenue laws of the United States, which shall be obtained primarily from the alcoholic fermentation of the juice of ripe grapes, fruits, berries or vegetables grown and produced in Mississippi; provided that bulk, concentrated or fortified wines used for blending may be produced without this state and used in producing native wines. The department shall adopt and promulgate



rules and regulations to permit a producer to import such bulk and/or fortified wines into this state for use in blending with native wines without payment of any excise tax that would otherwise accrue thereon.

(q) "Native winery" means any place or establishment within the State of Mississippi where native wine is produced, in whole or in part, for sale.

(r) "Bed and breakfast inn" means an establishment within a municipality where in consideration of payment, breakfast and lodging are habitually furnished to travelers and wherein are located not less than eight (8) and not more than nineteen (19) adequately furnished and completely separate sleeping rooms with adequate facilities, that persons usually apply for and receive as overnight accommodations; however, such restriction on the minimum number of sleeping rooms shall not apply to establishments on the National Register of Historic Places. No place shall qualify as a bed and breakfast inn under this chapter unless on the date of the initial application for a license under this chapter more than fifty percent (50%) of the sleeping rooms are located in a structure formerly used as a residence.

(s) "Board" shall refer to the Board of Tax Appeals of the State of Mississippi.

(t) "Spa facility" means an establishment within a municipality or qualified resort area and owned by a hotel where, in consideration of payment, patrons receive from licensed



professionals a variety of private personal care treatments such as massages, facials, waxes, exfoliation and hairstyling.

(u) "Art studio or gallery" means an establishment within a municipality or qualified resort area that is in the sole business of allowing patrons to view and/or purchase paintings and other creative artwork.

(v) "Cooking school" means an establishment within a municipality or qualified resort area and owned by a nationally recognized company that offers an established culinary education curriculum and program where, in consideration of payment, patrons are given scheduled professional group instruction on culinary techniques. For purposes of this paragraph, the definition of cooking school shall not include schools or classes offered by grocery stores, convenience stores or drugstores.

(w) "Campus" means property owned by a public school district, community or junior college, college or university in this state where educational courses are taught, school functions are held, tests and examinations are administered or academic course credits are awarded; however, the term shall not include any "restaurant" or "hotel" that is located on property owned by a community or junior college, college or university in this state, and is operated by a third party who receives all revenue generated from food and alcoholic beverage sales.

SECTION 2. This act shall take effect and be in force from and after July 1, 2020.

