

By: Representative Darnell

To: Local and Private
Legislation

HOUSE BILL NO. 1551

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 HERNANDO, MISSISSIPPI, TO LEVY AN ADDITIONAL SALES TAX OF NOT MORE
3 THAN TWO PERCENT TAX UPON THE GROSS PROCEEDS OF THE SALES OF
4 RESTAURANTS FOR THE PURPOSE OF PROVIDING FUNDS TO PROMOTE TOURISM,
5 PARKS AND RECREATION WITHIN THE CITY; TO PROVIDE THAT AN ELECTION
6 BE HELD ON THE QUESTION OF THE LEVYING OF SUCH TAX; AND FOR
7 RELATED PURPOSES.

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

9 **SECTION 1.** As used in this act, the following terms have the
10 meanings ascribed to them in this section unless the context
11 clearly indicates otherwise:

12 (a) "City" means the City of Hernando, Mississippi.

13 (b) "Governing authorities" means the governing
14 authorities of the City of Hernando, Mississippi.

15 (c) "Prepared food" means food prepared or beverages
16 prepared by a restaurant in the City of Hernando that is (i) ready
17 to be consumed without any further food preparation, alteration or
18 repackaging on site; and (ii) prepared, provided sold or served by
19 a restaurant using any cooking, packaging or food preparation



20 technique. Prepared food may be eaten either on or off a
21 restaurant's premises.

22 (d) "Restaurant" means all places within the corporate
23 limits of the city where prepared food and beverages are sold for
24 consumption, whether such food is consumed on the premises or not.
25 Such places include food trucks, lunch stands, cafes, cafeterias,
26 delicatessens, drive-in restaurants, carry out restaurants,
27 caterers, concession stands, hotel and motel dining rooms,
28 convenience stores, grocery stores, restaurants and similar
29 businesses. The term "restaurant" does not include any school;
30 hospital; medical clinic; convalescent or nursing home providing
31 food for students, patients, visitors and their families.

32 **SECTION 2.** (1) For the purpose of providing funds to
33 promote tourism and parks and recreation within the city, the
34 governing authorities of the City of Hernando, Mississippi, in
35 their discretion, may levy, assess and collect a tax from persons,
36 firms or corporations specified in this subsection, a tax, which
37 shall be in addition to all other taxes or assessments imposed.
38 The tax shall be imposed upon every person, firm or corporation
39 operating a restaurant in the City of Hernando, Mississippi, where
40 prepared food and drink is sold to the public, at a rate not to
41 exceed two percent (2%) of the gross proceeds of the sales of such
42 restaurant or business.

43 (2) Persons, firms, corporations or other entities liable
44 for the tax imposed under subsection (1) of this section shall add



45 the amount of the tax to the sales price of the food and beverages
46 and shall collect, insofar as practicable, the amount of the tax
47 due from the person purchasing the food or beverages at the time
48 of payment therefor.

49 **SECTION 3.** Before any tax authorized under this act may be
50 imposed, the governing authorities shall adopt a resolution
51 declaring their intention to levy the tax, setting forth the
52 amount of the tax to be imposed, the date upon which the tax shall
53 become effective and calling for an election to be held on the
54 question. The date of the election shall be fixed in the
55 resolution. Notice of the intention and the election shall be
56 published once each week for at least three (3) consecutive weeks
57 in a newspaper published or having a general circulation in the
58 city, with the first publication of the notice to be made not less
59 than twenty-one (21) days before the date fixed in the resolution
60 for the election and the last publication to be made not more than
61 seven (7) days before the election. At the election, all
62 qualified electors of the city may vote, and the ballots used in
63 the election shall have printed thereon a brief statement of the
64 amount and purposes of the proposed tax levy and the words "FOR
65 THE TAX" and, on a separate line, "AGAINST THE TAX" and the voters
66 shall vote by placing a cross (X) or check (✓) opposite their
67 choice on the proposition. When the results of the election shall
68 have been canvassed and certified, the city may levy the tax if
69 sixty percent (60%) of the qualified electors who vote in the



70 election vote in favor of the tax. At least thirty (30) days
71 before the effective date of the tax, the governing authorities
72 shall furnish to the Department of Revenue a certified copy of the
73 resolution evidencing the tax.

74 **SECTION 4.** (1) On or before the fifteenth day of the month
75 preceding the date on which the city will begin to levy the tax
76 authorized under Section 2 of this act, the governing authorities
77 shall give written notification to the Commissioner of Revenue of
78 the date on which the tax will become effective.

79 (2) The tax must be collected by and paid to the Department
80 of Revenue in the same manner that state sales taxes are computed,
81 collected and paid, and the full enforcement provisions and all
82 other provisions of Chapter 65, Title 27, Mississippi Code of
83 1972, will apply as necessary for the implementation of this act.

84 (3) The proceeds of the tax, less three percent (3%) thereof
85 which shall be retained by the Department of Revenue to defray the
86 cost of collection, shall be paid to the governing authorities on
87 or before the fifteenth day of the month following the month in
88 which collected.

89 (4) Accounting for receipts and expenditures of the revenue
90 from the tax shall be made separately from the accounting of
91 receipts and expenditures of the general fund and any other funds
92 of the city. The records reflecting the receipts and expenditures
93 of the revenue from the tax shall be audited annually by an
94 independent certified public accountant, and the accountant shall



95 make a written report of his audit to the governing authorities.
96 The audit shall be made and completed as soon as practicable after
97 the close of the fiscal year, and expenses of the audit shall be
98 paid from the funds derived pursuant to this act.

99 (5) The proceeds of the tax may not be considered by the
100 city as general fund revenues but must be placed into a special
101 fund apart from the city general fund and any other funds and
102 expended by the city strictly for the purposes prescribed under
103 Section 2 of this act.

104 **SECTION 5.** This act shall be repealed from and after July 1,
105 2026.

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

