

By: Representative Darnell

To: Local and Private
Legislation

HOUSE BILL NO. 1720

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 UPON THE GROSS PROCEEDS OF THE SALES OF
 4 RESTAURANTS FOR THE PURPOSE OF PROVIDING FUNDS TO PROMOTE PARKS
 5 AND RECREATION WITHIN THE CITY; TO PROVIDE THAT AN ELECTION BE
 6 HELD ON THE QUESTION OF THE LEVYING OF SUCH TAX; TO PROVIDE THAT
 7 IN ORDER FOR SUCH TAX TO CONTINUE WHEN THE TAX IS SET TO REPEAL,
 8 AN ELECTION SHALL BE HELD ON THE QUESTION OF THE CONTINUATION OF
 9 THE TAX; AND FOR RELATED PURPOSES.

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

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

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

15 (b) "Governing authorities" means the governing
 16 authorities of the City of Hernando, Mississippi.

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



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

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

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

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



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

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



72 canvassed and certified, the city may levy the tax if sixty
73 percent (60%) of the qualified electors who vote in the election
74 vote in favor of the tax. At least thirty (30) days before the
75 effective date of the tax, the governing authorities shall furnish
76 to the Department of Revenue a certified copy of the resolution
77 evidencing the tax.

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

83 (2) The tax must be collected by and paid to the Department
84 of Revenue in the same manner that state sales taxes are computed,
85 collected and paid, and the full enforcement provisions and all
86 other provisions of Chapter 65, Title 27, Mississippi Code of
87 1972, will apply as necessary for the implementation of this act.

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

93 (4) Accounting for receipts and expenditures of the revenue
94 from the tax shall be made separately from the accounting of
95 receipts and expenditures of the general fund and any other funds
96 of the city. The records reflecting the receipts and expenditures



97 of the revenue from the tax shall be audited annually by an
98 independent certified public accountant, and the accountant shall
99 make a written report of his audit to the governing authorities.
100 The audit shall be made and completed as soon as practicable after
101 the close of the fiscal year, and expenses of the audit shall be
102 paid from the funds derived pursuant to this act.

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

108 **SECTION 5.** This act shall be repealed from and after July 1,
109 2026. If the tax is to continue after this repeal date, it must
110 go back before the citizens of the City of Hernando on a regularly
111 scheduled state, federal, or municipal general or primary election
112 for a vote. The notice, publication, ballot, canvassing and
113 certification requirements as well as other applicable
114 requirements set out in Section 3 of this act shall apply to the
115 election regarding the question of the continuation of the tax.

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

