

By: Representative Reynolds

To: Local and Private
Legislation

HOUSE BILL NO. 1540

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE TOWN OF
2 COFFEEVILLE, MISSISSIPPI, TO LEVY A TAX THAT SHALL NOT EXCEED TWO
3 PERCENT UPON THE GROSS PROCEEDS OF SALES OF RESTAURANTS FOR THE
4 PURPOSE OF PROVIDING FUNDS FOR THE PROMOTION OF TOURISM AND PARKS
5 AND RECREATION; TO REQUIRE AN ELECTION BE HELD ON THE QUESTION OF
6 WHETHER THE TAX MAY BE LEVIED; AND FOR RELATED PURPOSES.

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

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

11 (a) "Governing authorities" means the Mayor and Board
12 of Aldermen of the Town of Coffeeville, Mississippi.

13 (b) "Prepared food" means food prepared on the premises
14 of a restaurant.

15 (c) "Restaurant" means all places within the town where
16 prepared food and beverages are sold for consumption, whether such
17 food is consumed on the premises or not. The term "restaurant"
18 does not include any school, hospital, convalescent or nursing
19 home, or restaurant-like facilities operated by or in connection
20 with a school, hospital, medical clinic, or convalescent or



21 nursing home providing food for students, patients, visitors or
22 their families.

23 (d) "Town" means the Town of Coffeeville, Mississippi.

24 **SECTION 2.** (1) For the purpose of providing funds to
25 promote tourism and parks and recreation, the governing
26 authorities, in their discretion, may levy, assess and collect a
27 tax from persons, firms or corporations specified in this
28 subsection, which shall be in addition to all other taxes or
29 assessments imposed. The tax shall be imposed upon every person,
30 firm or corporation operating a restaurant in the town where
31 prepared food and drink is sold to the public, at a rate not to
32 exceed two percent (2%) of the gross proceeds of the sales of such
33 restaurant or business.

34 (2) Persons, firms, corporations or other entities liable
35 for the tax imposed under subsection (1) of this section shall add
36 the amount of the tax to the sales price of the food and beverages
37 and shall collect, insofar as practicable, the amount of the tax
38 due from the person purchasing the food or beverages at the time
39 of payment therefor.

40 **SECTION 3.** Before any tax authorized under this act may be
41 imposed, the governing authorities shall adopt a resolution
42 declaring their intention to levy the tax, setting forth the
43 amount of the tax to be imposed, the date upon which the tax shall
44 become effective and calling for an election to be held on the
45 question. The date of the election shall be fixed in the



46 resolution. Notice of the intention and the election shall be
47 published once each week for at least three (3) consecutive weeks
48 in a newspaper published or having a general circulation in the
49 town, with the first publication of the notice to be made not less
50 than twenty-one (21) days before the date fixed in the resolution
51 for the election and the last publication to be made not more than
52 seven (7) days before the election. At the election, all
53 qualified electors of the town may vote, and the ballots used in
54 the election shall have printed thereon a brief statement of the
55 amount and purposes of the proposed tax levy and the words "FOR
56 THE TAX" and, on a separate line, "AGAINST THE TAX" and the voters
57 shall vote by placing a cross (X) or check (✓) opposite their
58 choice on the proposition. When the results of the election shall
59 have been canvassed and certified, the town may levy the tax if
60 sixty percent (60%) of the qualified electors who vote in the
61 election vote in favor of the tax. At least thirty (30) days
62 before the effective date of the tax, the governing authorities
63 shall furnish to the Department of Revenue a certified copy of the
64 resolution evidencing the tax.

65 **SECTION 4.** (1) On or before the fifteenth day of the month
66 preceding the date on which the town will begin to levy the tax
67 authorized under Section 2 of this act, the governing authorities
68 shall give written notification to the Commissioner of Revenue of
69 the date on which the tax will become effective.



70 (2) The tax must be collected by and paid to the Department
71 of Revenue in the same manner that state sales taxes are computed,
72 collected and paid, and the full enforcement provisions and all
73 other provisions of Chapter 65, Title 27, Mississippi Code of
74 1972, will apply as necessary for the implementation of this act.

75 (3) Except for any amount retained by the Department of
76 Revenue under Section 27-3-58, Mississippi Code of 1972, the
77 revenue from the special tax collected under this act must be paid
78 to the town on or before the fifteenth day of the month following
79 the month in which collected.

80 (4) Accounting for receipts and expenditures of the revenue
81 from the tax shall be made separately from the accounting of
82 receipts and expenditures of the general fund and any other funds
83 of the town. The records reflecting the receipts and expenditures
84 of the revenue from the tax shall be audited annually by an
85 independent certified public accountant, and the accountant shall
86 make a written report of his audit to the board of supervisors.
87 The audit shall be made and completed as soon as practicable after
88 the close of the fiscal year, and expenses of the audit shall be
89 paid from the funds derived pursuant to this act.

90 (5) The proceeds of the tax may not be considered by the
91 town as general fund revenues but must be placed into a special
92 fund apart from the town general fund and any other funds and
93 expended by the town strictly for the purposes prescribed under
94 Section 2 of this act.



95 **SECTION 5.** This act shall be repealed from and after July 1,
96 2027.

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

