

By: Representatives Steverson, Steverson

To: Local and Private  
Legislation

HOUSE BILL NO. 1722

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE TOWN OF  
 2 WALNUT, MISSISSIPPI, TO LEVY A SPECIAL TAX OF NOT MORE THAN 3%  
 3 UPON THE GROSS SALES OF HOTELS AND MOTELS DERIVED FROM ROOM  
 4 RENTALS AND 3% UPON THE GROSS PROCEEDS OF SALES OF RESTAURANTS FOR  
 5 THE PURPOSE OF PROVIDING FUNDS TO PROMOTE, CONSTRUCT, FINANCE,  
 6 OPERATE, EQUIP, LEASE, AND MAINTAIN EXISTING AND NEW PARKS AND  
 7 RECREATION FACILITIES AND EQUIPMENT WITHIN THE TOWN; TO PROVIDE  
 8 FOR AN ELECTION ON WHETHER SUCH SPECIAL TAX MAY BE LEVIED; TO  
 9 PROVIDE FOR THE ISSUANCE AND REPAYMENT OF DEBT RELATED TO PARKS  
 10 AND RECREATION WITHIN THE TOWN FROM THE PROCEEDS OF THE SPECIAL  
 11 TAX; TO PROVIDE FOR THE REFUNDING OR RESTRUCTURING OF DEBT  
 12 PRESENTLY OUTSTANDING AND RELATED TO PARKS AND RECREATION WITHIN  
 13 THE TOWN FROM THE PROCEEDS OF THE SPECIAL TAX; AND FOR RELATED  
 14 PURPOSES.

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

16 **SECTION 1.** As used in this act, the following terms shall  
 17 have the following meanings, unless a different meaning is clearly  
 18 indicated by the context in which the terms are used:

19 (a) "Governing authorities" means the Mayor and Board  
 20 of Aldermen of the Town.

21 (b) "Hotel" or "Motel" means any establishment within  
 22 the town engaged in the business of furnishing or providing rooms  
 23 intended or designed for dwelling, lodging, or sleeping purposes  
 24 to transient guests.



25 (c) "Prepared food" means food prepared on the premises  
26 of a restaurant.

27 (d) "Restaurant" means all places within the town where  
28 prepared food and beverages are sold for consumption, including  
29 beer, alcoholic beverages, and nonalcoholic beverages, whether  
30 such prepared food and beverages are sold for consumption on the  
31 premises or not. The term "restaurant" does not include any  
32 school, hospital, medical clinic, convalescent or nursing home, or  
33 any other restaurant-like facility operated by or in connection  
34 with a school, hospital, medical clinic, or convalescent or  
35 nursing home providing food for students, patients, visitors, or  
36 their families.

37 (e) "Town" means the Town of Walnut, Mississippi.

38 **SECTION 2.** (1) For the purpose of providing funds to  
39 promote, construct, finance, operate, equip, lease, and maintain  
40 existing and new parks and recreation facilities and equipment  
41 within the town, to pay the principal of and interest on bonds or  
42 other indebtedness issued pursuant to Section 5 of this act, to  
43 accomplish the refunding and/or refinancing of the principal of  
44 and interest on any presently outstanding indebtedness incurred by  
45 the town related to parks and recreation, and for related  
46 purposes, the governing authorities are authorized, in their  
47 discretion, to levy and collect a special tax from the following  
48 persons, firms, and corporations, which special tax shall be in



49 addition to all of other general state sales taxes and assessments  
50 levied upon such persons, firms, and corporations:

51 (a) A special tax upon every person, firm, or  
52 corporation operating a motel or hotel in the town at a rate not  
53 to exceed three percent (3%) of the gross proceeds of room rentals  
54 for each such hotel or motel; and

55 (b) A special tax upon every person, firm, and  
56 corporation operating a restaurant in the town at a rate not to  
57 exceed three percent (3%) of the gross proceeds of the sales of  
58 the restaurant derived from retail sale of prepared food and  
59 beverages, including beer, alcoholic beverages, and nonalcoholic  
60 beverages.

61 (2) The tax rate levied pursuant to subsection (1) of this  
62 section when combined with the state sales tax rate and any other  
63 tax rate levied by the town or Tippah County, Mississippi,  
64 pursuant to local and private legislation, shall not exceed a ten  
65 percent (10%) tax rate upon the gross proceeds of room rentals of  
66 hotels and motels or a ten percent (10%) tax rate on the gross  
67 proceeds of sales of restaurants.

68 (3) Persons, firms, or corporations liable for the special  
69 tax levied pursuant to subsection (1) of this section shall add  
70 the amount of the special tax to the sales price of the products  
71 set out in subsection (1) of this section and shall collect the  
72 amount of the special tax due by such persons, firms, and



73 corporations from the persons, firms, or corporations receiving  
74 the services or product at the time of payment therefore.

75 (4) The special tax shall be collected by and paid to the  
76 Mississippi Department of Revenue on a form prescribed by the  
77 Mississippi Department of Revenue in the manner that general state  
78 sales taxes are computed, collected, and paid. Full enforcement  
79 provisions and all other provisions of Section 27-65-1 et seq.,  
80 Mississippi Code of 1972, as amended, shall apply as necessary to  
81 the implementation and administration of this act.

82 (5) Except for any amount retained by the Mississippi  
83 Department of Revenue pursuant to Section 27-3-58, Mississippi  
84 Code of 1972, as amended, the proceeds of the special tax shall be  
85 paid to the town on or before the fifteenth day of the month  
86 following the month in which such special tax is collected.

87 (6) The proceeds of the special tax shall not be considered  
88 by the town as general fund revenues but shall be dedicated to and  
89 expended solely for the purposes specified in this section.

90 **SECTION 3.** Before any special tax authorized pursuant to  
91 this act may be levied, the governing authorities shall adopt a  
92 resolution declaring their intention to levy the special tax,  
93 setting forth the amount of the special tax to be levied, the date  
94 upon which the special tax shall become effective, and calling for  
95 an election to be held on the question of the levy of the special  
96 tax. The date of the election shall be fixed in the resolution  
97 adopted by the governing authorities. Notice of such intention



98 and the election shall be published once each week for at least  
99 three (3) consecutive weeks in a newspaper published in or having  
100 a general circulation in the town, with the first publication of  
101 the notice to be made not less than twenty-one (21) days before  
102 the date fixed in the resolution for the election and the last  
103 publication to be made not more than seven (7) days before the  
104 date fixed in the resolution for the election. At the election,  
105 all qualified electors of the town may vote, and the ballots used  
106 in the election shall have printed thereon a brief statement of  
107 the amount and purposes of the proposed special tax levy and the  
108 words "FOR THE TAX" and, on a separate line, "AGAINST THE TAX,"  
109 and the voters shall vote by placing a cross (X) or check (☐)  
110 opposite their choice on the election. When the results of the  
111 election shall have been canvassed and certified, the town may  
112 levy the special tax if sixty percent (60%) of the qualified  
113 electors who vote in the election vote in favor of the special  
114 tax. At least thirty (30) days before the effective date of the  
115 special tax provided in this section, the governing authorities  
116 shall furnish a certified copy of the resolution evidencing the  
117 special tax to the Mississippi Department of Revenue.

118       **SECTION 4.** Accounting for receipts and expenditures of the  
119 funds generated by the special tax herein described shall be made  
120 separately from the accounting of receipts and expenditures of the  
121 general fund and any other funds of the town. The records  
122 reflecting the receipts and expenditures of the funds generated by



123 the special tax prescribed in this act shall be audited annually  
124 by an independent certified public accountant, and the accountant  
125 shall make a written report of the audit to the governing  
126 authorities. The audit shall be made and completed as soon as  
127 practicable after the close of the fiscal year, and expenses of  
128 the audit shall be paid from the funds derived in accordance with  
129 this act.

130         **SECTION 5.** (1) For the purpose of providing funds to  
131 promote, construct, finance, operate, equip, lease, and maintain  
132 existing and new parks and recreation facilities and equipment  
133 within the town, to pay the principal of and interest on bonds or  
134 other indebtedness issued pursuant to this act, to accomplish the  
135 refunding and/or refinancing of the principal of and interest on  
136 any presently outstanding indebtedness incurred by the town  
137 related to parks and recreation, and for related purposes, as  
138 described in Section 2 of this act, the governing authorities are  
139 authorized to issue bonds or incur other indebtedness in an  
140 aggregate principal amount that is not in excess of the amount for  
141 which debt service is capable of being paid by the proceeds of the  
142 special tax levied pursuant to this act.

143         (2) Except as otherwise provided in this section, bonds or  
144 other indebtedness issued pursuant to this section shall be issued  
145 in accordance with the provisions of Sections 21-33-301 et seq.,  
146 Mississippi Code of 1972, as amended, Sections 17-21-51 et seq.,  
147 Mississippi Code of 1972, as amended, Sections 31-25-1 et seq.,



148 Mississippi Code of 1972, Sections 31-15-1 et seq., Mississippi  
149 Code of 1972, as amended, Sections 31-27-1 et seq., Mississippi  
150 Code of 1972, as amended, or as allowed by other applicable law.  
151 Bonds or other indebtedness authorized to be issued pursuant to  
152 this section shall not be included in the limitation on  
153 indebtedness imposed in Sections 21-33-301 et seq., Mississippi  
154 Code of 1972, as amended, or any other limitation on indebtedness  
155 of the town. Bonds or other indebtedness issued pursuant to the  
156 provisions of this section and interest income therefrom shall be  
157 exempt from all taxation by the State of Mississippi.

158       **SECTION 6.** The governing authorities are authorized and  
159 empowered, if necessary and in their discretion to lease  
160 town-owned property for a term not to exceed twenty (20) years for  
161 a nominal fee for the construction, operation and maintenance of  
162 new sports tournament and recreational facilities and existing  
163 sports and recreational facilities. The governing authorities are  
164 further authorized to lease the town-owned property back for a  
165 term not to exceed twenty (20) years for a negotiated fee which  
166 after such time the town shall own the sports complex free and  
167 clear.

168       **SECTION 7.** Sections 1 through 4 of this act shall be  
169 repealed from and after July 1, 2034, as such time frame will  
170 allow sufficient time to service all or a portion of any debt  
171 issued or incurred pursuant to Section 5 of this act.



172           **SECTION 8.** This act shall take effect and be in force from  
173 and after its passage.

