

By: Senator(s) Parks

To: Local and Private;
Finance

SENATE BILL NO. 3216

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

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

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

21 (a) "Governing authorities" means the Mayor and Board
22 of Aldermen of the Town of Walnut, Mississippi.

23 (b) "Hotel" or "motel" means any establishment within
24 the town engaged in the business of furnishing or providing rooms



25 intended or designed for dwelling, lodging, or sleeping purposes
26 to transient guests.

27 (c) "Prepared food" means food prepared on the premises
28 of a restaurant.

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

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

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



50 persons, firms, and corporations, which special tax shall be in
51 addition to all of other general state sales taxes and assessments
52 levied upon such persons, firms, and corporations:

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

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

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

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



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

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

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

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

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



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

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



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

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

145 (2) Except as otherwise provided in this section, bonds or
146 other indebtedness issued pursuant to this section shall be issued
147 in accordance with the provisions of Section 21-33-301 et seq.,
148 17-21-51 et seq., 31-25-1 et seq., 31-15-1 et seq., or 31-27-1 et
149 seq., or as allowed by other applicable law. Bonds or other



150 indebtedness authorized to be issued pursuant to this section
151 shall not be included in the limitation on indebtedness imposed in
152 Section 21-33-301 et seq., Mississippi Code of 1972, or any other
153 limitation on indebtedness of the town. Bonds or other
154 indebtedness issued pursuant to the provisions of this section and
155 interest income therefrom shall be exempt from all taxation by the
156 State of Mississippi.

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

167 **SECTION 7.** Sections 1 through 4 of this act shall be
168 repealed from and after July 1, 2034, or on the first day of the
169 month immediately succeeding the date the payment of the principal
170 of redemption premium, if any, and interest on the bonds issued
171 under this act have been paid in full, whichever is earlier.

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

