

By: Representative Paden

To: Local and Private
Legislation

HOUSE BILL NO. 1702

1 AN ACT TO AUTHORIZE THE BOARD OF MAYOR AND COMMISSIONERS OF
2 THE CITY OF CLARKSDALE, MISSISSIPPI, TO LEVY SALES TAX UPON THE
3 GROSS PROCEEDS OF SALES AT CERTAIN BUSINESSES IN THE CITY FOR THE
4 PURPOSE OF PROVIDING FUNDS TO SUPPORT AND PROMOTE PUBLIC SAFETY,
5 CRIME PREVENTION, AND CONTINUING ECONOMIC GROWTH IN THE CITY; TO
6 REQUIRE THAT AN ELECTION BE HELD ON THE QUESTION OF THE IMPOSITION
7 OF SUCH TAX; AND FOR 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 shall
10 have the meanings ascribed to them in this section unless
11 otherwise clearly indicated by the context in which they are used:

12 (a) "Alcoholic beverage" means any alcoholic liquid,
13 including wines of more than five percent (5%) of alcohol by
14 weight, capable of being consumed as a beverage by a human being,
15 but shall not include light wine, light spirit product and beer,
16 as defined in Section 67-3-3, Mississippi Code of 1972, but shall
17 include native wines and native spirits. The words "alcoholic
18 beverage" shall not include ethyl alcohol manufactured or
19 distilled solely for fuel purposes or beeper of an alcoholic



20 content of more than eight percent (8%) by weight if the beer is
21 legally manufactured in this state for sale in another state.

22 (b) "Board" means the Board of Mayor and Commissioners
23 of the City of Clarksdale, Mississippi.

24 (c) "City" means the City of Clarksdale, Mississippi.

25 (d) "Hemp" means the plant cannabis sativa and any part
26 of that plant, including the seeds thereof and all derivatives,
27 extracts, cannabinoids, isomers, acids, salts and salts of
28 isomers, whether growing or not, with a
29 delta-9-tetrahydrocannabinol(THC) concentration of not more than
30 three-tenths percent (0.3%) on a dry weight basis that is grown or
31 processed.

32 (e) "Hemp product" means a finished product that is
33 intended for human consumption, contains any part of the hemp
34 plant, including naturally occurring cannabinoids, compounds,
35 concentrates, extracts, isolates, or resins, and contains less
36 than three-tenths percent (0.3%) of THC.

37 (f) "Marijuana" means all parts of the plant of the
38 genus cannabis, the flower, the seeds thereof, the resin extracted
39 from any part of the plant and every compound, manufacture, salt,
40 derivative, mixture or preparation of the plant, its seeds or its
41 resin, including whole plant extracts. Such term shall not mean
42 cannabis-derived drug products approved by the federal Food and
43 Drug Administration under Section 505 of the Federal Food, Drug,
44 and Cosmetic Act.



45 (g) "Person" means any individual, company,
46 corporation, partnership, association, joint venture, estate,
47 trust, or any other group, or combination acting as a unit, and
48 the plural as well as the singular, unless the intention to give a
49 more limited meaning is disclosed by the context.

50 (h) "Retailer" includes every person whose principal
51 business is that of selling merchandise at retail, who shall sell,
52 or offer for sale any alcoholic beverage, hemp, marijuana, or
53 tobacco to the consumer.

54 (i) "Sale" means an exchange for money or goods, giving
55 away, or distributing any alcohol, hemp, marijuana, or tobacco as
56 defined in this chapter.

57 (j) "Tobacco" means any cigarettes, cigars, cheroots,
58 stogies, smoking tobacco (including granulated, plug cut, crimp
59 cut, ready rubbed, and other kinds and forms of tobacco, or
60 substitutes thereof, prepared in such manner as to be suitable for
61 smoking in a pipe or cigarette) and including plug and twist
62 chewing tobacco and snuff, when such "tobacco" is manufactured and
63 prepared for sale or personal consumption. All words used herein
64 shall be given the meaning as defined in the regulations of the
65 Treasury Department of the United States of America. The term
66 "tobacco" also includes heated tobacco products such as products
67 that contain tobacco that produces an inhalable aerosol by (i)
68 heating the tobacco without combustion of the tobacco or (ii) heat



generated from a combustion source that only or primarily heats rather than burns the tobacco.

SECTION 2. (1) For the purpose of providing funds to promote public safety and continuing to promote economic growth in the city, the board, in its discretion, may levy, assess and collect from every person, firm and corporation operating a retail establishment licensed to sale tobacco, hemp, marijuana, or alcohol, in the city, a tax which shall be in addition to all other taxes and assessments imposed by the city, as provided in this act.

(2) The tax shall be imposed upon every person, firm or corporation operating as a retailer in the city, at a rate not to exceed two percent (2%) of the gross proceeds of the sales of such retailer.

(3) Persons liable for the tax imposed pursuant to this act shall add the amount of tax to the gross proceeds from sales and shall collect, insofar as practicable, the respective amount of the tax due by him from the person receiving the products at the time of payment for the products.

(4) The tax shall be collected by and paid to the Department of Revenue in the same manner that state sales taxes are computed, collected and paid; and the full enforcement provisions and all other provisions of Chapter 65, Title 27, Mississippi Code of 1972, shall apply as necessary to the implementation and administration of this act.



94 (5) Except for any amount retained by the Department of
95 Revenue under Section 27-3-58, Mississippi Code of 1972, the
96 proceeds of the tax shall be paid to the city on or before the
97 fifteenth day of the month following the month in which they were
98 collected.

99 (6) The proceeds of the tax shall be deposited into the
100 general fund of the city and may be expended for any purpose
101 authorized by law for expenditures of city general fund money,
102 including the purpose of carrying out the programs and activities
103 of the commission under the provisions of this act; however,
104 accounting for receipts and expenditures of the proceeds of the
105 tax shall be made separately as provided.

106 **SECTION 3.** Before any tax authorized under this act may be
107 imposed, the board shall adopt a resolution declaring its
108 intention to levy the tax, setting forth the amount of the tax to
109 be imposed, the date upon which the tax shall become effective and
110 calling for an election to be held on the question. The date of
111 the election shall be fixed in the resolution. Notice of such
112 intention shall be published once each week for at least three (3)
113 consecutive weeks in a newspaper published or having a general
114 circulation in the city, with the first publication of the notice
115 to be made not less than twenty-one (21) days before the date
116 fixed in the resolution for the election and the last publication
117 to be made not more than seven (7) days before the election. At
118 the election, all qualified electors of the city may vote, and the



ballots used in the election shall have printed thereon a brief statement of the amount and purposes of the proposed tax levy and the words "FOR THE TAX" and, on a separate line, "AGAINST THE TAX" and the voters shall vote by placing a cross (X) or check (✓) opposite their choice on the proposition. When the results of the election shall have been canvassed and certified, the city may levy the tax if sixty percent (60%) of the qualified electors who vote in the election vote in favor of the tax. At least thirty (30) days before the effective date of the tax provided in this section, the board shall furnish to the Department of Revenue a certified copy of the resolution evidencing the tax.

SECTION 4. Before the expenditure of the proceeds of the tax authorized by this act, a budget reflecting the anticipated receipts and expenditures shall be approved by the board. The first budget of receipts and expenditures shall cover the period beginning with the effective date of the tax and ending with the end of the city's fiscal year, and thereafter, the budget shall be on the same fiscal basis as the budget of the city.

SECTION 5. Accounting for the receipts and expenditures of the funds derived from the proceeds of the tax authorized by this act shall be made separately from the accounting of receipts and expenditures of the general fund and any other funds of the city. The records reflecting the receipts and expenditures of these funds shall be audited annually by an independent certified public accountant and the audit shall be included in the general purpose



144 statement of the city. The audit shall be made and completed as
145 soon as practicable after the close of the city's fiscal year, and
146 copies of the report of the audit shall be filed with the clerk of
147 the board. The expense of this audit may be paid from the funds
148 derived pursuant to Section 2 of this act.

149 **SECTION 6.** This act shall be liberally construed for the
150 purposes prescribed herein, the power granted by this act shall be
151 deemed to be full and complete authority for the imposition and
152 collection of the tax and the expenditure of the proceeds thereof
153 and shall be construed as additional, cumulative and supplemental
154 to any power granted to the city by any general or local and
155 private act of the Legislature.

156 **SECTION 7.** This act shall take effect and be in force from
157 and after its passage.

