MISSISSIPPI LEGISLATURE REGULAR SESSION 2025

By: Representative Horan

To: Local and Private Legislation

HOUSE BILL NO. 1958

AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF WATER VALLEY, MISSISSIPPI, TO LEVY A 1% TAX UPON THE GROSS PROCEEDS OF SALES OF RESTAURANTS FOR THE PURPOSE OF PROVIDING FUNDS TO PROMOTE TOURISM AND PARKS AND RECREATION WITHIN THE CITY; TO REQUIRE AN ELECTION BE HELD ON THE QUESTION OF WHETHER SUCH TAX MAY BE LEVIED; AND FOR RELATED PURPOSES.

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

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

(a) "City" means the City of Water Valley, Mississippi.

(b) "Governing authorities" means the Mayor and the Board of Aldermen of the City of Water Valley, Mississippi.

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

(d) "Restaurant" means all places within the corporate limits of the city where prepared food and beverages are sold for consumption, whether such food is consumed on the premises or not. The term "restaurant" does not include any school, hospital, convalescent or nursing home, and restaurant-like facility operated by or in connection with a school, hospital, medical clinic, convalescent or nursing home providing food for students, patients, visitors or their families.

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

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

SECTION 3. Before any tax authorized under this act may be imposed, the governing authorities shall adopt a resolution declaring their intention to levy the tax, setting forth the amount of the tax to be imposed, the date upon which the tax shall become effective and calling for an election to be held on the question. The date of the election shall be fixed in the resolution. Notice of the intention and the election shall be published once each week for at least three (3) consecutive weeks in a newspaper published or having a general circulation in the city, with the first publication of the notice to be made not less than twenty-one (21) days before the date fixed in the resolution for the election and the last publication to be made not more than seven (7) days before the election. At 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, the governing authorities shall furnish to the Department of Revenue a certified copy of the resolution evidencing the tax.

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

(2) The tax must 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, will apply as necessary for the implementation of this act.

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

(4) Accounting for receipts and expenditures of the revenue from the tax 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 the revenue from the tax shall be audited annually by an independent certified public accountant, and the accountant shall make a written report of his audit to the governing authorities. The audit shall be made and completed as soon as practicable after the close of the fiscal year, and expenses of the audit shall be paid from the funds derived pursuant to this act.

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

SECTION 5. This act shall be repealed from and after July 1, 2029.

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

ST: City of Water Valley; authorize a tax on restaurants to promote tourism, parks and recreation.