By: Representatives Denton, Ford (54th), Harness

To: Local and Private Legislation

HOUSE BILL NO. 1997

AN ACT TO AMEND CHAPTER 942, LOCAL AND PRIVATE LAWS OF 2015, WHICH AUTHORIZES THE GOVERNING AUTHORITIES OF VICKSBURG, MISSISSIPPI, TO LEVY AN ADDITIONAL SALES TAX ON THE GROSS SALES OF HOTELS AND MOTELS DERIVED FROM ROOM RENTALS AND UPON THE GROSS PROCEEDS OF SALES OF RESTAURANTS, BY REVISING THE DEFINITION OF THE TERM "RESTAURANT" BY EXEMPTING LOCAL NONPROFIT VETERAN ORGANIZATIONS FROM SUCH DEFINITION; TO EXTEND THE DATE OF REPEAL UNTIL JULY 1, 2029, ON SUCH LAW; AND FOR RELATED PURPOSES.

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

SECTION 1. Chapter 942, Local and Private Laws of 2015, is amended as follows:

Section 1. As used in this act, the following terms shall have the following meanings unless a different meaning is clearly indicated by the context in which they are used:

(a) "City" means the City of Vicksburg, Mississippi.

(b) "Governing authorities" means the governing authorities of the City of Vicksburg, Mississippi.

(c) "Hotel" or "motel" means any establishment engaged in the business of furnishing or providing rooms intended or designed for dwelling, lodging or sleeping purposes to transient guests, where the establishment consists of six (6) or more guest rooms. The term "hotel" or "motel" does not include any hospital, convalescent or nursing home or sanitarium, or any hotel-like facility operated by or in connection with a hospital or medical clinic providing rooms exclusively for patients and their families.

(d) "Restaurant" means all places where prepared food and beverages are sold for consumption, whether such food is sold for consumption on the premises or not. The term "restaurant" does not include any school, hospital, convalescent or nursing home, or any 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 and does not include nonprofit veteran organizations, including, but not limited to, local Veterans of Foreign Wars (VFW's), American Legions, Tyner-Ford American Legion Post #3, American Legion Post 3 and Army Navy Clubs .

Section 2. (1) For the purposes of providing funds to acquire real property and constructing, equipping, owning, operating, leasing, furnishing and maintaining recreation and tourism venues and facilities, and/or pay the principal of and interest on bonds issued on the indebtedness incurred under Section 5 of this act, the governing authorities are authorized, in their discretion, to levy and collect from the following persons a tax, which shall be in addition to all of the taxes and assessments imposed. The tax shall be imposed on the following persons:

(a) A tax upon every person, firm or corporation operating a motel or hotel in the City of Vicksburg, at a rate not to exceed two percent (2%) of the gross proceeds of room rentals for each such hotel or motel.

(b) A tax upon every person, firm or corporation operating a restaurant in the City of Vicksburg, at a rate not to exceed two percent (2%) of the gross proceeds of the sales of the restaurant.

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

(b) Nothing in this act shall be construed to prohibit the city from lowering the tax rate levied pursuant to Chapter 521, Local and Private Laws of 1972, as last amended by Chapter 1012, Local and Private Laws of 1995.

(3) Persons, firms or corporations liable for the tax imposed under subsection (1) of this section shall add the amount of the levy to the sales price of the rooms and products set out in subsection (1) of this section and shall collect, insofar as is

practicable, the amount of the tax due by them from the person receiving the services or product at the time of payment therefor.

(4) The tax shall be collected by and paid to the Department of Revenue on a form prescribed by the Department of Revenue in the manner that state sales taxes are computed, collected and paid; and 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.

(5) The proceeds of the tax, less three percent (3%) thereof which shall be retained by the Department of Revenue to defray the cost of collection, shall be paid to the governing authorities on or before the fifteenth day of the month following the month in which collected.

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

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 such 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 of Vicksburg, 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 of Vicksburg 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 governing authorities shall furnish to the Department of Revenue a certified copy of the resolution evidencing the tax.

Section 4. Accounting for receipts and expenditures of the funds herein described shall be made separately from the accounting of receipts and expenditures of the general fund and any other funds of the City of Vicksburg. The records reflecting the receipts and expenditures of the funds prescribed in this act 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 in accordance with this act.

Section 5. (1) For the purposes of providing funds to pay costs associated with acquiring real property and constructing, equipping, owning, operating, leasing, furnishing and maintaining recreation and tourism venues and facilities and related purposes described in Section 2(1) of this act, the governing authorities are authorized to issue general obligation bonds of the municipality or incur other indebtedness in an aggregate principal amount that is not in excess of an amount for which debt service is capable of being funded by the proceeds of the special sales tax levied under this act.

(2) Except as otherwise provided in this section, bonds issued under this section shall be issued in accordance with the provisions of Sections 21-33-301 through 21-33-329. Bonds authorized to be issued under this section shall not be included in the limitation on indebtedness imposed in Section 21-33-303 or any other limitation on indebtedness of the city. Bonds issued under the provisions of this section and income therefrom shall be exempt from all taxation in the State of Mississippi.

Section 6. The governing authorities are authorized and empowered, in their discretion, to lease city-owned property for a term not to exceed twenty (20) years for a nominal fee for the construction, operation and maintenance of a sports complex. The governing authorities are further authorized to lease the city-owned property back for a term not to exceed twenty (20) years for a negotiated fee which after such time the city shall own the sports complex free and clear.

Section 7. Sections 1 through 4 of this act shall be repealed from and after July 1, *** * *** 2029.

SECTION 2. This act shall take effect and be in force from and after its passage.

ST: City of Vicksburg; revise definition of restaurant under Vicksburg Economic Recreation and Tourism tax and extend repealer on tax.