

By: Senator(s) Suber

To: Local and Private;
Finance

SENATE BILL NO. 3265

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 WATER VALLEY, MISSISSIPPI, TO LEVY A 1% TAX UPON THE GROSS
3 PROCEEDS OF SALES OF RESTAURANTS AND TO UTILIZE THE REVENUE FROM
4 THE TAX TO PROMOTE TOURISM AND PARKS AND RECREATION; AND FOR
5 RELATED PURPOSES.

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

7 **SECTION 1.** As used in this act, the following terms shall
8 have the following meanings unless a different meaning is clearly
9 indicated by the context:

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

11 (b) "Governing authorities" means the governing
12 authorities of the city.

13 (c) "Restaurant" means all places where prepared food
14 and beverages are sold for consumption on the premises. The term
15 "restaurant" does not include any school, hospital, convalescent
16 or nursing home or any restaurant-like facility operated by or in
17 connection with a school, hospital, medical clinic, convalescent
18 or nursing home providing food for students, patients, visitors or
19 their families.



20 **SECTION 2.** (1) For the purpose of providing funds to
21 promote tourism and parks and recreation, the governing
22 authorities are authorized, in their discretion, to levy and
23 collect from the following persons a tax, which shall be in
24 addition to all of the taxes and assessments imposed. The tax
25 shall be imposed on every person, firm or corporation operating a
26 restaurant in the city, at a rate not to exceed one percent (1%)
27 of the gross proceeds of the sales of the restaurant.

28 (2) Persons, firms or corporations liable for the levy
29 imposed under subsection (1) of this section shall add the amount
30 of the levy to the sales price of the rooms and products set out
31 in subsection (1) of this section and shall collect, insofar as is
32 practicable, the amount of the tax due by them from the person
33 receiving the services or product at the time of payment therefor.

34 (3) The tax shall be collected by and paid to the Department
35 of Revenue on a form prescribed by the Department of Revenue in
36 the manner that state sales taxes are computed, collected and
37 paid; and full enforcement provisions and all other provisions of
38 Chapter 65, Title 27, Mississippi Code of 1972, shall apply as
39 necessary to the implementation and administration of this act.

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



(5) The proceeds of the tax shall not be considered by the city 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 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 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. 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 governing authorities of the city. 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 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. 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 or her 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 6. This act shall be repealed from and after July 1, 2029.



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

