

By: Representative Lott

To: Local and Private  
Legislation; Ways and Means

HOUSE BILL NO. 1659

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF  
2 PETAL, MISSISSIPPI, TO IMPOSE A SPECIAL SALES TAX OF NOT MORE THAN  
3 1% ON THE GROSS PROCEEDS OF ALL SALES OR THE GROSS INCOME OF  
4 BUSINESSES IN THE MUNICIPALITY DERIVED FROM ACTIVITIES TAXED AT  
5 THE RATE OF 7% OR MORE UNDER THE MISSISSIPPI SALES TAX LAW; TO  
6 PROVIDE THAT THE SPECIAL SALES TAX SHALL NOT BE LEVIED UNLESS  
7 AUTHORIZED BY AT LEAST THREE-FIFTHS OF THE VOTES CAST AT AN  
8 ELECTION CALLED AND HELD FOR SUCH PURPOSE; TO AUTHORIZE THE CITY  
9 OF PETAL, MISSISSIPPI, TO INCUR AN INDEBTEDNESS IN AN AMOUNT NOT  
10 GREATER THAN AN AMOUNT WHOSE DEBT SERVICE IS CAPABLE OF BEING  
11 FUNDED BY THE PROCEEDS OF THE SPECIAL SALES TAX; TO PROVIDE THAT  
12 THE SPECIAL SALES TAX REVENUE COLLECTED PURSUANT TO SUCH A TAX  
13 SHALL BE USED AND EXPENDED BY THE MUNICIPALITY ONLY TO FUND THE  
14 CONSTRUCTION OF CERTAIN TRANSPORTATION, RECREATION AND  
15 INFRASTRUCTURE PROJECTS AND/OR OTHER CAPITAL PROJECTS; TO PROVIDE  
16 FOR THE DISCONTINUANCE OF THE SPECIAL SALES TAX UPON COMPLETION OF  
17 THE FUNDING OF THE CONSTRUCTION FOR WHICH THE TAX WAS LEVIED; AND  
18 FOR RELATED PURPOSES.

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

20 SECTION 1. The governing authorities of the City of Petal,  
21 Mississippi, may impose upon all persons as a privilege for  
22 engaging or continuing in business or doing business within such  
23 municipality, a special sales tax at the rate of not more than one  
24 percent (1%) of the gross proceeds of sales or gross income of the  
25 business, as the case may be, derived from any of the activities  
26 taxed at the rate of seven percent (7%) or more under the  
27 Mississippi Sales Tax Law, Section 27-65-1 et seq., as provided  
28 hereinafter. The tax levied by this section shall apply to every  
29 person making sales, delivery or installations of tangible  
30 personal property or services within any municipality which has  
31 adopted the levy herein authorized but shall not apply to sales  
32 exempted by Sections 27-65-19, 27-65-101, 27-65-103, 27-65-105,

33 27-65-107, 27-65-109 and 27-65-111 of the Mississippi Sales Tax  
34 Law.

35 SECTION 2. (1) The governing authorities of the City of  
36 Petal, Mississippi, shall specify in the resolution ordering the  
37 election required by subsection (2) of this section, the specific  
38 transportation, recreation and infrastructure projects or other  
39 capital projects, or both, that the revenue collected pursuant to  
40 the tax levy may be used and expended to construct.

41 (2) The tax levy authorized herein shall not be made unless  
42 authorized by at least three-fifths (3/5) of the votes cast at an  
43 election to be called and held for that purpose. Notice of such  
44 election shall be given, the election shall be held and the result  
45 thereof determined, as far as is practicable, in the same manner  
46 as other elections are held in the municipality. At such  
47 election, all qualified electors of the municipality may vote.  
48 The ballots used at such election shall have printed thereon a  
49 brief description of the sales tax, the amount of the sales tax  
50 levy, a description of the specific transportation, recreation and  
51 infrastructure projects or other capital projects, or both, that  
52 the tax revenue may be used and expended to construct and the  
53 words "FOR THE LOCAL SALES TAX" and "AGAINST THE LOCAL SALES TAX"  
54 and the voter shall vote by placing a cross (X) or check mark (✓)  
55 opposite his choice on the proposition. When the results of the  
56 election have been canvassed by the election commissioners of the  
57 municipality and certified by them to the governing authorities,  
58 it shall be the duty of such governing authorities to determine  
59 and adjudicate whether at least three-fifths (3/5) of the  
60 qualified electors who voted in such election voted in favor of  
61 the tax. If the election results in favor of the levy, the  
62 governing authorities shall adopt a resolution declaring the levy  
63 and collection of the tax provided in Sections 1 through 3 of this  
64 act and shall set the first day of the second month following the  
65 date of such adoption as the effective date of the tax levy. A

66 certified copy of this resolution together with the result of the  
67 election shall be furnished to the State Tax Commission not less  
68 than thirty (30) days prior to the effective date of the levy.

69 SECTION 3. (1) The special sales tax authorized by Sections  
70 1 through 3 of this act shall be collected by the State Tax  
71 Commission, shall be accounted for separately from the amount of  
72 sales tax collected for the state in the municipality and shall be  
73 paid to the municipality in which collected. Payments to the City  
74 of Petal, Mississippi, shall be made by the State Tax Commission  
75 on or before the fifteenth day of the month following the month in  
76 which the tax was collected.

77 (2) The proceeds of the special sales tax shall be placed  
78 into a separate fund apart from the municipal general fund and any  
79 other funds of the municipality, and shall be expended by the  
80 municipality solely for the purpose of paying any indebtedness or  
81 other obligation the municipality may incur for the  
82 transportation, recreation and infrastructure project or other  
83 capital projects, or both, specified in the resolution ordering  
84 the election.

85 (3) All provisions of the Mississippi Sales Tax Law  
86 applicable to filing of returns, discounts to the taxpayer,  
87 remittances to the State Tax Commission, enforced collection,  
88 rights of taxpayers, recovery of improper taxes, refunds of  
89 overpaid taxes or other provisions of law providing for imposition  
90 and collection of the state sales tax shall apply to the special  
91 sales tax authorized by Sections 1 through 3 of this act, except  
92 where there is a conflict, in which case the provisions of  
93 Sections 1 through 3 of this act shall control. Any damages,  
94 penalties or interest collected for the nonpayment of taxes  
95 imposed hereunder, or for noncompliance with the provisions of  
96 Sections 1 through 3 of this act, shall be paid to the  
97 municipality in which such damages were collected on the same  
98 basis and in the same manner as the tax proceeds. Any overpayment

99 of tax for any reason that has been disbursed to the municipality  
100 or any payment of the tax to any municipality in error may be  
101 adjusted by the State Tax Commission on any subsequent payment to  
102 the municipality involved pursuant to the provisions of the  
103 Mississippi Sales Tax Law. The State Tax Commission may, from  
104 time to time, make such rules and regulations not inconsistent  
105 with Sections 1 through 3 of this act as may be deemed necessary  
106 to carry out its provisions, and such rules and regulations shall  
107 have the full force and effect of law.

108 (4) The special sales tax shall be discontinued by the  
109 governing authorities of the City of Petal, Mississippi, on the  
110 first day of the month immediately succeeding the date any  
111 indebtedness incurred pursuant to this act, including interest, is  
112 retired, or in the event the municipality incurs no indebtedness,  
113 the first day of the month after all obligations for the  
114 construction of the transportation, recreation and infrastructure  
115 projects or other capital projects, or both, have been paid. Any  
116 amount remaining in the separate fund containing the proceeds of  
117 the special tax not necessary to retire the debt or pay any other  
118 obligations, shall be transferred to the municipal general fund.

119 SECTION 4. The governing authorities of the City of Petal,  
120 Mississippi, that levies a special sales tax pursuant to Sections  
121 1 through 3 of this act may incur indebtedness of the municipality  
122 in an aggregate principal amount that is not in excess of an  
123 amount whose debt service is capable of being funded by the  
124 proceeds of the special sales tax levied pursuant to Sections 1  
125 through 3 of this act. The indebtedness authorized by this  
126 section shall not be considered when computing any limitation of  
127 indebtedness of the municipality established by law.

128 SECTION 5. The Attorney General of the State of Mississippi  
129 shall submit this act, immediately upon approval by the Governor,  
130 or upon approval by the Legislature subsequent to a veto, to the  
131 Attorney General of the United States or to the United States

132 District Court for the District of Columbia in accordance with the  
133 provisions of the Voting Rights Act of 1965, as amended and  
134 extended.

135 SECTION 6. This act shall take effect and be in force from  
136 and after the date it is effectuated under Section 5 of the Voting  
137 Rights Act of 1965, as amended and extended.