

By: Representative Shows

To: Local and Private  
Legislation; Ways and Means

HOUSE BILL NO. 1817

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF  
2 ELLISVILLE TO IMPOSE A SPECIAL TAX NOT TO EXCEED TWO PERCENT OF  
3 THE GROSS REVENUE DERIVED FROM THE OCCUPANCY OF INNS, BED AND  
4 BREAKFAST ESTABLISHMENTS AND HOTEL AND MOTEL ROOMS LOCATED WITHIN  
5 THE MUNICIPALITY AND UPON THE GROSS REVENUE OF RESTAURANTS LOCATED  
6 WITHIN THE MUNICIPALITY THAT DERIVE FIFTY PERCENT OR MORE OF THEIR  
7 GROSS REVENUE FROM THE SALE OF PREPARED FOODS; TO PROVIDE THAT THE  
8 SPECIAL TAX SHALL NOT BE LEVIED UNLESS AUTHORIZED BY AT LEAST A  
9 MAJORITY OF THE VOTES CAST AT AN ELECTION CALLED AND HELD FOR SUCH  
10 PURPOSE; TO PROVIDE THAT THE SPECIAL TAX REVENUE COLLECTED  
11 PURSUANT TO SUCH A TAX SHALL BE USED AND EXPENDED BY THE  
12 MUNICIPALITY ONLY TO FUND THE CONSTRUCTION OF INFRASTRUCTURE  
13 PROJECTS WITHIN THE MUNICIPALITY; TO AUTHORIZE THE MUNICIPALITY TO  
14 INCUR INDEBTEDNESS IN AN AMOUNT NOT GREATER THAN AN AMOUNT FOR  
15 WHICH DEBT SERVICE IS CAPABLE OF BEING FUNDED BY THE PROCEEDS OF  
16 THE SPECIAL TAX; AND FOR RELATED PURPOSES.

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

18 **SECTION 1.** As used in this act, the following words shall  
19 have the meanings ascribed to them in this section unless  
20 otherwise clearly indicated by the context in which they are used:

21 (a) "Bed and breakfast," "hotel," "inn" and "motel"  
22 means any establishment engaged in the business of furnishing or  
23 providing rooms intended or designed for dwelling, lodging or  
24 sleeping purposes to transient guests, where such establishment  
25 consists of two (2) or more guest rooms. "Bed and breakfast,"  
26 "hotel," "inn" and "motel" do not include or encompass any  
27 hospital, convalescent or nursing home, sanitarium or any  
28 hotel-like facility operated by or in connection with a hospital  
29 or medical clinic providing rooms exclusively for patients and  
30 their families.

31 (b) "Restaurant" means all places where prepared food  
32 and beverages are sold for consumption, whether such food is  
33 consumed on the premises or not. "Restaurant" does not include  
34 any school, hospital, convalescent or nursing home, or any



35 restaurant-like facility operated by or in connection with a  
36 school, hospital, medical clinic, convalescent or nursing home  
37 providing food for students, patients, visitors and their  
38 families.

39 (c) "Prepared food" means any food prepared on the  
40 premises of a restaurant, including fountain drinks but excluding  
41 food and beverages sold through vending machines and nonprepared  
42 groceries and beverages.

43 (d) "Beverage" means all beverages, whether alcoholic  
44 or nonalcoholic.

45 (e) "Infrastructure project" means any project for  
46 which the primary purpose is to construct, reconstruct, renovate,  
47 repair, replace or improve roads, streets, highways, bridges,  
48 sewer systems, drainage structures or related municipal  
49 facilities, and to acquire real or personal property, easements,  
50 buildings, equipment, fixtures or other property or facilities to  
51 perform such projects.

52 (f) "Governing authorities" means the Mayor and Board  
53 of Aldermen of the City of Ellisville.

54 (g) "Municipality" means the City of Ellisville,  
55 Mississippi.

56 **SECTION 2.** (1) The governing authorities of the City of  
57 Ellisville, Mississippi, in its discretion, upon resolution duly  
58 adopted and entered upon their official minutes, may provide for  
59 the holding of a special election for the purpose of determining  
60 whether to impose a special tax to defer expenses related to  
61 municipal infrastructure projects. Such tax, if so imposed, shall  
62 not exceed two percent (2%) of the gross revenue derived from the  
63 occupancy of inns, bed and breakfast establishments, and hotel and  
64 motel rooms located in the municipality. The tax shall apply to  
65 all inns, bed and breakfast establishments, and hotels and motels  
66 as defined in Section 1 of this act. For the purpose of  
67 calculating gross revenues derived from the occupancy of inns, bed



68 and breakfast establishments, and hotel and motel rooms, the gross  
69 revenue, sales or income of all such establishments owned,  
70 operated or controlled by the same person, persons or corporation  
71 may be aggregated.

72 (2) Such tax also shall include, but not exceed, two percent  
73 (2%) of the gross revenue derived from the sale of prepared food  
74 and beverages by restaurants within the municipality where fifty  
75 percent (50%) or more of the gross revenue of the restaurant is  
76 derived from the sale of prepared food. This tax shall apply to  
77 all restaurants as defined in Section 1 of this act. For the  
78 purpose of calculating the gross revenue derived from the sale of  
79 prepared foods and beverages, the gross revenue, sales or income  
80 of all restaurants, located within the city limits of the  
81 municipality owned, operated or controlled by the same person,  
82 persons, corporation or other business entity may be aggregated.

83 **SECTION 3.** (1) The tax authorized under this act shall not  
84 be levied until (a) the governing authorities of the municipality  
85 adopt a resolution favoring the tax levy, fixing the amount of the  
86 tax levy and fixing the date on which the tax levy is proposed to  
87 commence, which shall be the first day of a month, but not later  
88 than the first day of the second month from the adoption of the  
89 resolution, and specifying the infrastructure projects for which  
90 the revenue collected pursuant to the tax levy may be used and  
91 expended; and (b) the tax levy is approved by a majority of the  
92 qualified electors of such municipality voting at an election to  
93 be called and held for that purpose.

94 (2) Notice of the election shall be given, the election  
95 shall be held and the result thereof determined, as far as is  
96 practicable, in the same manner as other elections are held in the  
97 municipality. At such election, all qualified electors of the  
98 municipality may vote. The ballots used at such election shall  
99 have printed thereon a brief description of the tax, the amount of  
100 the tax levy, a description of the specific infrastructure



101 projects for which the tax revenue may be used and expended and  
102 the words "FOR THE INFRASTRUCTURE TAX" and "AGAINST THE  
103 INFRASTRUCTURE TAX" and the voter shall vote by placing a cross  
104 (X) or check mark (✓) opposite his choice on the proposition.  
105 When the results of the election have been canvassed by the  
106 election commissioners of the municipality and certified by them  
107 to the governing authorities, the governing authorities shall  
108 determine and adjudicate whether at least a majority of the  
109 qualified electors who voted in the election voted in favor of the  
110 tax. If the election results in favor of the levy, the governing  
111 authorities shall adopt a resolution declaring the levy and  
112 collection of the tax provided for and shall set the first day of  
113 the second month following the date of such adoption as the  
114 effective date of the tax levy. A certified copy of this  
115 resolution together with the result of the election shall be  
116 furnished to the State Tax Commission not less than thirty (30)  
117 days before the effective date of the levy.

118       **SECTION 4.** (1) Persons liable for the tax authorized under  
119 this act shall add the amount of tax to the sales price or gross  
120 income and, in addition, shall collect, insofar as practicable,  
121 the amount of the tax due by him from the person receiving the  
122 services or goods at the time of payment therefor.

123       (2) The tax shall be collected by and paid to the State Tax  
124 Commission on a form prescribed by the State Tax Commission, in  
125 the same manner that state sales taxes are computed, collected and  
126 paid; and the full enforcement provisions and all other provisions  
127 of Chapter 65, Title 27, Mississippi Code of 1972, shall apply as  
128 necessary to the implementation and administration of this act.

129       (3) The proceeds of the tax, less three percent (3%) to be  
130 retained by the State Tax Commission to defray the costs of  
131 collections, shall be paid to the municipality on or before the  
132 fifteenth day of the month following the month in which collected  
133 and shall be deposited into a special municipal account apart from



134 the municipal general fund and any other funds of the  
135 municipality. Monies in the special account may be expended by  
136 the municipality solely for the purpose of defraying any expenses  
137 or paying any indebtedness or other obligation the municipality  
138 may incur for the infrastructure projects specified in the  
139 resolution ordering the election.

140 (4) The proceeds of the tax shall not be considered by the  
141 municipality as general fund revenues, but shall be dedicated to  
142 and used by the municipality solely for the purpose of defraying  
143 expenses of municipal infrastructure projects.

144 (5) The tax is supplemental and in addition to all other  
145 taxes that the municipality may levy and does not limit or  
146 restrict any other taxing authority of the municipality.

147 **SECTION 5.** If a special tax is imposed under this act, the  
148 governing authorities of the municipality may incur indebtedness  
149 of the municipality in an aggregate principal amount that is not  
150 in excess of an amount for which debt service is capable of being  
151 funded by the proceeds of the special tax. The indebtedness  
152 authorized by this section shall not be considered when computing  
153 any limitation of indebtedness of the municipality established by  
154 law.

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

