

By: Senator(s) Jackson (15th), Turner

To: Local and Private

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3197

1 AN ACT TO AMEND CHAPTER 950, LOCAL AND PRIVATE LAWS OF 1994,
2 TO REVISE THE DISTRIBUTION OF THE PROCEEDS FROM THE ECONOMIC
3 DEVELOPMENT, TOURISM AND CONVENTION TAX IMPOSED BY THE CITY OF
4 STARKVILLE, MISSISSIPPI, ON THE GROSS INCOME OF RESTAURANTS
5 DERIVED FROM THE SALE OF PREPARED FOOD, ALCOHOLIC AND NONALCOHOLIC
6 BEVERAGES; TO EXTEND THE REPEAL DATE ON SUCH TAX UNTIL JUNE 30,
7 2008; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Chapter 950, Local and Private Laws of 1994, is
10 amended as follows:

11 Section 1. The following words shall have the meaning
12 ascribed to them in this section unless the context clearly
13 indicates otherwise:

14 (a) "City" means the City of Starkville, Mississippi.

15 (b) "EDA" means the Oktibbeha County Economic
16 Development Authority, a governmental subdivision of Oktibbeha
17 County, created by the Board of Supervisors of Oktibbeha County,
18 pursuant to Chapter 880, Local and Private Laws of 1984.

19 (c) "Fiscal year" means the period from October 1 to
20 September 30 of each calendar year.

21 (d) "Governing authority" means the Mayor and Board of
22 Aldermen of the City of Starkville, Mississippi.

23 (e) "Gross income" means the total revenue generated by
24 a restaurant from the sale of prepared or prepackaged food,
25 alcoholic and nonalcoholic beverages.

26 (f) "Restaurant" shall mean and include all places
27 where prepared food and beverages are sold for consumption either
28 upon or off the premises and is to include catering activities for
29 prepared food sold from within the city limits of Starkville,

Mississippi. "Restaurant" as defined herein does not include any school, hospital, convalescence or nursing home or any restaurant-like facility operated by or in connection therewith providing food for students, teachers, patients, visitors and their families.

(g) "Starkville Park * * * Commission" shall mean the commission designated by the Starkville City Board of Aldermen charged with the duty and responsibility of acquiring, constructing and managing the various public parks and recreational facilities located within the City of Starkville, Mississippi.

(h) "VCC" means the Visitors and Convention Council organized and created by Chapter 854, Local and Private Laws of 1986.

Section 2. (1) Subject to provisions of subsection (2) of this section, the governing authority is authorized, in its discretion, to * * * provide funds for the purposes provided for in subsection (3) of this section. The tax authorized under this act shall be levied, assessed and collected upon the gross revenue of every restaurant operating within the city and shall be cited as an "Economic Development, Tourism and Convention Tax" and shall be in addition to all other taxes now imposed, as hereinafter provided:

(a) The tax shall be a sum equal to two percent (2%) of the gross income of restaurants derived from retail sales of prepared food, alcoholic and nonalcoholic beverages.

(b) Persons, firms or corporations liable for the tax imposed shall add the amount of the tax to the sales price of goods described in subsection (1)(a) of this section and, in addition, shall collect, insofar as practicable, the amount of the tax due by them from the person receiving the services or goods at the time of payment therefor.

62 (c) The tax shall be collected and paid to the State
63 Tax Commission, on a form to be prescribed by the State Tax
64 Commission, in the same manner that state sales taxes are
65 computed, collected and paid; and the full enforcement provisions
66 and all other provisions of the Mississippi Sales Tax Law shall
67 apply as necessary to the implementation and administration of
68 this act.

69 (d) The proceeds of the tax, less three percent (3%) to
70 be retained by the State Tax Commission to defray the cost of
71 collections, shall be paid to the City of Starkville, to be placed
72 into a special fund created apart and separate from any other city
73 fund, on or before the fifteenth day of the month following the
74 month during which the tax is collected and shall on or before the
75 fifteenth day of the following month be delivered to the
76 appropriate entities as provided by subsection (3) of this
77 section.

78 (2) Before the tax authorized by this act may be imposed,
79 the governing authority shall adopt a resolution declaring its
80 intention to levy the tax and establish the amount of the tax levy
81 and the date on which the tax initially shall be levied and
82 collected. This date shall be the first day of a particular
83 month. The adoption of this tax shall be made by the governing
84 authority by placing the issue upon a ballot to be determined by
85 the qualified electors in the City of Starkville. The tax shall
86 not be levied unless authorized by the vote of a majority of the
87 qualified electors in the city voting at an election to be called
88 and held for that purpose. Before the effective date of the tax
89 levy approved as herein provided, the governing authority shall
90 furnish to the Chairman of the State Tax Commission a certified
91 copy of the resolution evidencing such a tax levy.

92 (3) Fifteen percent (15%) of the proceeds derived from the
93 tax collected under this act shall be distributed by the governing
94 authority to the EDA to be expended by the EDA solely for economic

and community development. Fifteen percent (15%) of the proceeds derived from the tax collected under this act shall be distributed by the governing authority to the VCC to be expended by the VCC solely to enhance community development and for the expansion of tourism and conventions. Ten percent (10%) of the proceeds derived from the tax collected under this act shall be retained and expended by the governing authority solely for economic and community development projects, initiatives or opportunities.

Forty percent (40%) of the proceeds derived from the tax collected under this act shall be distributed annually to the Starkville Park * * * Commission to be expended for park and recreational improvements. Twenty percent (20%) of the proceeds derived from the tax collected under this act shall be distributed by the governing authority to Mississippi State University to be expended by the university solely to enhance student-related activities.

(4) The proceeds of the tax collected under this act shall not be considered by the city as general fund revenues, but shall be dedicated solely for the purpose of carrying out those programs and activities which are designed by the governing authority through concurrent contracts with the VCC, EDA, * * * Starkville Park Commission and * * * Mississippi State University * * * or through interlocal agreements as provided by Section 17-13-17 of the Mississippi Code of 1972, as amended. * * *

Section 3. (1) The governing authority shall retain the right to approve or disapprove budgets of the agencies funded under this act with respect to funds approved and disbursed to the agencies under this act. A detailed budget of funds requested by the VCC, EDA, the Starkville Park Commission and Mississippi State University shall be submitted to the city with each year's request for funds.

(2) The governing authority shall retain the right * * * to prescribe such requirements with respect to budgeting, establishment of funds, management, record keeping, reporting and

audit as may be necessary for the proper protection of funds
approved and disbursed under this act.

Section 4. The books of the entities receiving funds
disbursed under this act shall be audited annually by an
independent certified public accountant or the State
Auditor. * * * A copy of each audit report shall be filed with
the governing authority within fifteen (15) calendar days after
receipt thereof by entities. * * * No expenditure, purchase or
transaction shall be made or authorized in violation of the laws
of the State of Mississippi governing public purchasing, bidding,
contracting or auditing.

Section 5. (1) The first budget of receipts and
expenditures under the provisions of this act shall cover the
period beginning with the effective date of the tax and ending
with the end of the fiscal year and, thereafter, the budget shall
be on the fiscal-year basis provided herein.

(2) 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 other funds of
the City of Starkville. The record reflecting receipts and
expenditures of the funds described herein shall be audited by an
independent certified public accountant and such accountant shall
make a written report of the audit to the governing authority.
Such audit shall be made and completed as soon as practicable
after the close of the fiscal year and the expenses of such audit
may be paid from funds derived under Section 2 of this act.

Section 6. The governing authority of the City of Starkville
is directed to submit this act, immediately upon approval by the
Governor, or upon approval by the Legislature subsequent to a
veto, to the Attorney General of the United States or to the
United States District Court for the District of Columbia in
accordance with the provisions of the Voting Rights Act of 1965,
as amended and extended.

161 Section 7. This act shall take effect and be in force from
162 and after the date it is effectuated under Section 5 of the Voting
163 Rights Act of 1965, as amended and extended.

164 Section 8. This act shall stand repealed from and after June
165 30, 2008.

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