

By: Senator(s) Burton

To: Finance

SENATE BILL NO. 2374

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF ANY
2 MUNICIPALITY TO IMPOSE A SPECIAL SALES TAX OF NOT MORE THAN 3/4 OF
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 3/5 OF THE VOTES CAST AT AN ELECTION CALLED
8 AND HELD FOR SUCH PURPOSE, WHICH ELECTION SHALL BE HELD ON A
9 REGULAR SPECIAL ELECTION DAY; TO AUTHORIZE A MUNICIPALITY TO INCUR
10 INDEBTEDNESS IN AN AMOUNT NOT GREATER THAN AN AMOUNT FOR WHICH
11 DEBT SERVICE IS CAPABLE OF BEING FUNDED BY THE PROCEEDS OF THE
12 SPECIAL SALES TAX; TO PROVIDE THAT THE SPECIAL SALES TAX REVENUE
13 COLLECTED PURSUANT TO SUCH A TAX SHALL BE USED AND EXPENDED BY THE
14 MUNICIPALITY ONLY TO FUND CERTAIN TRANSPORTATION INFRASTRUCTURE
15 PROJECTS AND/OR OTHER CAPITAL PROJECTS; TO PROVIDE FOR THE
16 DISCONTINUANCE OF THE SPECIAL SALES TAX UPON COMPLETION OF THE
17 FUNDING OF THE PROJECTS FOR WHICH THE TAX WAS LEVIED; TO AUTHORIZE
18 THE BOARD OF SUPERVISORS OF ANY COUNTY TO IMPOSE A SPECIAL SALES
19 TAX OF NOT MORE THAN 3/4 OF 1% ON THE GROSS PROCEEDS OF ALL SALES
20 OR THE GROSS INCOME OF BUSINESSES IN THE COUNTY OUTSIDE THE
21 CORPORATE BOUNDARIES OF ANY MUNICIPALITY WITHIN SUCH COUNTY
22 DERIVED FROM ACTIVITIES TAXED AT THE RATE OF 7% OR MORE UNDER THE
23 MISSISSIPPI SALES TAX LAW; TO PROVIDE THAT THE SPECIAL SALES TAX
24 SHALL NOT BE LEVIED UNLESS AUTHORIZED BY AT LEAST 3/5 OF THE VOTES
25 CAST AT AN ELECTION CALLED AND HELD FOR SUCH PURPOSE, WHICH
26 ELECTION SHALL BE HELD ON A REGULAR SPECIAL ELECTION DAY; TO
27 AUTHORIZE A COUNTY TO INCUR INDEBTEDNESS IN AN AMOUNT NOT GREATER
28 THAN AN AMOUNT FOR WHICH DEBT SERVICE IS CAPABLE OF BEING FUNDED
29 BY THE PROCEEDS OF THE SPECIAL SALES TAX; TO PROVIDE THAT THE
30 SPECIAL SALES TAX REVENUE COLLECTED PURSUANT TO SUCH A TAX SHALL
31 BE USED AND EXPENDED BY THE COUNTY ONLY TO FUND CERTAIN
32 TRANSPORTATION INFRASTRUCTURE PROJECTS AND/OR OTHER CAPITAL
33 PROJECTS; TO PROVIDE FOR THE DISCONTINUANCE OF THE SPECIAL SALES
34 TAX UPON COMPLETION OF THE FUNDING OF THE PROJECTS FOR WHICH THE
35 TAX WAS LEVIED; TO AUTHORIZE THE BOARD OF SUPERVISORS OF ANY
36 COUNTY TO IMPOSE A SPECIAL SALES TAX OF NOT MORE THAN 1/4 OF 1% ON
37 THE GROSS PROCEEDS OF ALL SALES OR THE GROSS INCOME OF BUSINESSES
38 IN THE COUNTY INCLUDING THE CORPORATE BOUNDARIES OF ANY
39 MUNICIPALITY WITHIN SUCH COUNTY DERIVED FROM ACTIVITIES TAXED AT
40 THE RATE OF 7% OR MORE UNDER THE MISSISSIPPI SALES TAX LAW; TO
41 PROVIDE THAT THE SPECIAL SALES TAX SHALL NOT BE LEVIED UNLESS
42 AUTHORIZED BY AT LEAST 3/5 OF THE VOTES CAST AT AN ELECTION CALLED
43 AND HELD FOR SUCH PURPOSE, WHICH ELECTION SHALL BE HELD ON A
44 REGULAR SPECIAL ELECTION DAY; TO AUTHORIZE A COUNTY TO INCUR
45 INDEBTEDNESS IN AN AMOUNT NOT GREATER THAN AN AMOUNT FOR WHICH
46 DEBT SERVICE IS CAPABLE OF BEING FUNDED BY THE PROCEEDS OF THE
47 SPECIAL SALES TAX; TO PROVIDE THAT THE SPECIAL SALES TAX REVENUE
48 COLLECTED PURSUANT TO SUCH A TAX SHALL BE USED AND EXPENDED BY THE
49 COUNTY ONLY TO FUND CERTAIN TRANSPORTATION INFRASTRUCTURE PROJECTS
50 AND/OR OTHER CAPITAL PROJECTS; TO PROVIDE FOR THE DISCONTINUANCE
51 OF THE SPECIAL SALES TAX UPON COMPLETION OF THE FUNDING OF THE
52 PROJECTS FOR WHICH THE TAX WAS LEVIED; TO AMEND SECTIONS 21-33-303

53 AND 19-9-5, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND
54 FOR RELATED PURPOSES.

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

56 **SECTION 1.** (1) Subject to the provisions of this section,
57 the governing authorities of any municipality may impose upon all
58 persons as a privilege for engaging or continuing in business or
59 doing business within such municipality, a special sales tax at
60 the rate of not more than three-fourths of one percent (0.75%) of
61 the gross proceeds of sales or gross income of the business, as
62 the case may be, derived from any of the activities taxed at the
63 rate of seven percent (7%) or more under the Mississippi Sales Tax
64 Law, Section 27-65-1 et seq., as provided hereinafter. The tax
65 levied under this section shall apply to every person making
66 sales, delivery or installations of tangible personal property or
67 services within any municipality which has adopted the levy
68 authorized in this section but shall not apply to sales exempted
69 by Sections 27-65-19, 27-65-101, 27-65-103, 27-65-105, 27-65-107,
70 27-65-109 and 27-65-111 of the Mississippi Sales Tax Law.

71 (2) (a) The governing authorities of the municipality shall
72 specify in the resolution ordering the election required by
73 paragraph (b) of this subsection (2), the specific transportation
74 infrastructure projects or other capital projects (which also may
75 include capital projects for which the municipality already has
76 outstanding indebtedness), or both, for which the revenue
77 collected pursuant to the tax levy may be used and expended.

78 (b) The tax levy authorized in this section shall not
79 be made unless authorized by at least three-fifths (3/5) of the
80 votes cast at an election to be called and held for that purpose,
81 which election shall be held on a regular special election day.
82 Notice of such election shall be given, the election shall be held
83 and the result thereof determined, as far as is practicable, in
84 the same manner as other elections are held in the municipality.
85 At such election, all qualified electors of the municipality may
86 vote. The ballots used at such election shall have printed

87 thereon a brief description of the sales tax, the amount of the
88 sales tax levy, a description of the specific transportation
89 infrastructure projects or other capital projects, or both, for
90 which the tax revenue may be used and expended and the words "FOR
91 THE LOCAL SALES TAX" and "AGAINST THE LOCAL SALES TAX" and the
92 voter shall vote by placing a cross (X) or check mark (√) opposite
93 his choice on the proposition. When the results of the election
94 have been canvassed by the election commissioners of the
95 municipality and certified by them to the governing authorities,
96 it shall be the duty of such governing authorities to determine
97 and adjudicate whether at least three-fifths (3/5) of the
98 qualified electors who voted in such election voted in favor of
99 the tax. If the election results in favor of the levy, the
100 governing authorities shall adopt a resolution declaring the levy
101 and collection of the tax provided in subsections (1) through (3)
102 of this section and shall set the first day of the second month
103 following the date of such adoption as the effective date of the
104 tax levy. A certified copy of this resolution together with the
105 result of the election shall be furnished to the State Tax
106 Commission not less than thirty (30) days before the effective
107 date of the levy.

108 (3) (a) The special sales tax authorized by subsections (1)
109 through (3) of this section shall be collected by the State Tax
110 Commission, shall be accounted for separately from the amount of
111 sales tax collected for the state in the municipality and shall be
112 paid to the municipality in which collected. The State Tax
113 Commission may retain three percent (3%) of the proceeds of such
114 tax for the purpose of defraying the costs incurred by the
115 commission in the collection of the tax. Payments to the
116 municipalities shall be made by the State Tax Commission on or
117 before the fifteenth day of the month following the month in which
118 the tax was collected.

119 (b) The proceeds of the special sales tax shall be
120 placed into a separate fund apart from the municipal general fund
121 and any other funds of the municipality, and shall be expended by
122 the municipality solely for the purpose of paying any indebtedness
123 or other obligation incurred or that may be incurred by the
124 municipality for the transportation infrastructure projects or
125 other capital projects, or both, specified in the resolution
126 ordering the election.

127 (c) All provisions of the Mississippi Sales Tax Law
128 applicable to filing of returns, discounts to the taxpayer,
129 remittances to the State Tax Commission, enforced collection,
130 rights of taxpayers, recovery of improper taxes, refunds of
131 overpaid taxes or other provisions of law providing for imposition
132 and collection of the state sales tax shall apply to the special
133 sales tax authorized by subsections (1) through (3) of this
134 section, except where there is a conflict, in which case the
135 provisions of subsections (1) through (3) of this section shall
136 control. Any damages, penalties or interest collected for the
137 nonpayment of taxes imposed under subsections (1) through (3) of
138 this section, or for noncompliance with the provisions of
139 subsections (1) through (3) of this section, shall be paid to the
140 municipality in which such damages, penalties or interest were
141 collected on the same basis and in the same manner as the tax
142 proceeds. Any overpayment of tax for any reason that has been
143 disbursed to any municipality or any payment of the tax to any
144 municipality in error may be adjusted by the State Tax Commission
145 on any subsequent payment to the municipality involved pursuant to
146 the provisions of the Mississippi Sales Tax Law. The State Tax
147 Commission may, from time to time, make such rules and regulations
148 not inconsistent with subsections (1) through (3) of this section
149 as may be deemed necessary to carry out the provisions of
150 subsections (1) through (3) of this section, and such rules and
151 regulations shall have the full force and effect of law.

152 (d) The special sales tax shall be discontinued by the
153 governing authorities of the municipality on the first day of the
154 month immediately succeeding the date any indebtedness, including
155 interest, incurred by the municipality for the transportation
156 infrastructure projects or other capital projects, or both, is
157 retired, or in the event the municipality incurs no indebtedness,
158 the first day of the month after all obligations for the
159 transportation infrastructure projects or other capital projects,
160 or both, have been paid. Any amount remaining in the separate
161 fund containing the proceeds of the special sales tax not
162 necessary to retire the debt or pay any other obligations shall be
163 transferred to the municipal general fund.

164 (e) The governing authorities of a municipality may not
165 impose a special sales tax under this section on sales that are
166 subject to any tax levied and collected (before the date a
167 resolution is adopted under subsection (2)(b) of this section)
168 under the authority of a local and private law of the State of
169 Mississippi, and which tax is collected and paid to the State Tax
170 Commission in the same or similar manner that state sales taxes
171 are collected and paid.

172 (f) If a municipality imposing a special sales tax
173 under this section expands its corporate boundaries, the governing
174 authorities of the municipality may not impose the special sales
175 tax in the annexed area unless the tax is approved at an election
176 conducted, as far as is practicable, in the manner provided in
177 subsection (2) of this section, except that only qualified
178 electors in the annexed area may vote in such election. However,
179 if a municipality imposing a special sales tax under this section
180 expands its corporate boundaries into a county that is imposing a
181 special sales tax under Section 2 of this act, the governing
182 authorities of the municipality may not impose the special sales
183 tax in the annexed area for as long as such county is imposing a
184 special sales tax under Section 2 of this act.

185 (g) If a municipality imposing a special sales tax
186 under this section contracts its corporate boundaries, the special
187 sales tax shall continue to be imposed in the area that was in the
188 corporate boundaries of the municipality before the contraction of
189 such boundaries.

190 (4) The governing authorities of any municipality that
191 levies a special sales tax pursuant to subsections (1) through (3)
192 of this section may incur indebtedness of the municipality in an
193 aggregate principal amount that is not in excess of an amount for
194 which debt service is capable of being funded by the proceeds of
195 the special sales tax levied pursuant to subsections (1) through
196 (3) of this section. The indebtedness authorized by this
197 subsection (4) shall not be considered when computing any
198 limitation of indebtedness of the municipality established by law.

199 **SECTION 2.** (1) Subject to the provisions of this section,
200 the board of supervisors of any county may impose upon all persons
201 as a privilege for engaging or continuing in business or doing
202 business within such county but outside the corporate boundaries
203 of any municipality within such county, a special sales tax at the
204 rate of not more than three-fourths of one percent (0.75%) of the
205 gross proceeds of sales or gross income of the business, as the
206 case may be, derived from any of the activities taxed at the rate
207 of seven percent (7%) or more under the Mississippi Sales Tax Law,
208 Section 27-65-1 et seq., as provided hereinafter. The tax levied
209 under this section shall apply to every person making sales,
210 delivery or installations of tangible personal property or
211 services within any county which has adopted the levy authorized
212 in this section but shall not apply to sales exempted by Sections
213 27-65-19, 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109
214 and 27-65-111 of the Mississippi Sales Tax Law.

215 (2) (a) The board of supervisors of the county shall
216 specify in the resolution ordering the election required by
217 paragraph (b) of this subsection (2), the specific transportation

218 infrastructure projects or other capital projects (which also may
219 include capital projects for which the county already has
220 outstanding indebtedness), or both, for which the revenue
221 collected pursuant to the tax levy may be used and expended.

222 (b) The tax levy authorized in this section shall not
223 be made unless authorized by at least three-fifths (3/5) of the
224 votes cast at an election to be called and held for that purpose,
225 which election shall be held on a regular special election day.
226 Notice of such election shall be given, the election shall be held
227 and the result thereof determined, as far as is practicable, in
228 the same manner as other elections are held in the county. At
229 such election, all qualified electors of the county who reside
230 outside the corporate boundaries of any municipality within such
231 county may vote. The ballots used at such election shall have
232 printed thereon a brief description of the sales tax, the amount
233 of the sales tax levy, a description of the specific
234 transportation infrastructure projects or other capital projects,
235 or both, for which the tax revenue may be used and expended and
236 the words "FOR THE LOCAL SALES TAX" and "AGAINST THE LOCAL SALES
237 TAX" and the voter shall vote by placing a cross (X) or check mark
238 (✓) opposite his choice on the proposition. When the results of
239 the election have been canvassed by the election commissioners of
240 the county and certified by them to the board of supervisors, it
241 shall be the duty of such board of supervisors to determine and
242 adjudicate whether at least three-fifths (3/5) of the qualified
243 electors who voted in such election voted in favor of the tax. If
244 the election results in favor of the levy, the board of
245 supervisors shall adopt a resolution declaring the levy and
246 collection of the tax provided in subsections (1) through (3) of
247 this section and shall set the first day of the second month
248 following the date of such adoption as the effective date of the
249 tax levy. A certified copy of this resolution together with the
250 result of the election shall be furnished to the State Tax

251 Commission not less than thirty (30) days before the effective
252 date of the levy.

253 (3) (a) The special sales tax authorized by subsections (1)
254 through (3) of this section shall be collected by the State Tax
255 Commission, shall be accounted for separately from the amount of
256 sales tax collected for the state in the county and shall be paid
257 to the county in which collected. The State Tax Commission may
258 retain three percent (3%) of the proceeds of such tax for the
259 purpose of defraying the costs incurred by the commission in the
260 collection of the tax. Payments to the counties shall be made by
261 the State Tax Commission on or before the fifteenth day of the
262 month following the month in which the tax was collected.

263 (b) The proceeds of the special sales tax shall be
264 placed into a separate fund apart from the county general fund and
265 any other funds of the county, and shall be expended by the county
266 solely for the purpose of paying any indebtedness or other
267 obligation incurred or that may be incurred by the county for the
268 transportation infrastructure projects or other capital projects,
269 or both, specified in the resolution ordering the election.

270 (c) All provisions of the Mississippi Sales Tax Law
271 applicable to filing of returns, discounts to the taxpayer,
272 remittances to the State Tax Commission, enforced collection,
273 rights of taxpayers, recovery of improper taxes, refunds of
274 overpaid taxes or other provisions of law providing for imposition
275 and collection of the state sales tax shall apply to the special
276 sales tax authorized by subsections (1) through (3) of this
277 section, except where there is a conflict, in which case the
278 provisions of subsections (1) through (3) of this section shall
279 control. Any damages, penalties or interest collected for the
280 nonpayment of taxes imposed under subsections (1) through (3) of
281 this section, or for noncompliance with the provisions of
282 subsections (1) through (3) of this section, shall be paid to the
283 county in which such damages, penalties or interest were collected

284 on the same basis and in the same manner as the tax proceeds. Any
285 overpayment of tax for any reason that has been disbursed to any
286 county or any payment of the tax to any county in error may be
287 adjusted by the State Tax Commission on any subsequent payment to
288 the county involved pursuant to the provisions of the Mississippi
289 Sales Tax Law. The State Tax Commission may, from time to time,
290 make such rules and regulations not inconsistent with subsections
291 (1) through (3) of this section as may be deemed necessary to
292 carry out the provisions of subsections (1) through (3) of this
293 section, and such rules and regulations shall have the full force
294 and effect of law.

295 (d) The special sales tax shall be discontinued by the
296 board of supervisors of the county on the first day of the month
297 immediately succeeding the date any indebtedness, including
298 interest, incurred by the county for the transportation
299 infrastructure projects or other capital projects, or both, is
300 retired, or in the event the county incurs no indebtedness, the
301 first day of the month after all obligations for the
302 transportation infrastructure projects or other capital projects,
303 or both, have been paid. Any amount remaining in the separate
304 fund containing the proceeds of the special sales tax not
305 necessary to retire the debt or pay any other obligations shall be
306 transferred to the county general fund.

307 (e) The board of supervisors of a county may not impose
308 a special sales tax under this section on sales that are subject
309 to any tax levied and collected (before the date a resolution is
310 adopted under subsection (2)(b) of this section) under the
311 authority of a local and private law of the State of Mississippi,
312 and which tax is collected and paid to the State Tax Commission in
313 the same or similar manner that state sales taxes are collected
314 and paid.

315 (f) If the board of supervisors of a county imposes a
316 special sales tax under this section and a municipality annexes a

317 part of the county, the special sales tax shall continue to be
318 imposed in the annexed area until the board of supervisors
319 discontinues the tax as provided in paragraph (d) of this
320 subsection (3).

321 (g) If the board of supervisors of a county imposes a
322 special sales tax under this section, and a municipality within
323 the county that is not imposing a special sales tax under Section
324 1 of this act contracts its municipal corporate boundaries, the
325 board of supervisors of the county may not impose a special sales
326 tax in the de-annexed area unless the tax is approved at an
327 election conducted, as far as is practicable, in the manner
328 provided in subsection (2) of this section, except that only
329 qualified electors in the de-annexed area may vote in such
330 election.

331 (4) The board of supervisors of any county that levies a
332 special sales tax pursuant to subsections (1) through (3) of this
333 section may incur indebtedness of the county in an aggregate
334 principal amount that is not in excess of an amount for which debt
335 service is capable of being funded by the proceeds of the special
336 sales tax levied pursuant to subsections (1) through (3) of this
337 section. The indebtedness authorized by this subsection (4) shall
338 not be considered when computing any limitation of indebtedness of
339 the county established by law.

340 **SECTION 3.** (1) Subject to the provisions of this section,
341 the board of supervisors of any county that does not contain
342 within such county a municipality with corporate boundaries also
343 located in one or more other counties may impose upon all persons
344 as a privilege for engaging or continuing in business or doing
345 business within such county (including the corporate boundaries of
346 any municipality within the county), a special sales tax at the
347 rate of not more than one-fourth of one percent (0.25%) of the
348 gross proceeds of sales or gross income of the business, as the
349 case may be, derived from any of the activities taxed at the rate

350 of seven percent (7%) or more under the Mississippi Sales Tax Law,
351 Section 27-65-1 et seq., as provided hereinafter. The tax levied
352 under this section shall apply to every person making sales,
353 delivery or installations of tangible personal property or
354 services within any county which has adopted the levy herein
355 authorized but shall not apply to sales exempted by Sections
356 27-65-19, 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109
357 and 27-65-111 of the Mississippi Sales Tax Law.

358 (2) (a) The board of supervisors of the county shall
359 specify in the resolution ordering the election required by
360 paragraph (b) of this subsection (2), the specific transportation
361 infrastructure projects or other capital projects (which also may
362 include capital projects for which the county already has
363 outstanding indebtedness), or both, for which the revenue
364 collected pursuant to the tax levy may be used and expended.

365 (b) The tax levy authorized in this section shall not
366 be made unless authorized by at least three-fifths (3/5) of the
367 votes cast at an election to be called and held for that purpose,
368 which election shall be held on a regular special election day.
369 However, if the specific transportation infrastructure projects or
370 other capital projects, or both, for which the tax levy is
371 proposed may have a direct impact on the municipal government
372 physical or fiscal functions, budget or infrastructure of one or
373 more municipalities within the county, as determined by an impact
374 study which the board of supervisors shall have prepared, then the
375 board of supervisors may call an election only after entering into
376 a joint agreement with the governing authorities of the affected
377 municipalities consenting to the calling of a countywide election
378 on the question of the special sales tax levy. Notice of such
379 election shall be given, the election shall be held and the result
380 thereof determined, as far as is practicable, in the same manner
381 as other elections are held in the county. At such election, all
382 qualified electors of the county may vote. The ballots used at

383 such election shall have printed thereon a brief description of
384 the sales tax, the amount of the sales tax levy, a description of
385 the specific transportation infrastructure projects or other
386 capital projects, or both, for which the tax revenue may be used
387 and expended and the words "FOR THE LOCAL SALES TAX" and "AGAINST
388 THE LOCAL SALES TAX" and the voter shall vote by placing a cross
389 (X) or check mark (✓) opposite his choice on the proposition.
390 When the results of the election have been canvassed by the
391 election commissioners of the county and certified by them to the
392 board of supervisors, it shall be the duty of such board of
393 supervisors to determine and adjudicate whether at least
394 three-fifths (3/5) of the qualified electors who voted in such
395 election voted in favor of the tax. If the election results in
396 favor of the levy, the board of supervisors shall adopt a
397 resolution declaring the levy and collection of the tax provided
398 in subsections (1) through (3) of this section and shall set the
399 first day of the second month following the date of such adoption
400 as the effective date of the tax levy. A certified copy of this
401 resolution together with the result of the election shall be
402 furnished to the State Tax Commission not less than thirty (30)
403 days before the effective date of the levy.

404 (3) (a) The special sales tax authorized by subsections (1)
405 through (3) of this section shall be collected by the State Tax
406 Commission, shall be accounted for separately from the amount of
407 sales tax collected for the state in the county and shall be paid
408 to the county in which collected. The State Tax Commission may
409 retain three percent (3%) of the proceeds of such tax for the
410 purpose of defraying the costs incurred by the commission in the
411 collection of the tax. Payments to the counties shall be made by
412 the State Tax Commission on or before the fifteenth day of the
413 month following the month in which the tax was collected.

414 (b) The proceeds of the special sales tax shall be
415 placed into a separate fund apart from the county general fund and

416 any other funds of the county, and shall be expended by the county
417 solely for the purpose of paying any indebtedness or other
418 obligation incurred or that may be incurred by the county for the
419 transportation infrastructure projects or other capital projects,
420 or both, specified in the resolution ordering the election.

421 (c) All provisions of the Mississippi Sales Tax Law
422 applicable to filing of returns, discounts to the taxpayer,
423 remittances to the State Tax Commission, enforced collection,
424 rights of taxpayers, recovery of improper taxes, refunds of
425 overpaid taxes or other provisions of law providing for imposition
426 and collection of the state sales tax shall apply to the special
427 sales tax authorized by subsections (1) through (3) of this
428 section, except where there is a conflict, in which case the
429 provisions of subsections (1) through (3) of this section shall
430 control. Any damages, penalties or interest collected for the
431 nonpayment of taxes imposed under subsections (1) through (3) of
432 this section, or for noncompliance with the provisions of
433 subsections (1) through (3) of this section, shall be paid to the
434 county in which such damages, penalties or interest were collected
435 on the same basis and in the same manner as the tax proceeds. Any
436 overpayment of tax for any reason that has been disbursed to any
437 county or any payment of the tax to any county in error may be
438 adjusted by the State Tax Commission on any subsequent payment to
439 the county involved pursuant to the provisions of the Mississippi
440 Sales Tax Law. The State Tax Commission may, from time to time,
441 make such rules and regulations not inconsistent with subsections
442 (1) through (3) of this section as may be deemed necessary to
443 carry out the provisions of subsections (1) through (3) of this
444 section, and such rules and regulations shall have the full force
445 and effect of law.

446 (d) The special sales tax shall be discontinued by the
447 board of supervisors of the county on the first day of the month
448 immediately succeeding the date any indebtedness, including

449 interest, incurred by the county for the transportation
450 infrastructure projects or other capital projects, or both, is
451 retired, or in the event the county incurs no indebtedness, the
452 first day of the month after all obligations for the
453 transportation infrastructure projects or other capital projects,
454 or both, have been paid. Any amount remaining in the separate
455 fund containing the proceeds of the special sales tax not
456 necessary to retire the debt or pay any other obligations shall be
457 transferred to the county general fund.

458 (e) The board of supervisors of a county may not impose
459 a special sales tax under this section on sales that are subject
460 to any tax levied and collected (before the date a resolution is
461 adopted under subsection (2)(b) of this section) under the
462 authority of a local and private law of the State of Mississippi,
463 and which tax is collected and paid to the State Tax Commission in
464 the same or similar manner that state sales taxes are collected
465 and paid.

466 (4) The board of supervisors of any county that levies a
467 special sales tax pursuant to subsections (1) through (3) of this
468 section may incur indebtedness of the county in an aggregate
469 principal amount that is not in excess of an amount for which debt
470 service is capable of being funded by the proceeds of the special
471 sales tax levied pursuant to subsections (1) through (3) of this
472 section. The indebtedness authorized by this subsection (4) shall
473 not be considered when computing any limitation of indebtedness of
474 the county established by law.

475 **SECTION 4.** (1) Subject to the provisions of this section,
476 the board of supervisors of any county that contains within such
477 county any municipality with corporate boundaries also located
478 within one or more other counties may impose upon all persons as a
479 privilege for engaging or continuing in business or doing business
480 within such county (including the corporate boundaries of any
481 municipality located within the county and such other county or

482 counties and including the corporate boundaries of any
483 municipality located completely within the county), a special
484 sales tax at the rate of not more than one-fourth of one percent
485 (0.25%) of the gross proceeds of sales or gross income of the
486 business, as the case may be, derived from any of the activities
487 taxed at the rate of seven percent (7%) or more under the
488 Mississippi Sales Tax Law, Section 27-65-1 et seq., as provided
489 hereinafter. The tax levied under this section shall apply to
490 every person making sales, delivery or installations of tangible
491 personal property or services but shall not apply to sales
492 exempted by Sections 27-65-19, 27-65-101, 27-65-103, 27-65-105,
493 27-65-107, 27-65-109 and 27-65-111 of the Mississippi Sales Tax
494 Law.

495 (2) (a) The board of supervisors of the county shall
496 specify in the resolution ordering the election required by
497 paragraph (b) of this subsection (2), the specific transportation
498 infrastructure projects or other capital projects (which also may
499 include capital projects for which the county already has
500 outstanding indebtedness), or both, for which the revenue
501 collected pursuant to the tax levy may be used and expended.

502 (b) Subject to the provisions of this paragraph (b),
503 the tax levy authorized in this section shall not be made unless
504 authorized at an election to be called and held for that purpose,
505 which election shall be held on a regular special election day.
506 Before an election may be called on the question of the special
507 sales tax levy, a joint agreement must be entered into by the
508 board of supervisors of the county proposing to levy the special
509 sales tax ("initiating county"), the governing authorities of each
510 municipality with corporate boundaries located within the
511 initiating county and also located within one or more other
512 counties and in which municipality the board of supervisors of the
513 initiating county proposes to levy the tax, and the board of
514 supervisors of all other counties in which the corporate

515 boundaries of any such municipality located within the initiating
516 county also are located, consenting to the calling of an election
517 in each of the counties in which the municipal corporate
518 boundaries of any such municipality are located. However, the
519 board of supervisors of the initiating county may propose to
520 exclude one or more municipalities with corporate boundaries
521 located within the county and also located within one or more
522 other counties from the special sales tax levy and, in such case,
523 it shall not be necessary for the other county or counties in
524 which the corporate boundaries of an excluded municipality are
525 located to enter into the joint agreement before an election may
526 be called. The special sales tax may not be levied within the
527 corporate boundaries of such an excluded municipality regardless
528 of the results of an election. In addition, if the specific
529 transportation infrastructure projects or other capital projects,
530 or both, for which the tax levy is proposed may have a direct
531 impact on the municipal government physical or fiscal functions,
532 budget or infrastructure of one or more municipalities within the
533 county, as determined by an impact study which the board of
534 supervisors shall have prepared, then the board of supervisors may
535 call an election only after entering into a joint agreement with
536 the governing authorities of the affected municipalities
537 consenting to the calling of a countywide election on the question
538 of the special sales tax levy. Notice of such election shall be
539 given, the election shall be held and the result thereof
540 determined, as far as is practicable, in the same manner as other
541 elections are held in the counties. At such election, all
542 qualified electors of each of the counties may vote. The ballots
543 used at such election shall have printed thereon a brief
544 description of the sales tax, the amount of the sales tax levy, a
545 description of the specific transportation infrastructure projects
546 or other capital projects, or both, for which the tax revenue may
547 be used and expended and the words "FOR THE LOCAL SALES TAX" and

548 "AGAINST THE LOCAL SALES TAX" and the voter shall vote by placing
549 a cross (X) or check mark (√) opposite his choice on the
550 proposition. When the results of the election have been canvassed
551 by the election commissioners of the respective counties and
552 certified by them to the respective boards of supervisors, it
553 shall be the duty of each of such boards of supervisors to
554 determine and adjudicate whether at least three-fifths (3/5) of
555 the qualified electors of each of the respective counties who
556 voted in such election voted in favor of the tax. If the election
557 results in favor of the levy, the board of supervisors of the
558 initiating county shall adopt a resolution declaring the levy and
559 collection of the tax provided in subsections (1) through (3) of
560 this section and shall set the first day of the second month
561 following the date of such adoption as the effective date of the
562 tax levy. A certified copy of each of these resolutions together
563 with the result of the election shall be furnished to the State
564 Tax Commission not less than thirty (30) days before the effective
565 date of the levy.

566 (3) (a) The special sales tax authorized by subsections (1)
567 through (3) of this section shall be collected by the State Tax
568 Commission, shall be accounted for separately from the amount of
569 sales tax collected for the state in the county and shall be paid
570 to the county in which collected. The State Tax Commission may
571 retain three percent (3%) of the proceeds of such tax for the
572 purpose of defraying the costs incurred by the commission in the
573 collection of the tax. Payments to the counties shall be made by
574 the State Tax Commission on or before the fifteenth day of the
575 month following the month in which the tax was collected.

576 (b) The proceeds of the special sales tax shall be
577 placed into a separate fund apart from the county general fund and
578 any other funds of the county, and shall be expended by the county
579 solely for the purpose of paying any indebtedness or other
580 obligation incurred or that may be incurred by the county for the

581 transportation infrastructure projects or other capital projects,
582 or both, specified in the resolution ordering the election.

583 (c) All provisions of the Mississippi Sales Tax Law
584 applicable to filing of returns, discounts to the taxpayer,
585 remittances to the State Tax Commission, enforced collection,
586 rights of taxpayers, recovery of improper taxes, refunds of
587 overpaid taxes or other provisions of law providing for imposition
588 and collection of the state sales tax shall apply to the special
589 sales tax authorized by subsections (1) through (3) of this
590 section, except where there is a conflict, in which case the
591 provisions of subsections (1) through (3) of this section shall
592 control. Any damages, penalties or interest collected for the
593 nonpayment of taxes imposed under subsections (1) through (3) of
594 this section, or for noncompliance with the provisions of
595 subsections (1) through (3) of this section, shall be paid to the
596 county in which such damages, penalties or interest were collected
597 on the same basis and in the same manner as the tax proceeds. Any
598 overpayment of tax for any reason that has been disbursed to any
599 county or any payment of the tax to any county in error may be
600 adjusted by the State Tax Commission on any subsequent payment to
601 the county involved pursuant to the provisions of the Mississippi
602 Sales Tax Law. The State Tax Commission may, from time to time,
603 make such rules and regulations not inconsistent with subsections
604 (1) through (3) of this section as may be deemed necessary to
605 carry out the provisions of subsections (1) through (3) of this
606 section, and such rules and regulations shall have the full force
607 and effect of law.

608 (d) The special sales tax shall be discontinued by the
609 board of supervisors of the county on the first day of the month
610 immediately succeeding the date any indebtedness, including
611 interest, incurred by the county for the transportation
612 infrastructure projects or other capital projects, or both, is
613 retired, or in the event the county incurs no indebtedness, the

614 first day of the month after all obligations for the
615 transportation infrastructure projects or other capital projects,
616 or both, have been paid. Any amount remaining in the separate
617 fund containing the proceeds of the special sales tax not
618 necessary to retire the debt or pay any other obligations shall be
619 transferred to the county general fund.

620 (e) The board of supervisors of a county may not impose
621 a special sales tax under this section on sales that are subject
622 to any tax levied and collected (before the date a resolution is
623 adopted under subsection (2)(b) of this section) under the
624 authority of a local and private law of the State of Mississippi,
625 and collected and paid to the State Tax Commission in the same or
626 similar manner that state sales taxes are collected and paid.

627 (4) The board of supervisors of any county that levies a
628 special sales tax pursuant to subsections (1) through (3) of this
629 section may incur indebtedness of the county in an aggregate
630 principal amount that is not in excess of an amount for which debt
631 service is capable of being funded by the proceeds of the special
632 sales tax levied pursuant to subsections (1) through (3) of this
633 section. The indebtedness authorized by this subsection (4) shall
634 not be considered when computing any limitation of indebtedness of
635 the county established by law.

636 **SECTION 5.** Section 21-33-303, Mississippi Code of 1972, is
637 amended as follows:

638 21-33-303. No municipality shall hereafter issue bonds
639 secured by a pledge of its full faith and credit for the purposes
640 authorized by law in an amount which, when added to the then
641 outstanding bonded indebtedness of such municipality, shall exceed
642 either (a) fifteen percent (15%) of the assessed value of the
643 taxable property within such municipality, according to the last
644 completed assessment for taxation, or (b) ten percent (10%) of the
645 assessment upon which taxes were levied for its fiscal year ending
646 September 30, 1984, whichever is greater. In computing such

647 indebtedness, there may be deducted all bonds or other evidences
648 of indebtedness, heretofore or hereafter issued, for school,
649 water, sewerage systems, gas, and light and power purposes and for
650 the construction of special improvements primarily chargeable to
651 the property benefited, or for the purpose of paying the
652 municipality's proportion of any betterment program, a portion of
653 which is primarily chargeable to the property benefited. However,
654 in no case shall any municipality contract any indebtedness which,
655 when added to all of the outstanding general obligation
656 indebtedness, both bonded and floating, shall exceed either (a)
657 twenty percent (20%) of the assessed value of all taxable property
658 within such municipality according to the last completed
659 assessment for taxation or (b) fifteen percent (15%) of the
660 assessment upon which taxes were levied for its fiscal year ending
661 September 30, 1984, whichever is greater. Nothing herein
662 contained shall be construed to apply to contract obligations in
663 any form heretofore or hereafter incurred by any municipality
664 which are subject to annual appropriations therefor, or to bonds
665 heretofore issued by any municipality for school purposes, or to
666 contract obligations in any form heretofore or hereafter incurred
667 by any municipality which are payable exclusively from the
668 revenues of any municipally-owned utility, or to bonds issued by
669 any municipality under the provisions of Sections 57-1-1 through
670 57-1-51, or to any special assessment improvement bonds issued by
671 any municipality under the provisions of Sections 21-41-1 through
672 21-41-53, or to any indebtedness incurred under Section 55-23-8,
673 or to any indebtedness incurred under Section 1, 2, 3 or 4 of
674 Senate Bill No. 2374, 2005 Regular Session.

675 All bonds issued prior to July 1, 1990, pursuant to this
676 chapter by any municipality for the purpose of the constructing,
677 replacing, renovating or improving wastewater collection and
678 treatment facilities in order to comply with an administrative
679 order of the Mississippi Department of Natural Resources issued

680 pursuant to the Federal Water Pollution Control Act and amendments
681 thereto, are hereby exempt from the limitation imposed by this
682 section if the governing body of the municipality adopts an order,
683 resolution or ordinance to the effect that the rates paid by the
684 users of such facilities shall be increased to the extent
685 necessary to provide sufficient funds for the payment of the
686 principal of and interest on such bonds as each respectively
687 becomes due and payable as well as the necessary expenses in
688 connection with the operation and maintenance of such facilities.

689 **SECTION 6.** Section 19-9-5, Mississippi Code of 1972, is
690 amended as follows:

691 19-9-5. No county shall hereafter issue bonds secured by a
692 pledge of its full faith and credit for the purposes authorized by
693 law in an amount which, when added to the then outstanding bonds
694 of such county, shall exceed either (a) fifteen percent (15%) of
695 the assessed value of the taxable property within such county
696 according to the last completed assessment for taxation, or (b)
697 fifteen percent (15%) of the assessment upon which taxes were
698 levied for its fiscal year ending September 30, 1984, whichever is
699 greater.

700 However, any county in the state which shall have experienced
701 washed-out or collapsed bridges on the public roads of the county
702 for any cause or reason may hereafter issue bonds for bridge
703 purposes as now authorized by law in an amount which, when added
704 to the then outstanding general obligation bonds of such county,
705 shall not exceed either (a) twenty percent (20%) of the assessed
706 value of the taxable property within such county according to the
707 last completed assessment for taxation or (b) fifteen percent
708 (15%) of the assessment upon which taxes were levied for its
709 fiscal year ending September 30, 1984, whichever is greater.

710 Provided further, in computing such indebtedness, there may
711 be deducted all bonds or other evidences of indebtedness
712 heretofore or hereafter issued, for the construction of hospitals,

713 ports or other capital improvements which are payable primarily
714 from the net revenue to be generated from such hospital, port or
715 other capital improvement, which revenue shall be pledged to the
716 retirement of such bonds or other evidences of indebtedness,
717 together with the full faith and credit of the county. However,
718 in no case shall any county contract any indebtedness payable in
719 whole or in part from proceeds of ad valorem taxes which, when
720 added to all of the outstanding general obligation indebtedness,
721 both bonded and floating, shall exceed either (a) twenty percent
722 (20%) of the assessed value of all taxable property within such
723 county according to the last completed assessment for taxation, or
724 (b) fifteen percent (15%) of the assessment upon which taxes were
725 levied for its fiscal year ending September 30, 1984, whichever is
726 greater. Nothing herein contained shall be construed to apply to
727 contract obligations in any form heretofore or hereafter incurred
728 by any county which are subject to annual appropriations therefor,
729 or to bonds heretofore or hereafter issued by any county for
730 school purposes, or to bonds issued by any county under the
731 provisions of Sections 57-1-1 through 57-1-51, or to any
732 indebtedness incurred under Section 55-23-8, or to any
733 indebtedness incurred under Section 1, 2, 3 or 4 of Senate Bill
734 No. 2374, 2005 Regular Session.

735 **SECTION 7.** It is the intent of the Legislature that the
736 amount of State General Funds appropriated to the State Tax
737 Commission shall not be reduced because of funds collected by the
738 commission under Section 1(3)(a), Section 2(3)(a), Section 3(3)(a)
739 and/or Section 4(3)(a) of this act.

740 **SECTION 8.** The Attorney General of the State of Mississippi
741 shall submit this act, immediately upon approval by the Governor,
742 or upon approval by the Legislature subsequent to a veto, to the
743 Attorney General of the United States or to the United States
744 District Court for the District of Columbia in accordance with the

745 provisions of the Voting Rights Act of 1965, as amended and
746 extended.

747 **SECTION 9.** This act shall take effect and be in force from
748 and after the date it is effectuated under Section 5 of the Voting
749 Rights Act of 1965, as amended and extended.