

By: Representatives Baker (74th), Coleman (65th), Denny, Fleming, Martinson

To: Local and Private Legislation; Ways and Means

HOUSE BILL NO. 1674

1 AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF
2 RIDGELAND, MISSISSIPPI, TO IMPOSE A SPECIAL SALES TAX OF NOT MORE
3 THAN ONE PERCENT ON THE GROSS PROCEEDS OF ALL SALES OR THE GROSS
4 INCOME OF BUSINESSES IN THE CITY DERIVED FROM ACTIVITIES TAXED AT
5 THE RATE OF SEVEN PERCENT UNDER THE MISSISSIPPI SALES TAX LAW AND
6 FROM CERTAIN RETAIL SALES OF FOOD; TO PROVIDE THAT THE SPECIAL
7 SALES TAX SHALL NOT BE LEVIED UNLESS AUTHORIZED BY AT LEAST 60% OF
8 THE VOTERS IN AN ELECTION CALLED AND HELD ON THE ISSUE OF THE TAX
9 LEVY; TO AUTHORIZE THE CITY TO ISSUE BONDS OR OTHERWISE INCUR
10 INDEBTEDNESS IN AN AMOUNT NOT GREATER THAN THE AMOUNT FOR WHICH
11 DEBT SERVICE IS CAPABLE OF BEING FUNDED BY THE PROCEEDS OF THE
12 SPECIAL SALES TAX; TO PROVIDE THAT THE REVENUE COLLECTED UNDER THE
13 SPECIAL SALES TAX SHALL BE USED AND EXPENDED BY THE CITY ONLY TO
14 FUND CERTAIN CAPITAL IMPROVEMENT PROJECTS; TO PROVIDE FOR THE
15 DISCONTINUANCE OF THE SPECIAL SALES TAX UPON COMPLETION OF THE
16 FUNDING OF THE CAPITAL IMPROVEMENT PROJECTS FOR WHICH THE TAX WAS
17 LEVIED; AND FOR RELATED PURPOSES.

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

19 **SECTION 1.** (1) The governing authorities of the City of
20 Ridgeland, Mississippi, in their discretion, may impose upon all
21 persons as a privilege for engaging or continuing in business or
22 doing business within such city, a special sales tax at the rate
23 of not more than one percent (1%) of the gross proceeds of sales
24 or gross income of the business, as the case may be, derived from:

25 (a) Any of the activities taxed at the rate of seven
26 percent (7%) under the Mississippi Sales Tax Law, Section 27-65-1
27 et seq., as provided hereinafter; and

28 (b) Retail sales of food for human consumption not
29 purchased with food stamps issued by the United States Department
30 of Agriculture, or other federal agency, but which would be exempt
31 under paragraph (o) of Section 27-65-111 from the taxes imposed by
32 this chapter if the food items were purchased with food stamps.

33 (2) The tax levied under this section shall apply to every
34 person making sales, delivery or installations of tangible

35 personal property or services within the city, but shall not apply
36 to:

37 (a) Sales exempted by Sections 27-65-19, 27-65-101,
38 27-65-103, 27-65-105, 27-65-107, 27-65-109 and 27-65-111 of the
39 Mississippi Sales Tax Law; and

40 (b) The gross proceeds of sales of restaurants, hotels
41 and motels that are subject to the tourist and convention tax
42 levied under Chapter 910, Local and Private Laws of 1997.

43 **SECTION 2.** (1) In the resolution ordering the election
44 required by subsection (2) of this section, the governing
45 authorities of the city shall specify the capital improvement
46 project that the revenue collected under the tax levy may be used
47 and expended to construct. The governing authorities shall adopt
48 a resolution and call an election regarding each individual
49 capital improvement project for which it seeks to levy the special
50 sales tax authorized by this act.

51 (2) The tax levy authorized in this act shall not be made
52 unless approved by at least sixty percent (60%) of the qualified
53 electors casting votes in an election to be called and held for
54 that purpose. Notice of the election shall be given, the election
55 shall be held and its result determined, as far as is practicable,
56 in the same manner as other elections are held in the city. At
57 the election, all qualified electors of the city may vote. The
58 ballots used at such election shall have printed thereon a brief
59 description of the special sales tax, the amount of the special
60 sales tax levy, a description of the specific capital improvement
61 project for which the special sales tax revenue may be used and
62 expended and the words "FOR THE LOCAL SALES TAX" and "AGAINST THE
63 LOCAL SALES TAX." The voter shall vote by placing a cross (X) or
64 check mark (✓) opposite his choice on the proposition. When the
65 results of the election have been canvassed by the election
66 commissioners of the city and certified by them to the governing
67 authorities of the city, it shall be the duty of the governing

68 authorities to determine whether at least sixty percent (60%) of
69 the qualified electors in the city who voted in the election voted
70 in favor of the tax. If the election results are in favor of the
71 levy, then the governing authorities shall adopt a resolution
72 declaring the levy and collection of the tax authorized by this
73 act and shall set the first day of the second month following the
74 date of such adoption as the effective date of the tax levy. A
75 certified copy of the resolution together with the result of the
76 election shall be furnished to the State Tax Commission not less
77 than thirty (30) days before the effective date of the levy.

78 **SECTION 3.** (1) The special sales tax authorized by this act
79 shall be collected by the State Tax Commission and shall be
80 accounted for separately from the amount of sales tax collected
81 for the state in the City of Ridgeland. The proceeds of the tax,
82 less three percent (3%) thereof which shall be retained by the
83 State Tax Commission to defray the cost of collection, shall be
84 paid to the governing authorities of the City of Ridgeland on or
85 before the fifteenth day of the month following the month in which
86 collected.

87 (2) The proceeds of the special sales tax shall be placed
88 into a separate fund apart from the municipal general fund and any
89 other funds of the City of Ridgeland and shall not be considered
90 by the city as general fund revenues. Such proceeds shall be
91 dedicated to and expended by the governing authorities solely for
92 the purpose of paying any indebtedness or other obligation the
93 city may incur for the capital improvement project specified in
94 the resolution ordering the election.

95 (3) All provisions of the Mississippi Sales Tax Law
96 applicable to filing of returns, discounts to the taxpayer,
97 remittances to the State Tax Commission, enforced collection,
98 rights of taxpayers, recovery of improper taxes, refunds of
99 overpaid taxes or other provisions of law providing for imposition
100 and collection of the state sales tax shall apply to the special

101 sales tax authorized by this act, except where there is a
102 conflict, in which case the provisions of this act shall control.
103 Any damages, penalties or interest collected for the nonpayment of
104 taxes imposed under this act, or for noncompliance with the
105 provisions of this act, shall be paid to the city on the same
106 basis and in the same manner as the tax proceeds. Any overpayment
107 of tax for any reason that has been disbursed to the city or any
108 payment of the tax to the city in error may be adjusted by the
109 State Tax Commission on any subsequent payment to the city. The
110 State Tax Commission, from time to time, may make such rules and
111 regulations not inconsistent with the provisions of this act as
112 may be deemed necessary to carry out the provisions of this act,
113 and such rules and regulations shall have the full force and
114 effect of law.

115 (4) The special sales tax shall be discontinued by the
116 governing authorities of the City of Ridgeland on the first day of
117 the month immediately following the date any indebtedness,
118 including interest, incurred under Section 4 of this act is
119 retired, or in the event the city incurs no indebtedness, the
120 first day of the month after all obligations for the capital
121 improvement project have been paid. Any amount remaining in the
122 separate fund containing the proceeds of the special sales tax not
123 necessary to retire the debt, or to pay any other obligations,
124 shall be transferred to the municipal general fund.

125 **SECTION 4.** The governing authorities of the City of
126 Ridgeland may issue bonds or otherwise incur indebtedness of the
127 city in an aggregate principal amount that is not in excess of the
128 amount for which debt service is capable of being funded by the
129 proceeds of the special sales tax levied under this act.

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

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

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