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Chapter No. 346
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HOUSE BILL NO. 836

Originated in House  Clerk

HOUSE BILL NO. 836

AN ACT TO AMEND SECTION 67-1-5, MISSISSIPPI CODE OF 1972, TO INCLUDE WITHIN THE DEFINITION OF THE TERM "QUALIFIED RESORT AREA" UNDER THE LOCAL OPTION ALCOHOLIC BEVERAGE CONTROL LAW, LAND THAT IS OWNED BY THE PEARL RIVER VALLEY WATER SUPPLY DISTRICT AND LOCATED IN ANY COUNTY IN WHICH MISSISSIPPI HIGHWAY 43 AND MISSISSIPPI HIGHWAY 25 INTERSECT; TO AMEND SECTION 67-1-16, MISSISSIPPI CODE OF 1972, TO REQUIRE AN ELECTION TO BE HELD IN SUCH AREA BEFORE SUCH AREA MAY BE DESIGNATED A QUALIFIED RESORT AREA; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 67-1-5, Mississippi Code of 1972, is amended as follows:

67-1-5. For the purposes of this chapter and unless otherwise required by the context:

(a) "Alcoholic beverage" means any alcoholic liquid, including wines of more than five percent (5%) of alcohol by weight, capable of being consumed as a beverage by a human being, but shall not include light wine and beer, as defined in Section 67-3-3, Mississippi Code of 1972, but shall include native wines. The words "alcoholic beverage" shall not include ethyl alcohol manufactured or distilled solely for fuel purposes or beer of an

alcoholic content of more than eight percent (8%) by weight if the beer is legally manufactured in this state for sale in another state.

(b) "Alcohol" means the product of distillation of any fermented liquid, whatever the origin thereof, and includes synthetic ethyl alcohol, but does not include denatured alcohol or wood alcohol.

(c) "Distilled spirits" means any beverage containing more than four percent (4%) of alcohol by weight produced by distillation of fermented grain, starch, molasses or sugar, including dilutions and mixtures of these beverages.

(d) "Wine" or "vinous liquor" means any product obtained from the alcoholic fermentation of the juice of sound, ripe grapes, fruits or berries and made in accordance with the revenue laws of the United States.

(e) "Person" means and includes any individual, partnership, corporation, association or other legal entity whatsoever.

(f) "Manufacturer" means any person engaged in manufacturing, distilling, rectifying, blending or bottling any alcoholic beverage.

(g) "Wholesaler" means any person, other than a manufacturer, engaged in distributing or selling any alcoholic beverage at wholesale for delivery within or without this state when such sale is for the purpose of resale by the purchaser.

(h) "Retailer" means any person who sells, distributes, or offers for sale or distribution, any alcoholic beverage for use or consumption by the purchaser and not for resale.

(i) "State Tax Commission," "commission" or "department" means the Department of Revenue of the State of Mississippi, which shall create a division in its organization to be known as the Alcoholic Beverage Control Division. Any reference to the commission or the department hereafter means the powers and duties of the Department of Revenue with reference to supervision of the Alcoholic Beverage Control Division.

(j) "Division" means the Alcoholic Beverage Control Division of the Department of Revenue.

(k) "Municipality" means any incorporated city or town of this state.

(l) "Hotel" means an establishment within a municipality, or within a qualified resort area approved as such by the department, where, in consideration of payment, food and lodging are habitually furnished to travelers and wherein are located at least twenty (20) adequately furnished and completely separate sleeping rooms with adequate facilities that persons usually apply for and receive as overnight accommodations. Hotels in towns or cities of more than twenty-five thousand (25,000) population are similarly defined except that they must have fifty (50) or more sleeping rooms. Any such establishment described in this paragraph with less than fifty (50) beds shall operate one or

more regular dining rooms designed to be constantly frequented by customers each day. When used in this chapter, the word "hotel" shall also be construed to include any establishment that meets the definition of "bed and breakfast inn" as provided in this section.

(m) "Restaurant" means:

(i) A place which is regularly and in a bona fide manner used and kept open for the serving of meals to guests for compensation, which has suitable seating facilities for guests, and which has suitable kitchen facilities connected therewith for cooking an assortment of foods and meals commonly ordered at various hours of the day; the service of such food as sandwiches and salads only shall not be deemed in compliance with this requirement. Except as otherwise provided in this paragraph, no place shall qualify as a restaurant under this chapter unless twenty-five percent (25%) or more of the revenue derived from such place shall be from the preparation, cooking and serving of meals and not from the sale of beverages, or unless the value of food given to and consumed by customers is equal to twenty-five percent (25%) or more of total revenue; or

(ii) Any privately owned business located in a building in a historic district where the district is listed in the National Register of Historic Places, where the building has a total occupancy rating of not less than one thousand (1,000) and where the business regularly utilizes ten thousand (10,000) square

feet or more in the building for live entertainment, including not only the stage, lobby or area where the audience sits and/or stands, but also any other portion of the building necessary for the operation of the business, including any kitchen area, bar area, storage area and office space, but excluding any area for parking. In addition to the other requirements of this subparagraph, the business must also serve food to guests for compensation within the building and derive the majority of its revenue from event-related fees, including, but not limited to, admission fees or ticket sales to live entertainment in the building, and from the rental of all or part of the facilities of the business in the building to another party for a specific event or function.

(n) "Club" means an association or a corporation:

(i) Organized or created under the laws of this state for a period of five (5) years prior to July 1, 1966;

(ii) Organized not primarily for pecuniary profit but for the promotion of some common object other than the sale or consumption of alcoholic beverages;

(iii) Maintained by its members through the payment of annual dues;

(iv) Owning, hiring or leasing a building or space in a building of such extent and character as may be suitable and adequate for the reasonable and comfortable use and accommodation of its members and their guests;

(v) The affairs and management of which are conducted by a board of directors, board of governors, executive committee, or similar governing body chosen by the members at a regular meeting held at some periodic interval; and

(vi) No member, officer, agent or employee of which is paid, or directly or indirectly receives, in the form of a salary or other compensation any profit from the distribution or sale of alcoholic beverages to the club or to members or guests of the club beyond such salary or compensation as may be fixed and voted at a proper meeting by the board of directors or other governing body out of the general revenues of the club.

The department may, in its discretion, waive the five-year provision of this paragraph. In order to qualify under this paragraph, a club must file with the department, at the time of its application for a license under this chapter, two (2) copies of a list of the names and residences of its members and similarly file, within ten (10) days after the election of any additional member, his name and address. Each club applying for a license shall also file with the department at the time of the application a copy of its articles of association, charter of incorporation, bylaws or other instruments governing the business and affairs thereof.

(o) "Qualified resort area" means any area or locality outside of the limits of incorporated municipalities in this state commonly known and accepted as a place which regularly and

customarily attracts tourists, vacationists and other transients because of its historical, scenic or recreational facilities or attractions, or because of other attributes which regularly and customarily appeal to and attract tourists, vacationists and other transients in substantial numbers; however, no area or locality shall so qualify as a resort area until it has been duly and properly approved as such by the department.

(i) The department may approve an area or locality outside of the limits of an incorporated municipality that is in the process of being developed as a qualified resort area if such area or locality, when developed, can reasonably be expected to meet the requisites of the definition of the term "qualified resort area." In such a case, the status of qualified resort area shall not take effect until completion of the development.

(ii) The term includes any state park which is declared a resort area by the department; however, such declaration may only be initiated in a written request for resort area status made to the department by the Executive Director of the Department of Wildlife, Fisheries and Parks, and no permit for the sale of any alcoholic beverage, as defined in this chapter, except an on-premises retailer's permit, shall be issued for a hotel, restaurant or bed and breakfast inn in such park.

(iii) The term includes:

1. The clubhouses associated with the state park golf courses at the Lefleur's Bluff State Park, the John Kyle

State Park, the Percy Quin State Park and the Hugh White State Park;

2. The clubhouse and associated golf course where the golf course is adjacent to one or more planned residential developments and the golf course and all such developments collectively include at least seven hundred fifty (750) acres and at least four hundred (400) residential units;

3. Any facility located on property that is a game reserve with restricted access that consists of at least three thousand (3,000) contiguous acres with no public roads and that offers as a service hunts for a fee to overnight guests of the facility;

4. Any facility located on federal property surrounding a lake and designated as a recreational area by the United States Army Corps of Engineers that consists of at least one thousand five hundred (1,500) acres;

5. Any facility that is located in a municipality that is bordered by the Pearl River, traversed by Mississippi Highway 25, adjacent to the boundaries of the Jackson International Airport and is located in a county which has voted against coming out from under the dry law; however, any such facility may only be located in areas designated by the governing authorities of such municipality;

6. Any municipality with a population in excess of ten thousand (10,000) according to the latest federal

decennial census that is located in a county that is bordered by the Pearl River and is not traversed by Interstate Highway 20, with a population in excess of forty-five thousand (45,000) according to the latest federal decennial census;

7. The West Pearl Restaurant Tax District as defined in Chapter 912, Local and Private Laws of 2007 * * *;

8. Land that is owned by the Pearl River Valley Water Supply District and located in any county in which Mississippi Highway 43 and Mississippi Highway 25 intersect;

9. Any facility located on property that is a game reserve with restricted access that consists of at least eight hundred (800) contiguous acres with no public roads, that offers as a service hunts for a fee to overnight guests of the facility, and has accommodations for at least fifty (50) overnight guests.

The status of these municipalities, districts, clubhouses, facilities, * * * golf courses and areas described in subparagraph (iii) of this paragraph (o) as qualified resort areas does not require any declaration of same by the department.

(p) "Native wine" means any product, produced in Mississippi for sale, having an alcohol content not to exceed twenty-one percent (21%) by weight and made in accordance with revenue laws of the United States, which shall be obtained primarily from the alcoholic fermentation of the juice of ripe grapes, fruits, berries or vegetables grown and produced in

Mississippi; provided that bulk, concentrated or fortified wines used for blending may be produced without this state and used in producing native wines. The department shall adopt and promulgate rules and regulations to permit a producer to import such bulk and/or fortified wines into this state for use in blending with native wines without payment of any excise tax that would otherwise accrue thereon.

(q) "Native winery" means any place or establishment within the State of Mississippi where native wine is produced, in whole or in part, for sale.

(r) "Bed and breakfast inn" means an establishment within a municipality where in consideration of payment, breakfast and lodging are habitually furnished to travelers and wherein are located not less than eight (8) and not more than nineteen (19) adequately furnished and completely separate sleeping rooms with adequate facilities, that persons usually apply for and receive as overnight accommodations; however, such restriction on the minimum number of sleeping rooms shall not apply to establishments on the National Register of Historic Places. No place shall qualify as a bed and breakfast inn under this chapter unless on the date of the initial application for a license under this chapter more than fifty percent (50%) of the sleeping rooms are located in a structure formerly used as a residence.

(s) "Board" shall refer to the Board of Tax Appeals of the State of Mississippi.

(t) "Spa facility" means an establishment within a municipality or qualified resort area and owned by a hotel where, in consideration of payment, patrons receive from licensed professionals a variety of private personal care treatments such as massages, facials, waxes, exfoliation and hairstyling.

(u) "Art studio or gallery" means an establishment within a municipality or qualified resort area that is in the sole business of allowing patrons to view and/or purchase paintings and other creative artwork.

(v) "Cooking school" means an establishment within a municipality or qualified resort area and owned by a nationally recognized company that offers an established culinary education curriculum and program where, in consideration of payment, patrons are given scheduled professional group instruction on culinary techniques. For purposes of this paragraph, the definition of cooking school shall not include schools or classes offered by grocery stores, convenience stores or drugstores.

SECTION 2. Section 67-1-16, Mississippi Code of 1972, is amended as follows:

67-1-16. (1) (a) Before an area may be designated by the governing authorities of a municipality as an area in which facilities which are defined as qualified resort areas in Section 67-1-5(o)(iii)5 may be located, an election shall be held, under the election laws applicable to the municipality, on the question of whether qualified resort areas shall be allowed in the

municipality. An election to determine whether qualified resort areas shall be allowed in the municipality shall be ordered by the municipal governing authorities, upon presentation to the governing authorities of a petition containing the names of at least twenty percent (20%) of the duly qualified voters of the municipality asking for the election. An election on the question may not be held by the municipality more often than once each year.

(b) Thirty (30) days' notice shall be given to the qualified electors of the municipality, in the manner prescribed by law, on the question of allowing qualified resort areas to be established. The notice shall contain a statement of the question to be voted on at the election. The ballots used in the election shall have the following words printed thereon: "FOR THE ESTABLISHMENT OF QUALIFIED RESORT AREAS," and next below, "AGAINST THE ESTABLISHMENT OF QUALIFIED RESORT AREAS." In marking his ballot, the voter shall make a cross (X) opposite the words of his choice.

(c) Qualified resort areas may be established if a majority of the qualified electors voting in the election vote for such establishment. A qualified resort area may not be established if a majority of the qualified electors voting in the election vote against such establishment.

(2) (a) Before a municipality may be designated as a qualified resort area as defined in Section 67-1-5(o)(iii)6, an

election shall be held, under the election laws applicable to the municipality, on the question of whether the municipality shall be a qualified resort area. An election to determine whether the municipality shall be a qualified resort area shall be ordered by the municipal governing authorities, upon presentation to the governing authorities of a petition containing the names of at least twenty percent (20%) of the duly qualified voters of the municipality asking for the election. An election on the question may not be held by the municipality more often than once each year.

(b) Thirty (30) days' notice shall be given to the qualified electors of the municipality, in the manner prescribed by law, on the question of allowing qualified resort areas to be established. The notice shall contain a statement of the question to be voted on at the election. The ballots used in the election shall have the following words printed thereon: "FOR THE ESTABLISHMENT OF A QUALIFIED RESORT AREA," and next below, "AGAINST THE ESTABLISHMENT OF A QUALIFIED RESORT AREA." In marking his ballot, the voter shall make a cross (X) opposite the words of his choice.

(c) The municipality may be established as a qualified resort area if a majority of the qualified electors voting in the election vote for such establishment. A qualified resort area may not be established if a majority of the qualified electors voting in the election vote against such establishment.

(3) (a) Before an area may be designated a qualified resort area as defined in Section 67-1-5(o)(iii)7, an election shall be held in the municipality in which the area is located under the election laws applicable to the municipality, on the question of whether the area shall be a qualified resort area. An election to determine whether the area shall be a qualified resort area shall be ordered by the municipal governing authorities, upon presentation to the governing authorities of a petition containing the names of at least twenty percent (20%) of the duly qualified voters of the municipality asking for the election. An election on the question may not be held by the municipality more often than once each year.

(b) Thirty (30) days' notice shall be given to the qualified electors of the municipality, in the manner prescribed by law, on the question of allowing qualified resort areas to be established. The notice shall contain a statement of the question to be voted on at the election. The ballots used in the election shall have the following words printed thereon: "FOR THE ESTABLISHMENT OF A QUALIFIED RESORT AREA," and next below, "AGAINST THE ESTABLISHMENT OF A QUALIFIED RESORT AREA." In marking his ballot, the voter shall make a cross (X) opposite the words of his choice.

(c) The area may be established as a qualified resort area if a majority of the qualified electors voting in the election vote for such establishment. A qualified resort area may

not be established if a majority of the qualified electors voting in the election vote against such establishment.

(4) (a) Before an area may be designated a qualified resort area as defined in Section 67-1-5(o)(iii)8, an election shall be held in the area described in Section 67-1-5(o)(iii)8 under the election laws applicable to counties, on the question of whether the area shall be a qualified resort area. An election to determine whether the area shall be a qualified resort area shall be ordered by the board of supervisors, upon presentation to the board of a petition containing the names of at least twenty percent (20%) of the duly qualified voters of the area described in Section 67-1-5(o)(iii)8 asking for the election. An election on the question may not be held by the county more often than once each year.

(b) Thirty (30) days' notice shall be given to the qualified electors of the area, in the manner prescribed by law, on the question of allowing qualified resort areas to be established. The notice shall contain a statement of the question to be voted on at the election. The ballots used in the election shall have the following words printed thereon: "FOR THE ESTABLISHMENT OF A QUALIFIED RESORT AREA," and next below, "AGAINST THE ESTABLISHMENT OF A QUALIFIED RESORT AREA." In marking his ballot, the voter shall make a cross (X) opposite the words of his choice.

(c) The area may be established as a qualified resort area if a majority of the qualified electors voting in the election vote for such establishment. A qualified resort area may not be established if a majority of the qualified electors voting in the election vote against such establishment.

SECTION 3. This act shall take effect and be in force from and after July 1, 2014.

PASSED BY THE HOUSE OF REPRESENTATIVES
February 13, 2014



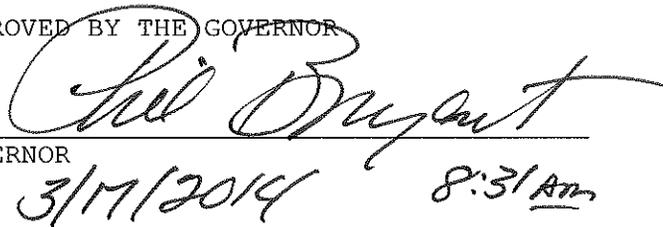
SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
March 5, 2014



PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR



GOVERNOR

3/17/2014 8:31 AM