

By: Representative Eads

To: Ways and Means

HOUSE BILL NO. 272

1 AN ACT TO AMEND SECTIONS 57-30-1 AND 57-30-3, MISSISSIPPI  
2 CODE OF 1972, TO DEFINE THE TERMS "ALLIANCE" AND "LOCAL GOVERNMENT  
3 UNIT" AND REVISE THE DEFINITION OF THE TERM "PROJECT" FOR PURPOSES  
4 OF THE TYPES OF PROJECTS FOR WHICH PERSONS, CORPORATIONS OR OTHER  
5 ENTITIES MAY INCUR INDEBTEDNESS AND BE ELIGIBLE FOR INCENTIVE  
6 PAYMENTS FROM THE SALES TAX INCENTIVE FUND; TO PROVIDE THAT LOCAL  
7 GOVERNMENT UNITS INCURRING INDEBTEDNESS FOR PROJECTS UNDER THE  
8 REGIONAL ECONOMIC DEVELOPMENT ACT MAY BE ELIGIBLE TO RECEIVE  
9 INCENTIVE PAYMENTS FROM THE SALES TAX INCENTIVE FUND; AND FOR  
10 RELATED PURPOSES.

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

12 **SECTION 1.** Section 57-30-1, Mississippi Code of 1972, is  
13 amended as follows:

14 57-30-1. As used in this chapter, the following terms and  
15 phrases shall have the meanings ascribed in this section unless  
16 the context clearly indicates otherwise:

17 (a) "Alliance" means, and has the same definition as  
18 that term has in Section 57-64-7.

19 (b) "Approved participant" means a person, corporation  
20 or other entity issued a certificate by the Mississippi  
21 Development Authority under Section 57-30-3.

22 (c) "Local government unit" means, and has the same  
23 definition as that term has in Section 57-64-7.

24 (d) "MDA" means the Mississippi Development Authority.

25 (e) "Project" means any family-oriented entertainment  
26 enterprise such as campgrounds and theme parks, as designated by  
27 the Mississippi Development Authority, with an initial capital  
28 investment of not less than Five Million Dollars (\$5,000,000.00)  
29 if located in a county in a tier one area, as designated under  
30 Section 57-73-21, or with an initial capital investment of not  
31 less than Three Million Dollars (\$3,000,000.00) if located in a



32 county in a tier two area or tier three area as designated in  
33 Section 57-73-21. Whether a county is in a tier one area, tier  
34 two area or tier three area shall be determined by the  
35 classification of the area at the time the initial investment is  
36 made. The term "project" also means any of the following if  
37 located on the project site or within one (1) mile of the project  
38 and owned by the owner of the family-oriented entertainment  
39 enterprise: (i) auditoriums, (ii) dining facilities, (iii) gift  
40 shops and (iv) lodging facilities. However, the capital  
41 investment in any such dining facility or lodging facility shall  
42 not be included for purposes of meeting the minimum capital  
43 investment requirement for a project. The term "project" does not  
44 mean any business, corporation or entity having a gaming license  
45 issued under Section 75-76-1 et seq., Mississippi Code of 1972,  
46 but may include a family-oriented entertainment enterprise owned  
47 by such a business, corporation or entity that is in excess of  
48 development that the State Gaming Commission requires for the  
49 issuance or renewal of a gaming license. The term "project" also  
50 means a project as defined in Section 57-64-7, for which the  
51 Mississippi Development Authority has issued a certificate of  
52 public convenience and necessity to a local government unit under  
53 the Regional Economic Development Act authorizing the creation of  
54 an alliance. There shall be no minimum capital investment for  
55 such a project.

56 (f) "State" means the State of Mississippi.

57 **SECTION 2.** Section 57-30-3, Mississippi Code of 1972, is  
58 amended as follows:

59 57-30-3. (1) The MDA shall develop, implement and  
60 administer the incentive program authorized in this section and  
61 shall promulgate rules and regulations necessary for the  
62 development, implementation and administration of such program.

63 (2) (a) A person, corporation or other entity, except a  
64 local government unit, desiring to participate in the incentive



65 payment program authorized in this section must submit an  
66 application to the MDA. Such application must contain (i) plans  
67 for the proposed project; (ii) a detailed description of the  
68 proposed project; (iii) the method of financing the proposed  
69 project and the terms of such financing; and (iv) any other  
70 information required by the MDA. The executive director of the  
71 MDA shall review the application and determine whether it  
72 qualifies as a project. If the executive director determines the  
73 proposed project qualifies as a project, he shall issue a  
74 certificate to the person, corporation or other entity designating  
75 such person, corporation or other entity as an approved  
76 participant and authorizing the approved participant to  
77 participate in the incentive payment program provided for in this  
78 section.

79 (b) A local government unit desiring to participate in  
80 the incentive payment program authorized in this section must  
81 submit an application to the MDA. Such application must contain  
82 (i) a copy of the certificate of public convenience and necessity  
83 issued by the MDA under the Regional Economic Development Act;  
84 (ii) the names of the local government unit members of the  
85 alliance; (iii) plans for the proposed project; (iv) a detailed  
86 description of the proposed project; (v) the proposed cost of  
87 project as defined in Section 57-64-7; (vi) the amount and type of  
88 indebtedness incurred or to be incurred by the local government  
89 unit and each member of the alliance for the project under the  
90 Regional Economic Development Act; and (vii) any other information  
91 required by the MDA. The executive director of the MDA shall  
92 review the application and determine whether it qualifies as a  
93 project. If the executive director determines the proposed  
94 project qualifies as a project, he shall issue a certificate to  
95 the local government unit designating the local government unit as  
96 an approved participant and authorizing the local government unit



97 to participate in the incentive payment program provided for in  
98 this section.

99 (3) (a) There is created in the State Treasury a special  
100 fund to be known as the "Sales Tax Incentive Fund," into which  
101 shall be deposited such money as provided in Section 27-65-75(16).  
102 The monies in the fund shall be used for the purpose of making the  
103 incentive payments authorized in this section. The fund shall be  
104 administered by the MDA, and monies in the fund shall be expended  
105 upon appropriation by the Legislature. Unexpended amounts  
106 remaining in the fund at the end of a fiscal year shall not lapse  
107 into the General Fund, and any interest earned on or investment  
108 earnings on the amounts in the fund shall be deposited to the  
109 credit of the fund. The MDA may use not more than one percent  
110 (1%) of interest earned or investment earnings, or both, on  
111 amounts in the fund for administration and management of the  
112 incentive program.

113 (b) Incentive payments may be made by the MDA to an  
114 approved participant, except a local government unit, that incurs  
115 indebtedness or incurs capital costs, or both, to locate a project  
116 in the state. The payments to an approved participant shall be  
117 for the amount of sales tax revenue collected on the gross  
118 proceeds of sales of a project, after making the diversions  
119 required in Section 27-65-75, except the diversion provided for in  
120 Section 27-65-75(1). The MDA shall ensure that payments made  
121 pursuant to this section are utilized to pay the debt service  
122 incurred by the approved participant for the project as approved  
123 by the MDA or any project capital cost incurred by the approved  
124 participant for the project as approved by the MDA, or both. The  
125 MDA shall make payments to an approved participant on a semiannual  
126 basis with payments being made in the months of January and July.  
127 The aggregate amount that an approved participant may receive  
128 shall not exceed thirty-five percent (35%) of the original  
129 indebtedness or project capital cost, or both, incurred by such



130 participant for the project. The MDA shall make the calculations  
131 necessary to make the payments provided for in this section. The  
132 MDA shall cease making incentive payments to an approved  
133 participant on the occurrence of the earlier of (i) the date  
134 thirty-five percent (35%) of the original indebtedness, or any  
135 refinancing of the original indebtedness, incurred for the project  
136 or original project capital cost incurred for the project, or  
137 both, is satisfied, (ii) ten (10) years from the date the original  
138 indebtedness for the project was incurred, without regard to any  
139 refinancing or additional financing for any addition to or  
140 expansion of the project, or (iii) the project ceases operations.

141 (c) If an approved participant is a local government  
142 unit, incentive payments may be made by the MDA to the local  
143 government unit for use according to the certificate of public  
144 convenience and necessity issued by the MDA under the Regional  
145 Economic Development Act. The payments to a local government unit  
146 shall be for a portion, as provided in such certificate of public  
147 convenience and necessity, of the sales tax revenue collected on  
148 the gross proceeds of sales of a project, after making the  
149 diversions required in Section 27-65-75, except the diversion  
150 provided for in Section 27-65-75(1). The MDA shall ensure that  
151 payments made to a local government unit pursuant to this section  
152 are utilized according to the certificate of public convenience  
153 and necessity issued by the MDA under the Regional Economic  
154 Development Act. The MDA shall make payments to a local  
155 government unit on a semiannual basis with payments being made in  
156 the months of January and July. The aggregate amount that a local  
157 government unit may receive shall not exceed thirty-five percent  
158 (35%) of the original indebtedness incurred by the local  
159 government unit for the project under the Regional Economic  
160 Development Act. The MDA shall make the calculations necessary to  
161 make the payments provided for in this section. The MDA shall  
162 cease making incentive payments to a local government unit on the



163 occurrence of the earlier of (i) the date thirty-five percent  
164 (35%) of the original indebtedness, or any refinancing of the  
165 original indebtedness, incurred by the local government unit for  
166 the project under the Regional Economic Development Act is  
167 satisfied, (ii) ten (10) years from the date the original  
168 indebtedness for the project was incurred, without regard to any  
169 refinancing or additional financing for any addition to or  
170 expansion of the project, or (iii) the project ceases operations.

171 (4) At such time as payments are no longer required to be  
172 made to an approved participant, the MDA shall notify the State  
173 Tax Commission and the sales tax revenue collected from such  
174 project shall no longer be deposited into the Sales Tax Incentive  
175 Fund, and any amounts remaining in the fund that were collected  
176 from such participant shall be transferred to the State General  
177 Fund; provided, however, if the project is located in a  
178 municipality, a portion of such amount shall be paid to such  
179 municipality in the same manner and amounts as provided for in  
180 Section 27-65-75(1).

181 **SECTION 3.** This act shall take effect and be in force from  
182 and after July 1, 2002.

