

By: Senator(s) Minor

To: Finance

SENATE BILL NO. 2930
(As Sent to Governor)

1 AN ACT TO AMEND SECTIONS 57-30-1 AND 57-30-3, MISSISSIPPI
2 CODE OF 1972, TO REFLECT THE CHANGE OF THE NAME OF THE MISSISSIPPI
3 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO THE
4 MISSISSIPPI DEVELOPMENT AUTHORITY; TO REVISE THE AMOUNT OF
5 INDEBTEDNESS FOR WHICH PERSONS, CORPORATIONS OR OTHER ENTITIES MAY
6 RECEIVE INCENTIVE PAYMENTS FROM THE SALES TAX INCENTIVE FUND; TO
7 PROVIDE THAT ELIGIBLE PROJECTS SHALL INCLUDE CERTAIN ANCILLARY
8 BUSINESSES OWNED BY A LEGAL ENTITY LEGALLY AFFILIATED WITH THE
9 OWNER OF THE FAMILY-ORIENTED ENTERTAINMENT ENTERPRISE; TO PROVIDE
10 THAT THE AMOUNT OF THE INDEBTEDNESS MAY BE FUNDED FROM FEDERAL,
11 LOCAL AND/OR PRIVATE SOURCES; TO PROVIDE THAT THE AMOUNT THAT A
12 PARTICIPANT MAY RECEIVE SHALL NOT EXCEED 35% OF THE INDEBTEDNESS
13 FUNDED FROM PRIVATE SOURCES; TO DELETE THE REQUIREMENT THAT MONIES
14 IN THE SALES TAX INCENTIVE FUND BE APPROPRIATED IN ORDER TO BE
15 EXPENDED; AND FOR RELATED PURPOSES.

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

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

19 57-30-1. As used in this chapter, the following terms and
20 phrases shall have the meanings ascribed in this section unless
21 the context clearly indicates otherwise:

22 (a) "Approved participant" means a person, corporation
23 or other entity issued a certificate by the Mississippi
24 Development Authority under Section 57-30-3.

25 (b) "MDA" means the Mississippi Development Authority.

26 (c) "Project" means any family-oriented entertainment
27 enterprise such as campgrounds and theme parks, as designated by
28 the Mississippi Development Authority, with an initial capital
29 investment of not less than Five Million Dollars (\$5,000,000.00)
30 in federal, local and/or private funds if located in a county in a
31 Tier One area, as designated under Section 57-73-21, or with an
32 initial capital investment of not less than Three Million Dollars
33 (\$3,000,000.00) in federal, local and/or private funds if located



34 in a county in a Tier Two area or Tier Three area as designated in
35 Section 57-73-21. Whether a county is in a Tier One area, Tier
36 Two area or Tier Three area shall be determined by the
37 classification of the area at the time the initial investment is
38 made. The term "project" also means any of the following
39 ancillary businesses if located on the project site or within one
40 (1) mile of the project and owned by the owner of the
41 family-oriented entertainment enterprise or owned by an entity
42 legally affiliated with the owner of the family-oriented
43 entertainment enterprise: (i) auditoriums, (ii) dining
44 facilities, (iii) gift shops, and (iv) lodging facilities.
45 However, the capital investment in any such dining facility or
46 lodging facility shall not be included for purposes of meeting the
47 minimum capital investment requirement for a project. The term
48 "project" does not mean any business, corporation or entity having
49 a gaming license issued under Section 75-76-1 et seq., Mississippi
50 Code of 1972, but may include a family-oriented entertainment
51 enterprise owned by such a business, corporation or entity that is
52 in excess of development that the State Gaming Commission requires
53 for the issuance or renewal of a gaming license.

54 (d) "State" means the State of Mississippi.

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

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

61 (2) A person, corporation or other entity desiring to
62 participate in the incentive payment program authorized in this
63 section must submit an application to the MDA. Such application
64 must contain (a) plans for the proposed project; (b) a detailed
65 description of the proposed project; (c) the method of financing
66 the proposed project and the terms of such financing; and (d) any



67 other information required by the MDA. The Executive Director of
68 the MDA shall review the application and determine whether it
69 qualifies as a project. If the executive director determines the
70 proposed project qualifies as a project, he shall issue a
71 certificate to the person, corporation or other entity designating
72 such person, corporation or other entity as an approved
73 participant and authorizing the approved participant to
74 participate in the incentive payment program provided for in this
75 section.

76 (3) (a) There is created in the State Treasury a special
77 fund to be known as the "Sales Tax Incentive Fund," into which
78 shall be deposited such money as provided in Section 27-65-75(16).
79 The monies in the fund shall be used for the purpose of making the
80 incentive payments authorized in this section. The fund shall be
81 administered by the MDA. Unexpended amounts remaining in the fund
82 at the end of a fiscal year shall not lapse into the General Fund,
83 and any interest earned on or investment earnings on the amounts
84 in the fund shall be deposited to the credit of the fund. The MDA
85 may use not more than one percent (1%) of interest earned or
86 investment earnings, or both, on amounts in the fund for
87 administration and management of the incentive program.

88 (b) Subject to the provisions of this section,
89 incentive payments may be made by the MDA to an approved
90 participant that incurs indebtedness or incurs capital costs, or
91 both, to locate a project in the state. The payments to an
92 approved participant shall be for the amount of sales tax revenue
93 collected on the gross proceeds of sales of a project, after
94 making the diversions required in Section 27-65-75, except the
95 diversion provided for in Section 27-65-75(1). The MDA shall
96 ensure that payments made pursuant to this section are utilized to
97 pay the debt service incurred by the approved participant for the
98 project as approved by the MDA or any project capital cost
99 incurred by the approved participant for the project as approved



100 by the MDA, or both. The MDA shall make payments to an approved
101 participant on a semiannual basis with payments being made in the
102 months of January and July. For the purposes of determining the
103 amount of indebtedness or project capital costs, or both, incurred
104 for any ancillary business, as described in Section 57-30-1(c),
105 which is eligible for incentive payments under this section, the
106 amount of such indebtedness or project capital costs, or both,
107 shall be limited to an amount not greater than the indebtedness or
108 project capital costs, or both, incurred for the primary project.
109 The aggregate amount that an approved participant may receive
110 shall not exceed thirty-five percent (35%) of the portion of the
111 original indebtedness that is funded from private sources or
112 project capital cost that is funded from private sources, or both,
113 incurred by such participant for the project. The MDA shall make
114 the calculations necessary to make the payments provided for in
115 this section. The MDA shall cease making incentive payments to an
116 approved participant on the occurrence of the earlier of (i) the
117 date thirty-five percent (35%) of the portion of the original
118 indebtedness that is funded from private sources, or any
119 refinancing of the portion of the original indebtedness that is
120 funded from private sources, incurred for the project or the
121 portion of the original project capital cost that is funded from
122 private sources incurred for the project, or both, is satisfied,
123 (ii) ten (10) years from the date the original indebtedness for
124 the project was incurred, without regard to any refinancing or
125 additional financing for any addition to or expansion of the
126 project, or (iii) the project ceases operations.

127 (4) At such time as payments are no longer required to be
128 made to an approved participant, the MDA shall notify the State
129 Tax Commission and the sales tax revenue collected from such
130 project shall no longer be deposited into the Sales Tax Incentive
131 Fund, and any amounts remaining in the fund that were collected
132 from such participant shall be transferred to the State General



133 Fund; provided, however, if the project is located in a
134 municipality, a portion of such amount shall be paid to such
135 municipality in the same manner and amounts as provided for in
136 Section 27-65-75(1).

137 **SECTION 3.** Sections 57-30-1 and 57-30-3 shall stand repealed
138 from and after July 1, 2004.

139 **SECTION 4.** This act shall take effect and be in force from
140 and after its passage.

