

By: Representative Eads

To: Ways and Means

HOUSE BILL NO. 484

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 in federal, local and/or private funds if located in a county in a  
30 Tier One area, as designated under Section 57-73-21, or with an  
31 initial capital investment of not less than Three Million Dollars



32 (\$3,000,000.00) in federal, local and/or private funds if located  
33 in a county in a Tier Two area or Tier Three area as designated in  
34 Section 57-73-21. Whether a county is in a Tier One area, Tier  
35 Two area or Tier Three area shall be determined by the  
36 classification of the area at the time the initial investment is  
37 made. The term "project" also means any of the following  
38 ancillary businesses if located on the project site or within one  
39 (1) mile of the project and owned by the owner of the  
40 family-oriented entertainment enterprise or owned by an entity  
41 legally affiliated with the owner of the family-oriented  
42 entertainment enterprise: (i) auditoriums, (ii) dining  
43 facilities, (iii) gift shops, and (iv) lodging facilities.  
44 However, the capital investment in any such dining facility or  
45 lodging facility shall not be included for purposes of meeting the  
46 minimum capital investment requirement for a project. The term  
47 "project" does not mean any business, corporation or entity having  
48 a gaming license issued under Section 75-76-1 et seq., Mississippi  
49 Code of 1972, but may include a family-oriented entertainment  
50 enterprise owned by such a business, corporation or entity that is  
51 in excess of development that the State Gaming Commission requires  
52 for the issuance or renewal of a gaming license. The term  
53 "project" also means a project as defined in Section 57-64-7, for  
54 which the Mississippi Development Authority has issued a  
55 certificate of public convenience and necessity to a local  
56 government unit under the Regional Economic Development Act  
57 authorizing the creation of an alliance. There shall be no  
58 minimum capital investment for such a project.

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

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

62 57-30-3. (1) The MDA shall develop, implement and  
63 administer the incentive program authorized in this section and



64 shall promulgate rules and regulations necessary for the  
65 development, implementation and administration of such program.

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

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



97 project qualifies as a project, he shall issue a certificate to  
98 the local government unit designating the local government unit as  
99 an approved participant and authorizing the local government unit  
100 to participate in the incentive payment program provided for in  
101 this section.

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

114 (b) Subject to the provisions of this section,  
115 incentive payments may be made by the MDA to an approved  
116 participant, except a local government unit, that incurs  
117 indebtedness or incurs capital costs, or both, to locate a project  
118 in the state. The payments to an approved participant shall be  
119 for the amount of sales tax revenue collected on the gross  
120 proceeds of sales of a project, after making the diversions  
121 required in Section 27-65-75, except the diversion provided for in  
122 Section 27-65-75(1). The MDA shall ensure that payments made  
123 pursuant to this section are utilized to pay the debt service  
124 incurred by the approved participant for the project as approved  
125 by the MDA or any project capital cost incurred by the approved  
126 participant for the project as approved by the MDA, or both. The  
127 MDA shall make payments to an approved participant on a semiannual  
128 basis with payments being made in the months of January and July.  
129 For the purposes of determining the amount of indebtedness or



130 project capital costs, or both, incurred for any ancillary  
131 business, as described in Section 57-30-1(c), which is eligible  
132 for incentive payments under this section, the amount of such  
133 indebtedness or project capital costs, or both, shall be limited  
134 to an amount not greater than the indebtedness or project capital  
135 costs, or both, incurred for the primary project. The aggregate  
136 amount that an approved participant may receive shall not exceed  
137 thirty-five percent (35%) of the portion of the original  
138 indebtedness that is funded from private sources or project  
139 capital cost that is funded from private sources, or both,  
140 incurred by such participant for the project. The MDA shall make  
141 the calculations necessary to make the payments provided for in  
142 this section. The MDA shall cease making incentive payments to an  
143 approved participant on the occurrence of the earlier of (i) the  
144 date thirty-five percent (35%) of the portion of the original  
145 indebtedness that is funded from private sources, or any  
146 refinancing of the portion of the original indebtedness that is  
147 funded from private sources, incurred for the project or the  
148 portion of the original project capital cost that is funded from  
149 private sources incurred for the project, or both, is satisfied,  
150 (ii) ten (10) years from the date the original indebtedness for  
151 the project was incurred, without regard to any refinancing or  
152 additional financing for any addition to or expansion of the  
153 project, or (iii) the project ceases operations.

154 (c) If an approved participant is a local government  
155 unit, incentive payments may be made by the MDA to the local  
156 government unit for use according to the certificate of public  
157 convenience and necessity issued by the MDA under the Regional  
158 Economic Development Act. The payments to a local government unit  
159 shall be for a portion, as provided in such certificate of public  
160 convenience and necessity, of the sales tax revenue collected on  
161 the gross proceeds of sales of a project, after making the  
162 diversions required in Section 27-65-75, except the diversion



163 provided for in Section 27-65-75(1). The MDA shall ensure that  
164 payments made to a local government unit pursuant to this section  
165 are utilized according to the certificate of public convenience  
166 and necessity issued by the MDA under the Regional Economic  
167 Development Act. The MDA shall make payments to a local  
168 government unit on a semiannual basis with payments being made in  
169 the months of January and July. The aggregate amount that a local  
170 government unit may receive shall not exceed thirty-five percent  
171 (35%) of the original indebtedness incurred by the local  
172 government unit for the project under the Regional Economic  
173 Development Act. The MDA shall make the calculations necessary to  
174 make the payments provided for in this section. The MDA shall  
175 cease making incentive payments to a local government unit on the  
176 occurrence of the earlier of (i) the date thirty-five percent  
177 (35%) of the original indebtedness, or any refinancing of the  
178 original indebtedness, incurred by the local government unit for  
179 the project under the Regional Economic Development Act is  
180 satisfied, (ii) ten (10) years from the date the original  
181 indebtedness for the project was incurred, without regard to any  
182 refinancing or additional financing for any addition to or  
183 expansion of the project, or (iii) the project ceases operations.

184 (4) At such time as payments are no longer required to be  
185 made to an approved participant, the MDA shall notify the State  
186 Tax Commission and the sales tax revenue collected from such  
187 project shall no longer be deposited into the Sales Tax Incentive  
188 Fund, and any amounts remaining in the fund that were collected  
189 from such participant shall be transferred to the State General  
190 Fund; provided, however, if the project is located in a  
191 municipality, a portion of such amount shall be paid to such  
192 municipality in the same manner and amounts as provided for in  
193 Section 27-65-75(1).

194 **SECTION 3.** This act shall take effect and be in force from  
195 and after July 1, 2003.

