

By: Representative Peranich

To: Tourism; Ways and Means

HOUSE BILL NO. 1025
(As Passed the House)

1 AN ACT TO PROVIDE AN INCENTIVE FOR PERSONS, CORPORATIONS OR
2 OTHER ENTITIES THAT MAKE CAPITAL INVESTMENTS TO LOCATE CERTAIN
3 TOURISM-ORIENTED ENTERPRISES IN THIS STATE; TO CREATE THE TOURISM
4 SALES TAX INCENTIVE FUND; TO AUTHORIZE INCENTIVE PAYMENTS FROM
5 SUCH FUND TO PERSONS, CORPORATIONS OR OTHER ENTITIES THAT MAKE
6 CAPITAL INVESTMENTS TO LOCATE CERTAIN TOURISM-ORIENTED ENTERPRISES
7 IN THIS STATE; TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY
8 TO DEVELOP A PROGRAM TO ADMINISTER THE TOURISM INCENTIVE PROGRAM
9 AUTHORIZED BY THIS ACT; TO CREATE THE TOURISM INCENTIVE PROGRAM;
10 TO AMEND SECTION 57-30-5, MISSISSIPPI CODE OF 1972, WHICH PROVIDES
11 FOR PARTICIPATION IN THE SALES TAX INCENTIVE FUND PROGRAM, TO
12 PROVIDE THAT NO CERTIFICATES AUTHORIZING PARTICIPATION IN THE
13 PROGRAM SHALL BE ISSUED AFTER JULY 1, 2005; TO EXTEND THE DATE OF
14 REPEAL FOR SUCH SECTION; TO AMEND SECTION 27-65-75, MISSISSIPPI
15 CODE OF 1972, TO CONFORM TO THE PROVISIONS OF THIS ACT; AND FOR
16 RELATED PURPOSES.

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

18 **SECTION 1.** As used in Sections 1 and 2 of this act, the
19 following terms and phrases shall have the meanings ascribed in
20 this section unless the context clearly indicates otherwise:

21 (a) "Approved capital costs" means any or all of the
22 following:

23 (i) Obligations incurred for labor and materials
24 in connection with the acquisition, construction, installation,
25 equipping, and rehabilitation of a project and all related costs
26 thereto;

27 (ii) The costs of acquiring land or rights in land
28 and any cost incidental thereto;

29 (iii) All costs of reasonable architectural and
30 engineering services, including test borings, surveys, estimates,
31 plans and specifications, preliminary investigations, and
32 supervision of construction, as well as for the performance of all
33 the duties required by or consequent to the acquisition,

34 construction, installation, equipping, and rehabilitation of a
35 project;

36 (iv) All costs which shall be required to be paid
37 under the terms of any contract or contracts for the acquisition,
38 construction, installation, equipping, and rehabilitation of a
39 project; and

40 (v) All other costs of a nature comparable to
41 those described above.

42 Approved capital costs does not mean working capital,
43 marketing expense, inventory and other soft cost as determined by
44 the MDA.

45 (b) "Approved participant" means a person, corporation,
46 or other entity issued a certificate by the MDA under Section 2 of
47 this act.

48 (c) "Board" means the Tourism Incentive Program Board.

49 (d) "Certificate" means a Certificate of Public
50 Convenience and Necessity authorized to be issued by the MDA
51 pursuant to Sections 1 and 2 of this act as approved and directed
52 by the board.

53 (e) "MDA" means the Mississippi Development Authority.

54 (f) "Project" means any of the following:

55 (i) A tourist-oriented enterprise as herein
56 specified or as designated by the MDA, with an initial capital
57 investment of not less than Five Million Dollars (\$5,000,000.00)
58 from federal, local and/or private sources if located in a county
59 in a Tier One area as designated under Section 57-73-21, or, with
60 an initial capital investment of not less than Three Million
61 Dollars (\$3,000,000.00) from federal, local and/or private sources
62 if located in a county in a Tier Two area or Tier Three area as
63 designated in Section 57-73-21. Whether a county is in a Tier One
64 area, Tier Two area or Tier Three area shall be determined by the
65 classification of the area at the time the initial investment is
66 made;

67 (ii) Future project expansions and complementary
68 projects and facilities meeting the same criteria for a project,
69 as defined herein, which are contiguous to the original project
70 site or within a designated development district created by a unit
71 of local government and owned by the owner of the initial project,
72 or its successor in interest, and which project additions and
73 expansions must also meet all other criteria of a qualifying
74 project;

75 (iii) A cultural or historical site, a recreation
76 or entertainment facility, or a facility that creates a natural
77 phenomenon or scenic beauty as determined by the MDA and approved
78 by the board;

79 (iv) Lodging facilities that have a minimum of one
80 hundred fifty (150) rooms, at least twenty (20) square feet of
81 meeting space per hotel room, and are within one thousand (1,000)
82 feet of a convention center owned by a unit of local government,
83 which convention center has at least twenty-five thousand (25,000)
84 square feet of exhibit space and at least ten thousand (10,000)
85 square feet of meeting and ballroom space; or

86 (v) Hotel facilities that involve the restoration
87 or rehabilitation of a structure that is listed individually in
88 the National Register of Historic Places, or are located in a
89 National Register Historic District.

90 In addition, in order for a project to qualify under the
91 provisions of Sections 1 and 2 of this act, it shall, at a
92 minimum, have a positive economic impact on the state and the
93 increased tax revenues and economic benefits derived from the
94 project will exceed the tax incentives granted to the approved
95 participant pursuant to this act.

96 The term "project" does not mean any of the following: (a)
97 any business, corporation or entity having a gaming license issued
98 under Section 75-76-1 et seq., Mississippi Code of 1972, but may
99 include a tourism-oriented facility owned by such a business,

100 corporation or entity that is in excess of development that the
101 State Gaming Commission requires for the issuance or renewal of a
102 gaming license; (b) except for a project promoting or otherwise
103 marketing and selling crafts and products made in the state,
104 facilities that are (i) primarily devoted to the retail sale of
105 merchandise and goods in which retail sales exceed twenty-five
106 percent (25%) of the total sales of the facility, or (ii)
107 tourism-oriented facilities out of which the retail sale of
108 merchandise and goods exceeds twenty-five percent (25%) of total
109 sales of the facility or the attraction; or (c) any project that
110 receives a tax subsidy or tax credit of any kind from the state
111 pursuant to any other law.

112 (g) "State" means the State of Mississippi.

113 (h) "Unit of local government" means any city, county
114 or other public entity created by statute.

115 **SECTION 2.** (1) There is created the Tourism Incentive
116 Program Board whose voting members shall be the Executive Director
117 of the MDA, who shall serve as chairman, the Chairman of the State
118 Tax Commission or his designee, and the Executive Director of the
119 Department of Finance and Administration. The President of the
120 Mississippi Tourism Association and the Director of the Tourism
121 Division of the MDA shall serve in an advisory capacity as
122 nonvoting members of the board. The board shall meet subject to
123 the call of the chairman, shall keep minutes of its proceedings,
124 and shall be authorized, in its sole discretion, to approve the
125 issuance of certificates by the MDA approving projects as
126 "qualified projects" which certificates shall set forth the terms
127 and provisions under which such projects are approved and the
128 extent to which such projects may receive the incentives provided
129 in Sections 1 and 2 of this act, as may be determined by the
130 board. All projects approved by the board pursuant to Sections 1
131 and 2 of this act shall require two (2) affirmative votes. The
132 board shall be further authorized to require the MDA to rescind

133 and terminate certificates, enforce the terms and provisions of
134 the certificates and any agreements arising therefrom and exercise
135 any available remedy at law or arising out of contract approved by
136 the board pursuant to any project approved pursuant to this act.

137 (2) The MDA shall develop, implement and administer the
138 program authorized in Sections 1 and 2 of this act and shall
139 submit rules and regulations necessary for the development,
140 implementation and administration of such program to the board for
141 its consideration and approval.

142 (3) Any person, corporation or other entity desiring to
143 participate in the incentive program authorized by Sections 1 and
144 2 of this act must pay a nonrefundable application fee of Five
145 Thousand Dollars (\$5,000.00) to the MDA which shall be used,
146 without appropriation from the Legislature, by the MDA to offset
147 administrative costs and then shall submit an application,
148 hereinafter described, to the MDA. Such application must contain
149 (a) plans for the proposed project; (b) a detailed description of
150 the proposed project and its site; (c) a project budget including
151 capital and other anticipated expenditures for the project that
152 indicates that the total cost of the project shall achieve or
153 exceed the investment threshold and the anticipated sources of
154 funding the costs of the project; (d) marketing plans for the
155 project; (e) the anticipated employment and wages to be paid at
156 the project; (f) business plans describing the operation of the
157 project, including the anticipated revenues and expenses generated
158 by the project; (g) financial information regarding the applicant
159 as may be requested by the MDA and/or the board to demonstrate
160 that the applicant has the financial resources to construct and
161 operate the project; (h) resumes of applicants and of its senior
162 staff as may be requested by the MDA and/or the board to
163 demonstrate that the applicant has the required experience to
164 construct and operate the project; and (i) any other information
165 required by the MDA that would satisfactorily demonstrate that the

166 project meets all specified criteria prescribed and approved by
167 the board.

168 (4) If the MDA determines that the applicant and the project
169 reasonably satisfy the criteria for approval as described in
170 Sections 1 and 2 of this act, then the MDA shall submit a written
171 memorandum describing the project and the applicant to the board
172 requesting that the board consider a preliminary approval of the
173 project.

174 (5) After receiving the preliminary approval of the board,
175 the MDA shall engage the services of an institution of higher
176 learning in the state to analyze the data made available by the
177 applicant and to collect and analyze additional information
178 necessary to determine that, in the independent judgment of the
179 institution of higher learning, the tourism project: (a) shall
180 have capital expenditures in excess of the minimum requirements
181 set forth herein; (b) shall have a positive economic impact on the
182 state; (c) will not occur if not for the designation of the
183 project and granting of incentives by the state to the project;
184 and (d) complies with the rules and regulations and minimum
185 requirements adopted by the board.

186 The institution of higher learning shall consult with MDA
187 staff and shall agree as to methodology to be used and assumptions
188 to be made in preparing its report, and upon completion of such
189 analysis, shall provide the board and the MDA staff a written
190 report of its findings. Approval shall not be granted if it is
191 determined that there is no projected net positive economic impact
192 to the state.

193 The applicant shall pay for the cost of the institution of
194 higher learning's report, shall cooperate with the institution of
195 higher learning, and shall provide all of the data that the
196 institution of higher learning deems necessary to make its
197 determination under this paragraph (e).

198 (6) After a review of relevant materials, the institution of
199 higher learning's report, and completion of other inquiries, the
200 board may approve the project and direct the MDA to issue its
201 certificate approving the project, setting forth the terms and
202 conditions under which the project is approved and the extent to
203 which the incentives provided for herein may be used. A copy of
204 each certificate issued by the MDA shall be sent to the State Tax
205 Commission.

206 (7) (a) There is created in the State Treasury a special
207 fund to be known as the "Tourism Sales Tax Incentive Fund," into
208 which shall be deposited such money as provided in Section
209 27-65-75(19). The monies in the fund shall be used for the
210 purpose of making the incentive payments authorized in this
211 section. The fund shall be administered by the MDA. Unexpended
212 amounts remaining in the fund at the end of a fiscal year shall
213 not lapse into the General Fund, and any interest earned on or
214 investment earnings on the amounts in the fund shall be deposited
215 to the credit of the fund. MDA may use not more than one percent
216 (1%) of interest earned or investment earnings, or both, on
217 amounts in the fund for administration and management of the
218 incentive program. Any funds used by MDA under this subsection
219 shall be in addition to any funds made available to MDA under
220 Section 2(3) of this act.

221 (b) Incentive payments may be made by the MDA to an
222 approved participant that incurs approved costs to locate an
223 approved project in the state. The payments to an approved
224 participant shall be for the amount of sales tax revenue collected
225 on the gross proceeds of sales generated by the project, after
226 making the diversions required in Section 27-65-75, except the
227 diversion provided for in Section 27-65-75(1). The incentive
228 payments shall decrease at the rate of ten percent (10%) per year
229 during the first five (5) years of payments and shall be in the
230 amount of fifty percent (50%) of the sales generated by the

231 project, after making the applicable diversions, in years six (6)
232 through ten (10) of payments. The MDA shall ensure that payments
233 made pursuant to this section are utilized to pay the debt service
234 incurred by the approved participant for the project or any
235 approved cost incurred by the approved participant for the project
236 as set forth in the certificates issued by the MDA. The MDA shall
237 make payments to an approved participant on a semiannual basis
238 with payments being made in the months of January and July. The
239 aggregate amount that an approved participant may receive shall
240 not exceed thirty-five percent (35%) of the original capital
241 costs, funded from private sources, incurred for the project by
242 such approved participant. The MDA shall make the calculations
243 necessary to make the payments provided for in this section and
244 submit such calculations to the board for its consideration and
245 approval. The MDA shall cease making incentive payments to an
246 approved participant upon the occurrence of the earlier of (i) the
247 date thirty-five percent (35%) of the original indebtedness, or
248 any refinancing of the original indebtedness, incurred for the
249 project or original project capital cost incurred for the project
250 from private sources, or both, is satisfied; (ii) ten (10) years
251 from the date the original indebtedness for the project was
252 incurred, without regard to any refinancing or additional
253 financing for any addition to or expansion of the project; (iii)
254 any violation of the terms and provisions of the certificate or
255 any agreement arising out of the certificate; (iv) the project
256 ceases operations for a continuous period of ninety (90) days or
257 more (except for seasonal projects or an act of God); or (v) the
258 project or approved applicant is involved in any state or federal
259 bankruptcy proceedings not discharged within ninety (90) days.

260 (8) At such time as payments are no longer required to be
261 made to an approved participant, the MDA shall notify the State
262 Tax Commission and the sales tax revenue collected from such
263 project shall no longer be deposited into the Tourism Sales Tax

264 Incentive Fund, and any amounts remaining in the fund that were
265 collected from such participant shall be transferred to the State
266 General Fund; however, if the project is located in a
267 municipality, a portion of such amount shall be paid to such
268 municipality in the same manner and amounts as provided for in
269 Section 27-65-75(1).

270 **SECTION 3.** Section 27-65-75, Mississippi Code of 1972, is
271 amended as follows:

272 27-65-75. On or before the fifteenth day of each month, the
273 revenue collected under the provisions of this chapter during the
274 preceding month shall be paid and distributed as follows:

275 (1) On or before August 15, 1992, and each succeeding month
276 thereafter through July 15, 1993, eighteen percent (18%) of the
277 total sales tax revenue collected during the preceding month under
278 the provisions of this chapter, except that collected under the
279 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
280 business activities within a municipal corporation shall be
281 allocated for distribution to the municipality and paid to the
282 municipal corporation. On or before August 15, 1993, and each
283 succeeding month thereafter, eighteen and one-half percent
284 (18-1/2%) of the total sales tax revenue collected during the
285 preceding month under the provisions of this chapter, except that
286 collected under the provisions of Sections 27-65-15, 27-65-19(3)
287 and 27-65-21, on business activities within a municipal
288 corporation shall be allocated for distribution to the
289 municipality and paid to the municipal corporation.

290 A municipal corporation, for the purpose of distributing the
291 tax under this subsection, shall mean and include all incorporated
292 cities, towns and villages.

293 Monies allocated for distribution and credited to a municipal
294 corporation under this subsection may be pledged as security for
295 any loan received by the municipal corporation for the purpose of
296 capital improvements as authorized under Section 57-1-303, or

297 loans as authorized under Section 57-44-7, or water systems
298 improvements as authorized under Section 41-3-16.

299 In any county having a county seat that is not an
300 incorporated municipality, the distribution provided under this
301 subsection shall be made as though the county seat was an
302 incorporated municipality; however, the distribution to the
303 municipality shall be paid to the county treasury in which the
304 municipality is located, and those funds shall be used for road,
305 bridge and street construction or maintenance in the county.

306 (2) On or before September 15, 1987, and each succeeding
307 month thereafter, from the revenue collected under this chapter
308 during the preceding month One Million One Hundred Twenty-five
309 Thousand Dollars (\$1,125,000.00) shall be allocated for
310 distribution to municipal corporations as defined under subsection
311 (1) of this section in the proportion that the number of gallons
312 of gasoline and diesel fuel sold by distributors to consumers and
313 retailers in each such municipality during the preceding fiscal
314 year bears to the total gallons of gasoline and diesel fuel sold
315 by distributors to consumers and retailers in municipalities
316 statewide during the preceding fiscal year. The State Tax
317 Commission shall require all distributors of gasoline and diesel
318 fuel to report to the commission monthly the total number of
319 gallons of gasoline and diesel fuel sold by them to consumers and
320 retailers in each municipality during the preceding month. The
321 State Tax Commission shall have the authority to promulgate such
322 rules and regulations as is necessary to determine the number of
323 gallons of gasoline and diesel fuel sold by distributors to
324 consumers and retailers in each municipality. In determining the
325 percentage allocation of funds under this subsection for the
326 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
327 State Tax Commission may consider gallons of gasoline and diesel
328 fuel sold for a period of less than one (1) fiscal year. For the

329 purposes of this subsection, the term "fiscal year" means the
330 fiscal year beginning July 1 of a year.

331 (3) On or before September 15, 1987, and on or before the
332 fifteenth day of each succeeding month, until the date specified
333 in Section 65-39-35, the proceeds derived from contractors' taxes
334 levied under Section 27-65-21 on contracts for the construction or
335 reconstruction of highways designated under the highway program
336 created under Section 65-3-97 shall, except as otherwise provided
337 in Section 31-17-127, be deposited into the State Treasury to the
338 credit of the State Highway Fund to be used to fund that highway
339 program. The Mississippi Department of Transportation shall
340 provide to the State Tax Commission such information as is
341 necessary to determine the amount of proceeds to be distributed
342 under this subsection.

343 (4) On or before August 15, 1994, and on or before the
344 fifteenth day of each succeeding month through July 15, 1999, from
345 the proceeds of gasoline, diesel fuel or kerosene taxes as
346 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
347 (\$4,000,000.00) shall be deposited in the State Treasury to the
348 credit of a special fund designated as the "State Aid Road Fund,"
349 created by Section 65-9-17. On or before August 15, 1999, and on
350 or before the fifteenth day of each succeeding month, from the
351 total amount of the proceeds of gasoline, diesel fuel or kerosene
352 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
353 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
354 one-fourth percent (23.25%) of those funds, whichever is the
355 greater amount, shall be deposited in the State Treasury to the
356 credit of the "State Aid Road Fund," created by Section 65-9-17.
357 Those funds shall be pledged to pay the principal of and interest
358 on state aid road bonds heretofore issued under Sections 19-9-51
359 through 19-9-77, in lieu of and in substitution for the funds
360 previously allocated to counties under this section. Those funds
361 may not be pledged for the payment of any state aid road bonds

362 issued after April 1, 1981; however, this prohibition against the
363 pledging of any such funds for the payment of bonds shall not
364 apply to any bonds for which intent to issue those bonds has been
365 published, for the first time, as provided by law before March 29,
366 1981. From the amount of taxes paid into the special fund under
367 this subsection and subsection (9) of this section, there shall be
368 first deducted and paid the amount necessary to pay the expenses
369 of the Office of State Aid Road Construction, as authorized by the
370 Legislature for all other general and special fund agencies. The
371 remainder of the fund shall be allocated monthly to the several
372 counties in accordance with the following formula:

373 (a) One-third (1/3) shall be allocated to all counties
374 in equal shares;

375 (b) One-third (1/3) shall be allocated to counties
376 based on the proportion that the total number of rural road miles
377 in a county bears to the total number of rural road miles in all
378 counties of the state; and

379 (c) One-third (1/3) shall be allocated to counties
380 based on the proportion that the rural population of the county
381 bears to the total rural population in all counties of the state,
382 according to the latest federal decennial census.

383 For the purposes of this subsection, the term "gasoline,
384 diesel fuel or kerosene taxes" means such taxes as defined in
385 paragraph (f) of Section 27-5-101.

386 The amount of funds allocated to any county under this
387 subsection for any fiscal year after fiscal year 1994 shall not be
388 less than the amount allocated to the county for fiscal year 1994.
389 Monies allocated to a county from the State Aid Road Fund for
390 fiscal year 1995 or any fiscal year thereafter that exceed the
391 amount of funds allocated to that county from the State Aid Road
392 Fund for fiscal year 1994, first must be expended by the county
393 for replacement or rehabilitation of bridges on the state aid road
394 system that have a sufficiency rating of less than twenty-five

395 (25), according to National Bridge Inspection standards before
396 the monies may be approved for expenditure by the State Aid Road
397 Engineer on other projects that qualify for the use of state aid
398 road funds.

399 Any reference in the general laws of this state or the
400 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
401 construed to refer and apply to subsection (4) of Section
402 27-65-75.

403 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
404 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
405 the special fund known as the "State Public School Building Fund"
406 created and existing under the provisions of Sections 37-47-1
407 through 37-47-67. Those payments into that fund are to be made on
408 the last day of each succeeding month hereafter.

409 (6) An amount each month beginning August 15, 1983, through
410 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
411 of 1983, shall be paid into the special fund known as the
412 Correctional Facilities Construction Fund created in Section 6 of
413 Chapter 542, Laws of 1983.

414 (7) On or before August 15, 1992, and each succeeding month
415 thereafter through July 15, 2000, two and two hundred sixty-six
416 one-thousandths percent (2.266%) of the total sales tax revenue
417 collected during the preceding month under the provisions of this
418 chapter, except that collected under the provisions of Section
419 27-65-17(2) shall be deposited by the commission into the School
420 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
421 or before August 15, 2000, and each succeeding month thereafter,
422 two and two hundred sixty-six one-thousandths percent (2.266%) of
423 the total sales tax revenue collected during the preceding month
424 under the provisions of this chapter, except that collected under
425 the provisions of Section 27-65-17(2), shall be deposited into the
426 School Ad Valorem Tax Reduction Fund created under Section
427 37-61-35 until such time that the total amount deposited into the

428 fund during a fiscal year equals Forty-two Million Dollars
429 (\$42,000,000.00). Thereafter, the amounts diverted under this
430 subsection (7) during the fiscal year in excess of Forty-two
431 Million Dollars (\$42,000,000.00) shall be deposited into the
432 Education Enhancement Fund created under Section 37-61-33 for
433 appropriation by the Legislature as other education needs and
434 shall not be subject to the percentage appropriation requirements
435 set forth in Section 37-61-33.

436 (8) On or before August 15, 1992, and each succeeding month
437 thereafter, nine and seventy-three one-thousandths percent
438 (9.073%) of the total sales tax revenue collected during the
439 preceding month under the provisions of this chapter, except that
440 collected under the provisions of Section 27-65-17(2), shall be
441 deposited into the Education Enhancement Fund created under
442 Section 37-61-33.

443 (9) On or before August 15, 1994, and each succeeding month
444 thereafter, from the revenue collected under this chapter during
445 the preceding month, Two Hundred Fifty Thousand Dollars
446 (\$250,000.00) shall be paid into the State Aid Road Fund.

447 (10) On or before August 15, 1994, and each succeeding month
448 thereafter through August 15, 1995, from the revenue collected
449 under this chapter during the preceding month, Two Million Dollars
450 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
451 Valorem Tax Reduction Fund established in Section 27-51-105.

452 (11) Notwithstanding any other provision of this section to
453 the contrary, on or before February 15, 1995, and each succeeding
454 month thereafter, the sales tax revenue collected during the
455 preceding month under the provisions of Section 27-65-17(2) and
456 the corresponding levy in Section 27-65-23 on the rental or lease
457 of private carriers of passengers and light carriers of property
458 as defined in Section 27-51-101 shall be deposited, without
459 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
460 established in Section 27-51-105.

461 (12) Notwithstanding any other provision of this section to
462 the contrary, on or before August 15, 1995, and each succeeding
463 month thereafter, the sales tax revenue collected during the
464 preceding month under the provisions of Section 27-65-17(1) on
465 retail sales of private carriers of passengers and light carriers
466 of property, as defined in Section 27-51-101 and the corresponding
467 levy in Section 27-65-23 on the rental or lease of these vehicles,
468 shall be deposited, after diversion, into the Motor Vehicle Ad
469 Valorem Tax Reduction Fund established in Section 27-51-105.

470 (13) On or before July 15, 1994, and on or before the
471 fifteenth day of each succeeding month thereafter, that portion of
472 the avails of the tax imposed in Section 27-65-22 that is derived
473 from activities held on the Mississippi state fairgrounds complex,
474 shall be paid into a special fund that is created in the State
475 Treasury and shall be expended upon legislative appropriation
476 solely to defray the costs of repairs and renovation at the Trade
477 Mart and Coliseum.

478 (14) On or before August 15, 1998, and each succeeding month
479 thereafter through July 15, 2005, that portion of the avails of
480 the tax imposed in Section 27-65-23 that is derived from sales by
481 cotton compresses or cotton warehouses and that would otherwise be
482 paid into the General Fund, shall be deposited in an amount not to
483 exceed Two Million Dollars (\$2,000,000.00) into the special fund
484 created under Section 69-37-39.

485 (15) Notwithstanding any other provision of this section to
486 the contrary, on or before September 15, 2000, and each succeeding
487 month thereafter, the sales tax revenue collected during the
488 preceding month under the provisions of Section 27-65-19(1)(f) and
489 (g)(i)2, shall be deposited, without diversion, into the
490 Telecommunications Ad Valorem Tax Reduction Fund established in
491 Section 27-38-7.

492 (16) On or before August 15, 2000, and each succeeding month
493 thereafter, the sales tax revenue collected during the preceding

494 month under the provisions of this chapter on the gross proceeds
495 of sales of a project as defined in Section 57-30-1 shall be
496 deposited, after all diversions except the diversion provided for
497 in subsection (1) of this section, into the Sales Tax Incentive
498 Fund created in Section 57-30-3.

499 (17) Notwithstanding any other provision of this section to
500 the contrary, on or before April 15, 2002, and each succeeding
501 month thereafter, the sales tax revenue collected during the
502 preceding month under Section 27-65-23 on sales of parking
503 services of parking garages and lots at airports shall be
504 deposited, without diversion, into the special fund created under
505 Section 27-5-101(d).

506 (18) On or before August 15, 2005, and each succeeding month
507 thereafter through July 15, 2006, from the sales tax revenue
508 collected during the preceding month under the provisions of this
509 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
510 shall be deposited into the Special Funds Transfer Fund created in
511 Section 4 of Chapter 556, Laws of 2003.

512 (19) On or before August 15, 2005, and each succeeding month
513 thereafter, the sales tax revenue collected during the preceding
514 month under the provisions of this chapter on the gross proceeds
515 of sales of a project as defined in Section 1 of House Bill No.
516 1025, 2005 Regular Session, shall be deposited, after all
517 diversions except the diversion provided for in subsection (1) of
518 this section, into the Tourism Sales Tax Incentive Fund created in
519 Section 2 of House Bill No. 1025, 2005 Regular Session.

520 (20) The remainder of the amounts collected under the
521 provisions of this chapter shall be paid into the State Treasury
522 to the credit of the General Fund.

523 (21) It shall be the duty of the municipal officials of any
524 municipality that expands its limits, or of any community that
525 incorporates as a municipality, to notify the commissioner of
526 that action thirty (30) days before the effective date. Failure

527 to so notify the commissioner shall cause the municipality to
528 forfeit the revenue that it would have been entitled to receive
529 during this period of time when the commissioner had no knowledge
530 of the action. If any funds have been erroneously disbursed to
531 any municipality or any overpayment of tax is recovered by the
532 taxpayer, the commissioner may make correction and adjust the
533 error or overpayment with the municipality by withholding the
534 necessary funds from any later payment to be made to the
535 municipality.

536 **SECTION 4.** Section 57-30-5, Mississippi Code of 1972, is
537 amended as follows:

538 57-30-5. (1) The MDA shall develop, implement and
539 administer the incentive program authorized in this chapter and
540 shall promulgate rules and regulations necessary for the
541 development, implementation and administration of such program.

542 (2) A person, corporation or other entity desiring to
543 participate in the incentive payment program authorized in this
544 chapter must submit an application to the MDA. Such application
545 must contain (a) plans for the proposed project; (b) a detailed
546 description of the proposed project; (c) the method of financing
547 the proposed project and the terms of such financing; and (d) any
548 other information required by the MDA. The Executive Director of
549 the MDA shall review the application and determine whether it
550 qualifies as a project. If the executive director determines the
551 proposed project qualifies as a project, he shall issue a
552 certificate to the person, corporation or other entity designating
553 such person, corporation or other entity as an approved
554 participant and authorizing the approved participant to
555 participate in the incentive payment program provided for in this
556 chapter; however, no certificates shall be issued after July 1,
557 2004, for projects that pertain to facilities whose primary
558 purpose is the retail sale of tangible personal property. No

559 certificates shall be issued for any project under this section
560 after July 1, 2005.

561 (3) This section shall stand repealed from and after July 1,
562 2006.

563 **SECTION 5.** This act shall take effect and be in force from
564 and after July 1, 2005.