

By: Representative Holland

To: Agriculture; Tourism

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 683

1 AN ACT TO CREATE THE "MISSISSIPPI AGRITOURISM PROMOTION ACT";
2 TO DEFINE CERTAIN TERMS; TO ESTABLISH A VOLUNTARY REGISTRATION
3 PROCESS OF AGRITOURISM OPERATIONS WITH THE COMMISSIONER OF
4 AGRICULTURE AND COMMERCE; TO ESTABLISH A TAX CREDIT TO OFFSET THE
5 EXPENSE OF AGRITOURISM LIABILITY INSURANCE PAID BY A REGISTERED
6 AGRITOURISM OPERATOR; TO PROVIDE FOR A DATE OF REPEAL; TO
7 AUTHORIZE THE DEPARTMENT OF AGRICULTURE AND COMMERCE AND THE
8 MISSISSIPPI DEVELOPMENT AUTHORITY TOURISM DIVISION TO AGREE UPON
9 MESSAGE AND CONTENT OF AGRITOURISM ACTIVITY; TO AUTHORIZE THE
10 MISSISSIPPI DEVELOPMENT AUTHORITY TO HAVE FINAL APPROVAL OVER ALL
11 ADVERTISING AND MARKETING MATERIALS OF AGRITOURISM ACTIVITIES; AND
12 FOR RELATED PURPOSES.

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

14 **SECTION 1.** This act may be cited as the "Mississippi
15 Agritourism Promotion Act."

16 **SECTION 2.** The purpose of this act is to promote rural
17 tourism and rural economic development by encouraging owners or
18 operators of farms, ranches, and rural attractions, including
19 historic, cultural, and natural attractions, to invite members of
20 the public to view, observe and participate in such operations and
21 attractions for recreational or entertainment purposes. This act
22 shall be liberally construed to effectuate that purpose.

23 **SECTION 3.** As used in this act:

24 (a) "Agritourism activity" means any activity that
25 allows members of the general public, for recreational,
26 entertainment or educational purposes, to view or enjoy rural
27 activities including, but not limited to, farming activities,
28 ranching activities or historic, cultural or natural attractions.
29 An activity may be an agritourism activity whether or not the
30 participant pays to participate in the activity. An activity is
31 not an agritourism activity if the participant is paid to
32 participate in the activity.

33 (b) "Commissioner" means the Mississippi Commissioner
34 of Agriculture and Commerce.

35 (c) "Participant" means any person who engages in a
36 registered agritourism activity.

37 (d) "Registered agritourism activity" means any
38 agritourism activity registered with the commissioner under
39 Section 4 of this act.

40 (e) "Registered agritourism location" means a specific
41 parcel of land that is registered with the commissioner under
42 Section 4 of this act, and where a registered agritourism operator
43 engages in registered agritourism activities.

44 (f) "Registered agritourism operator" means any person
45 who is engaged in the business of providing one or more
46 agritourism activities and is registered with the commissioner
47 under Section 4 of this act.

48 **SECTION 4.** (1) Any person who is engaged in the business of
49 providing one or more agritourism activities may register with the
50 commissioner. The registration shall contain all of the
51 following:

52 (a) Information describing the agritourism activity
53 that the person conducts or intends to conduct.

54 (b) Information describing the location where the
55 person conducts or intends to conduct the agritourism activity.

56 (2) The commissioner shall maintain a list of all registered
57 agritourism operators, the registered agritourism activities
58 conducted by each operator and the registered agritourism location
59 where the operator conducts such activities. The list shall be
60 made available to the public. The commissioner, in conjunction
61 with other agritourism and rural economic efforts of the
62 commissioner, shall promote and publicize registered agritourism
63 operators, activities and locations to advance the purpose of this
64 act by promoting and encouraging tourism.

65 (3) Registration under this section shall be for a period of
66 five (5) years.

67 (4) No fee shall be charged to persons registering under
68 this section.

69 (5) Upon request, the registered agritourism operator shall
70 provide to any participant a written description of the registered
71 agritourism activity, as set forth in the registration under
72 Section 4 of this act, for which this act limits the registered
73 agritourism operator's liability at the registered agritourism
74 location.

75 **SECTION 5.** (1) For taxable years commencing on and after
76 December 31, 2005, December 31, 2006, December 31, 2007, December
77 31, 2008, and December 31, 2009, there shall be allowed as a
78 credit against the income tax liability of a taxpayer an amount
79 equal to the cost of liability insurance paid by a registered
80 agritourism operator who operates an agritourism activity on July
81 1, 2006. No tax credit claimed under this subsection shall exceed
82 Two Thousand Dollars (\$2,000.00). If the amount of the tax credit
83 exceeds the taxpayer's income tax liability for the taxable year,
84 the amount thereof that exceeds such tax liability may be carried
85 over for deduction from the taxpayer's income tax liability in the
86 next succeeding taxable year or years until the total amount of
87 tax credit has been deducted from tax liability, except that no
88 such tax credit shall be carried forward for deduction after the
89 third taxable year succeeding the taxable year in which the tax
90 credit is claimed.

91 (2) For the first five (5) taxable years beginning after a
92 taxpayer opens such taxpayer's business, after July 1, 2006, there
93 shall be allowed as a credit against the income tax liability of a
94 taxpayer an amount equal to the cost of liability insurance paid
95 by a registered agritourism operator who starts an agritourism
96 activity after July 1, 2006. No tax credit claimed under this
97 subsection shall exceed Two Thousand Dollars (\$2,000.00). If the

98 amount of the tax credit exceeds the taxpayer's income tax
99 liability for the taxable year, the amount thereof that exceeds
100 such tax liability may be carried over for deduction from the
101 taxpayer's income tax liability in the next succeeding taxable
102 year or years until the total amount of tax credit has been
103 deducted from tax liability, except that no such tax credit shall
104 be carried forward for deduction after the third taxable year
105 succeeding the taxable year in which the tax credit is claimed.

106 (3) The Commissioner of Agriculture and Commerce shall adopt
107 rules and regulations establishing criteria for determining those
108 costs that qualify as costs of liability insurance for agritourism
109 activities of a registered agritourism operator.

110 (4) On or before January 17 of the regular legislative
111 session in 2007, the Commissioner of Agriculture and Commerce
112 shall submit to the Legislature a report on the implementation and
113 use of the tax credit provided by this section.

114 (5) As used in this section, terms have the meanings
115 provided by Section 3 of this act.

116 **SECTION 6.** The Mississippi Department of Agriculture and
117 Commerce and the Mississippi Development Authority Tourism
118 Division shall work jointly to develop programs related to
119 agritourism activities in the state.

120 **SECTION 7.** All advertising and marketing materials of every
121 kind and manner relating to agritourism activities in the state
122 must be submitted to the Mississippi Development Authority Tourism
123 Division for approval. The tourism division shall have final
124 approval on all manner and methods of advertising and marketing
125 materials used to promote the agritourism industry in the state.

126 **SECTION 8.** This act shall stand repealed from and after July
127 1, 2011.

128 **SECTION 9.** Section 5 of this act shall take effect and be in
129 force from and after January 1, 2006, and the remainder of this
130 act shall take effect and be in force from and after July 1, 2006.