

By: Senator(s) Davis

To: Finance

SENATE BILL NO. 2903

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 27-65-75, MISSISSIPPI CODE OF 1972, TO CONFORM TO  
 11 THE PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

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

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

16 (a) "Approved capital costs" means any or all of the  
 17 following:

18 (i) Obligations incurred for labor and materials  
 19 in connection with the acquisition, construction, installation,  
 20 equipping, and rehabilitation of a project and all related costs  
 21 thereto;

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

24 (iii) All costs of reasonable architectural and  
 25 engineering services, including test borings, surveys, estimates,  
 26 plans and specifications, preliminary investigations, and  
 27 supervision of construction, as well as for the performance of all  
 28 the duties required by or consequent to the acquisition,  
 29 construction, installation, equipping, and rehabilitation of a  
 30 project;

31 (iv) All costs which shall be required to be paid  
32 under the terms of any contract or contracts for the acquisition,  
33 construction, installation, equipping, and rehabilitation of a  
34 project; and

35 (v) All other costs of a nature comparable to  
36 those described above.

37 Approved capital costs does not mean working capital,  
38 marketing expense, inventory and other soft cost as determined by  
39 the MDA.

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

43 (c) "Certificate" means a Certificate of Public  
44 Convenience and Necessity authorized to be issued by the MDA  
45 pursuant to Sections 1 and 2 of this act.

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

47 (e) "Project" means any of the following:

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

60 (ii) Future project expansions or complementary or  
61 ancillary projects and facilities meeting the same criteria for a  
62 project, as defined herein, which are contiguous to the original  
63 project site or within a designated development district created

64 by a unit of local government and owned by the owner of the  
65 initial project, or its successor in interest, and which project  
66 additions and expansions must also meet all other criteria of a  
67 qualifying project;

68 (iii) A cultural or historical site, a recreation  
69 or entertainment facility, or a facility that creates a natural  
70 phenomenon or scenic beauty as determined by the MDA; or

71 (iv) Lodging facilities that have a minimum of one  
72 hundred fifty (150) rooms, at least twenty (20) square feet of  
73 meeting space per hotel room, and are within one thousand five  
74 hundred (1,500) feet of a convention center owned by a unit of  
75 local government, which convention center has at least twenty-five  
76 thousand (25,000) square feet of exhibit space and at least ten  
77 thousand (10,000) square feet of meeting and ballroom space.

78 In addition, in order for a project to qualify under the  
79 provisions of Sections 1 and 2 of this act, it shall, at a  
80 minimum, have a positive economic impact on the state and the  
81 increased tax revenues and economic benefits derived from the  
82 project will exceed the tax incentives granted to the approved  
83 participant pursuant to this act.

84 The term "project" does not mean any of the following: (a)  
85 any business, corporation or entity having a gaming license issued  
86 under Section 75-76-1 et seq., Mississippi Code of 1972, but may  
87 include a tourism-oriented facility owned by such a business,  
88 corporation or entity that is in excess of development that the  
89 State Gaming Commission requires for the issuance or renewal of a  
90 gaming license; or (b) except for a project promoting or otherwise  
91 marketing and selling crafts and products made in the state or a  
92 project with an aggregate capital investment from all private  
93 sources in excess of One Hundred Million Dollars  
94 (\$100,000,000.00), facilities that are (i) primarily devoted to  
95 the retail sale of merchandise in which retail sales exceed  
96 twenty-five percent (25%) of the total sales of the facility, or

97 (ii) tourism-oriented facilities out of which the retail sale of  
98 merchandise exceeds twenty-five percent (25%) of total sales of  
99 the facility or the attraction.

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

101 (g) "Unit of local government" means any city, county  
102 or other public entity created by statute.

103 **SECTION 2.** (1) The MDA shall develop, implement and  
104 administer the program authorized in Sections 1 and 2 of this act  
105 and shall adopt rules and regulations necessary for the  
106 development, implementation and administration of the program.

107 (2) Any person, corporation or other entity desiring to  
108 participate in the incentive program authorized by Sections 1 and  
109 2 of this act must pay a nonrefundable application fee of Five  
110 Thousand Dollars (\$5,000.00) to the MDA which shall be used,  
111 without appropriation from the Legislature, by the MDA to offset  
112 administrative costs and then shall submit an application,  
113 hereinafter described, to the MDA. Such application must contain  
114 (a) plans for the proposed project; (b) a detailed description of  
115 the proposed project and its site; (c) a project budget including  
116 capital and other anticipated expenditures for the project that  
117 indicates that the total cost of the project shall achieve or  
118 exceed the investment threshold and the anticipated sources of  
119 funding the costs of the project; (d) marketing plans for the  
120 project; (e) the anticipated employment and wages to be paid at  
121 the project; (f) business plans describing the operation of the  
122 project, including the anticipated revenues and expenses generated  
123 by the project; (g) financial information regarding the applicant  
124 as may be requested by the MDA to demonstrate that the applicant  
125 has the financial resources to construct and operate the project;  
126 (h) resumes of applicants and of its senior staff as may be  
127 requested by the MDA to demonstrate that the applicant has the  
128 required experience to construct and operate the project; and (i)  
129 any other information required by the MDA that would

130 satisfactorily demonstrate that the project meets all specified  
131 criteria prescribed and approved by the MDA.

132 (3) If the MDA determines that the applicant and the project  
133 reasonably satisfy the criteria for approval as described in  
134 Sections 1 and 2 of this act, the MDA may issue a preliminary  
135 approval of the project.

136 (4) After issuing the preliminary approval, the MDA shall  
137 engage the services of an institution of higher learning in the  
138 state to analyze the data made available by the applicant and to  
139 collect and analyze additional information necessary to determine  
140 that, in the independent judgment of the institution of higher  
141 learning, the tourism project: (a) shall have capital  
142 expenditures in excess of the minimum requirements set forth  
143 herein; (b) shall have a positive economic impact on the state;  
144 (c) will not occur if not for the designation of the project and  
145 granting of incentives by the state to the project; and (d)  
146 complies with the rules and regulations and minimum requirements  
147 adopted by the MDA.

148 The institution of higher learning shall consult with MDA  
149 staff and shall agree as to methodology to be used and assumptions  
150 to be made in preparing its report, and upon completion of such  
151 analysis, shall provide the MDA staff a written report of its  
152 findings. Approval shall not be granted if it is determined that  
153 there is no projected net positive economic impact to the state.

154 The applicant shall pay for the cost of the institution of  
155 higher learning's report, shall cooperate with the institution of  
156 higher learning, and shall provide all of the data that the  
157 institution of higher learning deems necessary to make its  
158 determination under this subsection.

159 (5) After a review of relevant materials, the institution of  
160 higher learning's report, and completion of other inquiries, MDA  
161 may issue its certificate approving the project, setting forth the  
162 terms and conditions under which the project is approved and the

163 extent to which the incentives provided for herein may be used. A  
164 copy of each certificate issued by the MDA shall be sent to the  
165 State Tax Commission.

166 (6) (a) There is created in the State Treasury a special  
167 fund to be known as the "Tourism Sales Tax Incentive Fund," into  
168 which shall be deposited such money as provided in Section  
169 27-65-75(20). The monies in the fund shall be used for the  
170 purpose of making the incentive payments authorized in this  
171 section. The fund shall be administered by the MDA. Unexpended  
172 amounts remaining in the fund at the end of a fiscal year shall  
173 not lapse into the General Fund, and any interest earned on or  
174 investment earnings on the amounts in the fund shall be deposited  
175 to the credit of the fund. MDA may use not more than one percent  
176 (1%) of interest earned or investment earnings, or both, on  
177 amounts in the fund for administration and management of the  
178 incentive program. Any funds used by MDA under this subsection  
179 shall be in addition to any funds made available to MDA under  
180 Section 2(2) of this act.

181 (b) Incentive payments may be made by the MDA to an  
182 approved participant that incurs approved costs to locate an  
183 approved project in the state. The payments to an approved  
184 participant shall be for the amount of sales tax revenue collected  
185 on the gross proceeds of sales generated by the project, after  
186 making the diversions required in Section 27-65-75, except the  
187 diversion provided for in Section 27-65-75(1). The incentive  
188 payments shall decrease at the rate of ten percent (10%) per year  
189 starting the sixth year. The MDA shall ensure that payments made  
190 pursuant to this section are utilized to pay the debt service  
191 incurred by the approved participant for the project or any  
192 approved cost incurred by the approved participant for the project  
193 as set forth in the certificates issued by the MDA. The MDA shall  
194 make payments to an approved participant on a semiannual basis  
195 with payments being made in the months of January and July. The

196 aggregate amount that an approved participant may receive shall  
197 not exceed thirty-five percent (35%) of the original capital  
198 costs, funded from private sources, incurred for the project by  
199 such approved participant. The MDA shall make the calculations  
200 necessary to make the payments provided for in this section. The  
201 MDA shall cease making incentive payments to an approved  
202 participant upon the occurrence of the earlier of (i) the date  
203 thirty-five percent (35%) of the original indebtedness, or any  
204 refinancing of the original indebtedness, incurred for the project  
205 or original project capital cost incurred for the project from  
206 private sources, or both, is satisfied; (ii) ten (10) years from  
207 the date the original indebtedness for the project was incurred,  
208 without regard to any refinancing or additional financing for any  
209 addition to or expansion of the project; (iii) any violation of  
210 the terms and provisions of the certificate or any agreement  
211 arising out of the certificate; (iv) the project ceases operations  
212 for a continuous period of ninety (90) days or more (except for  
213 seasonal projects or an act of God); or (v) the project or  
214 approved applicant is involved in any state or federal bankruptcy  
215 proceedings not discharged within ninety (90) days.

216 (7) At such time as payments are no longer required to be  
217 made to an approved participant, the MDA shall notify the State  
218 Tax Commission and the sales tax revenue collected from such  
219 project shall no longer be deposited into the Tourism Sales Tax  
220 Incentive Fund, and any amounts remaining in the fund that were  
221 collected from such participant shall be transferred to the State  
222 General Fund; however, if the project is located in a  
223 municipality, a portion of such amount shall be paid to such  
224 municipality in the same manner and amounts as provided for in  
225 Section 27-65-75(1).

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

228           27-65-75. On or before the fifteenth day of each month, the  
229 revenue collected under the provisions of this chapter during the  
230 preceding month shall be paid and distributed as follows:

231           (1) On or before August 15, 1992, and each succeeding month  
232 thereafter through July 15, 1993, eighteen percent (18%) of the  
233 total sales tax revenue collected during the preceding month under  
234 the provisions of this chapter, except that collected under the  
235 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
236 business activities within a municipal corporation shall be  
237 allocated for distribution to the municipality and paid to the  
238 municipal corporation. On or before August 15, 1993, and each  
239 succeeding month thereafter, eighteen and one-half percent  
240 (18-1/2%) of the total sales tax revenue collected during the  
241 preceding month under the provisions of this chapter, except that  
242 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
243 and 27-65-21, on business activities within a municipal  
244 corporation shall be allocated for distribution to the  
245 municipality and paid to the municipal corporation.

246           A municipal corporation, for the purpose of distributing the  
247 tax under this subsection, shall mean and include all incorporated  
248 cities, towns and villages.

249           Monies allocated for distribution and credited to a municipal  
250 corporation under this subsection may be pledged as security for a  
251 loan if the distribution received by the municipal corporation is  
252 otherwise authorized or required by law to be pledged as security  
253 for such a loan.

254           In any county having a county seat that is not an  
255 incorporated municipality, the distribution provided under this  
256 subsection shall be made as though the county seat was an  
257 incorporated municipality; however, the distribution to the  
258 municipality shall be paid to the county treasury in which the  
259 municipality is located, and those funds shall be used for road,  
260 bridge and street construction or maintenance in the county.



261           (2) On or before September 15, 1987, and each succeeding  
262 month thereafter, from the revenue collected under this chapter  
263 during the preceding month, One Million One Hundred Twenty-five  
264 Thousand Dollars (\$1,125,000.00) shall be allocated for  
265 distribution to municipal corporations as defined under subsection  
266 (1) of this section in the proportion that the number of gallons  
267 of gasoline and diesel fuel sold by distributors to consumers and  
268 retailers in each such municipality during the preceding fiscal  
269 year bears to the total gallons of gasoline and diesel fuel sold  
270 by distributors to consumers and retailers in municipalities  
271 statewide during the preceding fiscal year. The State Tax  
272 Commission shall require all distributors of gasoline and diesel  
273 fuel to report to the commission monthly the total number of  
274 gallons of gasoline and diesel fuel sold by them to consumers and  
275 retailers in each municipality during the preceding month. The  
276 State Tax Commission shall have the authority to promulgate such  
277 rules and regulations as is necessary to determine the number of  
278 gallons of gasoline and diesel fuel sold by distributors to  
279 consumers and retailers in each municipality. In determining the  
280 percentage allocation of funds under this subsection for the  
281 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
282 State Tax Commission may consider gallons of gasoline and diesel  
283 fuel sold for a period of less than one (1) fiscal year. For the  
284 purposes of this subsection, the term "fiscal year" means the  
285 fiscal year beginning July 1 of a year.

286           (3) On or before September 15, 1987, and on or before the  
287 fifteenth day of each succeeding month, until the date specified  
288 in Section 65-39-35, the proceeds derived from contractors' taxes  
289 levied under Section 27-65-21 on contracts for the construction or  
290 reconstruction of highways designated under the highway program  
291 created under Section 65-3-97 shall, except as otherwise provided  
292 in Section 31-17-127, be deposited into the State Treasury to the  
293 credit of the State Highway Fund to be used to fund that highway

294 program. The Mississippi Department of Transportation shall  
295 provide to the State Tax Commission such information as is  
296 necessary to determine the amount of proceeds to be distributed  
297 under this subsection.

298 (4) On or before August 15, 1994, and on or before the  
299 fifteenth day of each succeeding month through July 15, 1999, from  
300 the proceeds of gasoline, diesel fuel or kerosene taxes as  
301 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
302 (\$4,000,000.00) shall be deposited in the State Treasury to the  
303 credit of a special fund designated as the "State Aid Road Fund,"  
304 created by Section 65-9-17. On or before August 15, 1999, and on  
305 or before the fifteenth day of each succeeding month, from the  
306 total amount of the proceeds of gasoline, diesel fuel or kerosene  
307 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
308 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
309 one-fourth percent (23-1/4%) of those funds, whichever is the  
310 greater amount, shall be deposited in the State Treasury to the  
311 credit of the "State Aid Road Fund," created by Section 65-9-17.  
312 Those funds shall be pledged to pay the principal of and interest  
313 on state aid road bonds heretofore issued under Sections 19-9-51  
314 through 19-9-77, in lieu of and in substitution for the funds  
315 previously allocated to counties under this section. Those funds  
316 may not be pledged for the payment of any state aid road bonds  
317 issued after April 1, 1981; however, this prohibition against the  
318 pledging of any such funds for the payment of bonds shall not  
319 apply to any bonds for which intent to issue those bonds has been  
320 published, for the first time, as provided by law before March 29,  
321 1981. From the amount of taxes paid into the special fund under  
322 this subsection and subsection (9) of this section, there shall be  
323 first deducted and paid the amount necessary to pay the expenses  
324 of the Office of State Aid Road Construction, as authorized by the  
325 Legislature for all other general and special fund agencies. The

326 remainder of the fund shall be allocated monthly to the several  
327 counties in accordance with the following formula:

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

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

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

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

341           The amount of funds allocated to any county under this  
342 subsection for any fiscal year after fiscal year 1994 shall not be  
343 less than the amount allocated to the county for fiscal year 1994.

344           Any reference in the general laws of this state or the  
345 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
346 construed to refer and apply to subsection (4) of Section  
347 27-65-75.

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

354           (6) An amount each month beginning August 15, 1983, through  
355 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
356 of 1983, shall be paid into the special fund known as the  
357 Correctional Facilities Construction Fund created in Section 6 of  
358 Chapter 542, Laws of 1983.

359           (7) On or before August 15, 1992, and each succeeding month  
360 thereafter through July 15, 2000, two and two hundred sixty-six  
361 one-thousandths percent (2.266%) of the total sales tax revenue  
362 collected during the preceding month under the provisions of this  
363 chapter, except that collected under the provisions of Section  
364 27-65-17(2) shall be deposited by the commission into the School  
365 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
366 or before August 15, 2000, and each succeeding month thereafter,  
367 two and two hundred sixty-six one-thousandths percent (2.266%) of  
368 the total sales tax revenue collected during the preceding month  
369 under the provisions of this chapter, except that collected under  
370 the provisions of Section 27-65-17(2), shall be deposited into the  
371 School Ad Valorem Tax Reduction Fund created under Section  
372 37-61-35 until such time that the total amount deposited into the  
373 fund during a fiscal year equals Forty-two Million Dollars  
374 (\$42,000,000.00). Thereafter, the amounts diverted under this  
375 subsection (7) during the fiscal year in excess of Forty-two  
376 Million Dollars (\$42,000,000.00) shall be deposited into the  
377 Education Enhancement Fund created under Section 37-61-33 for  
378 appropriation by the Legislature as other education needs and  
379 shall not be subject to the percentage appropriation requirements  
380 set forth in Section 37-61-33.

381           (8) On or before August 15, 1992, and each succeeding month  
382 thereafter, nine and seventy-three one-thousandths percent  
383 (9.073%) of the total sales tax revenue collected during the  
384 preceding month under the provisions of this chapter, except that  
385 collected under the provisions of Section 27-65-17(2), shall be  
386 deposited into the Education Enhancement Fund created under  
387 Section 37-61-33.

388           (9) On or before August 15, 1994, and each succeeding month  
389 thereafter, from the revenue collected under this chapter during  
390 the preceding month, Two Hundred Fifty Thousand Dollars  
391 (\$250,000.00) shall be paid into the State Aid Road Fund.

392           (10) On or before August 15, 1994, and each succeeding month  
393 thereafter through August 15, 1995, from the revenue collected  
394 under this chapter during the preceding month, Two Million Dollars  
395 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
396 Valorem Tax Reduction Fund established in Section 27-51-105.

397           (11) Notwithstanding any other provision of this section to  
398 the contrary, on or before February 15, 1995, and each succeeding  
399 month thereafter, the sales tax revenue collected during the  
400 preceding month under the provisions of Section 27-65-17(2) and  
401 the corresponding levy in Section 27-65-23 on the rental or lease  
402 of private carriers of passengers and light carriers of property  
403 as defined in Section 27-51-101 shall be deposited, without  
404 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
405 established in Section 27-51-105.

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

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

423           (14) On or before August 15, 1998, and each succeeding month  
424 thereafter through July 15, 2005, that portion of the avails of

425 the tax imposed in Section 27-65-23 that is derived from sales by  
426 cotton compresses or cotton warehouses and that would otherwise be  
427 paid into the General Fund, shall be deposited in an amount not to  
428 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
429 created under Section 69-37-39.

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

437 (16) On or before August 15, 2000, and each succeeding month  
438 thereafter, the sales tax revenue collected during the preceding  
439 month under the provisions of this chapter on the gross proceeds  
440 of sales of a project as defined in Section 57-30-1 shall be  
441 deposited, after all diversions except the diversion provided for  
442 in subsection (1) of this section, into the Sales Tax Incentive  
443 Fund created in Section 57-30-3.

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

451 (18) On or before August 15, 2007, and each succeeding month  
452 thereafter through July 15, 2008, from the sales tax revenue  
453 collected during the preceding month under the provisions of this  
454 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)  
455 shall be deposited into the Special Funds Transfer Fund created in  
456 Section 4 of Chapter 556, Laws of 2003.

457           (19) (a) On or before August 15, 2005, and each succeeding  
458 month thereafter, the sales tax revenue collected during the  
459 preceding month under the provisions of this chapter on the gross  
460 proceeds of sales of a business enterprise located within a  
461 redevelopment project area under the provisions of Sections  
462 57-91-1 through 57-91-11, and the revenue collected on the gross  
463 proceeds of sales from sales made to a business enterprise located  
464 in a redevelopment project area under the provisions of Sections  
465 57-91-1 through 57-91-11 (provided that such sales made to a  
466 business enterprise are made on the premises of the business  
467 enterprise), shall, except as otherwise provided in this  
468 subsection (19), be deposited, after all diversions, into the  
469 Redevelopment Project Incentive Fund as created in Section  
470 57-91-9.

471           (b) For a municipality participating in the Economic  
472 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
473 the diversion provided for in subsection (1) of this section  
474 attributable to the gross proceeds of sales of a business  
475 enterprise located within a redevelopment project area under the  
476 provisions of Sections 57-91-1 through 57-91-11, and attributable  
477 to the gross proceeds of sales from sales made to a business  
478 enterprise located in a redevelopment project area under the  
479 provisions of Sections 57-91-1 through 57-91-11 (provided that  
480 such sales made to a business enterprise are made on the premises  
481 of the business enterprise), shall be deposited into the  
482 Redevelopment Project Incentive Fund as created in Section  
483 57-91-9, as follows:

484                   (i) For the first six (6) years in which payments  
485 are made to a developer from the Redevelopment Project Incentive  
486 Fund, one hundred percent (100%) of the diversion shall be  
487 deposited into the fund;

488                   (ii) For the seventh year in which such payments  
489 are made to a developer from the Redevelopment Project Incentive

490 Fund, eighty percent (80%) of the diversion shall be deposited  
491 into the fund;

492 (iii) For the eighth year in which such payments  
493 are made to a developer from the Redevelopment Project Incentive  
494 Fund, seventy percent (70%) of the diversion shall be deposited  
495 into the fund;

496 (iv) For the ninth year in which such payments are  
497 made to a developer from the Redevelopment Project Incentive Fund,  
498 sixty percent (60%) of the diversion shall be deposited into the  
499 fund; and

500 (v) For the tenth year in which such payments are  
501 made to a developer from the Redevelopment Project Incentive Fund,  
502 fifty percent (50%) of the funds shall be deposited into the fund.

503 (20) On or before August 15, 2006, and each succeeding month  
504 thereafter, the sales tax revenue collected during the preceding  
505 month under the provisions of this chapter on the gross proceeds  
506 of sales of a project as defined in Section 1 of Senate Bill No.  
507 2903, 2006 Regular Session, shall be deposited, after all  
508 diversions except the diversion provided for in subsection (1) of  
509 this section, into the Tourism Sales Tax Incentive Fund created in  
510 Section 2 of Senate Bill No. 2903, 2006 Regular Session.

511 (21) The remainder of the amounts collected under the  
512 provisions of this chapter shall be paid into the State Treasury  
513 to the credit of the General Fund.

514 (22) It shall be the duty of the municipal officials of any  
515 municipality that expands its limits, or of any community that  
516 incorporates as a municipality, to notify the commissioner of that  
517 action thirty (30) days before the effective date. Failure to so  
518 notify the commissioner shall cause the municipality to forfeit  
519 the revenue that it would have been entitled to receive during  
520 this period of time when the commissioner had no knowledge of the  
521 action. If any funds have been erroneously disbursed to any  
522 municipality or any overpayment of tax is recovered by the



523 taxpayer, the commissioner may make correction and adjust the  
524 error or overpayment with the municipality by withholding the  
525 necessary funds from any later payment to be made to the  
526 municipality.

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