

By: Representatives Peranich, Guice

To: Tourism; Ways and Means

HOUSE BILL NO. 1142  
(As Sent to Governor)

1 AN ACT TO CREATE AN INCENTIVE FOR PERSONS, CORPORATIONS OR  
2 OTHER ENTITIES TO LOCATE CERTAIN TOURISM PROJECTS IN THIS STATE;  
3 TO CREATE THE TOURISM PROJECT SALES TAX INCENTIVE FUND; TO  
4 AUTHORIZE CERTAIN INCENTIVE PAYMENTS FROM SUCH FUND TO PERSONS,  
5 CORPORATIONS OR OTHER ENTITIES THAT MAKE CAPITAL INVESTMENTS IN  
6 SUCH TOURISM PROJECTS; TO PROVIDE THAT INCENTIVE PAYMENTS SHALL  
7 CEASE ON THE OCCURRENCE OF THE EARLIER OF THE DATE THAT AN  
8 AGGREGATE AMOUNT OF 30% OF THE APPROVED PROJECT COSTS INCURRED BY  
9 THE APPROVED PARTICIPANT FOR THE TOURISM PROJECT HAS BEEN PAID TO  
10 THE APPROVED PARTICIPANT OR 10 YEARS AFTER THE DATE THE TOURISM  
11 PROJECT OPENS FOR COMMERCIAL OPERATION; TO REQUIRE THE MISSISSIPPI  
12 DEVELOPMENT AUTHORITY TO ADMINISTER THE PROGRAM; TO AMEND SECTION  
13 27-65-75, MISSISSIPPI CODE OF 1972, AS AMENDED BY SENATE BILL NO.  
14 3215, 2007 REGULAR SESSION, TO PROVIDE THAT 80% OF THE SALES TAX  
15 REVENUE COLLECTED FROM THE OPERATION OF A TOURISM PROJECT UNDER  
16 THE PROVISIONS OF THIS ACT SHALL BE DEPOSITED, AFTER CERTAIN  
17 DIVERSIONS, INTO THE TOURISM PROJECT SALES TAX INCENTIVE FUND; AND  
18 FOR RELATED PURPOSES.

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

20 **SECTION 1.** As used in Sections 1 through 3 of this act, the  
21 following terms and phrases shall have the meanings ascribed in  
22 this section unless the context clearly indicates otherwise:

23 (a) "Approved project costs" means actual costs  
24 incurred by an approved participant for land acquisition,  
25 construction, engineering, design and other costs approved by the  
26 Mississippi Development Authority relating to a tourism project.  
27 All costs must be verified by an independent third party approved  
28 by the MDA. An approved participant shall pay the costs for the  
29 third party verification of costs. Approved project costs may not  
30 increase regardless of the actual costs incurred by the project.

31 (b) "Approved participant" means a person, corporation  
32 or other entity issued a certificate by the Mississippi  
33 Development Authority under Section 3 of this act.

34 (c) "MDA" means the Mississippi Development Authority.

35 (d) "Tourism project" shall include any of the  
36 following as may be approved by the MDA:

37 (i) Theme parks, water parks, entertainment parks  
38 or outdoor adventure parks, cultural or historical interpretive  
39 educational centers or museums, motor speedways, indoor or outdoor  
40 entertainment centers or complexes, attractions created around a  
41 natural phenomenon or scenic landscape and marinas open to the  
42 public with a minimum private investment of not less than Ten  
43 Million Dollars (\$10,000,000.00);

44 (ii) A hotel with a minimum private investment of  
45 Forty Million Dollars (\$40,000,000.00) in land, buildings,  
46 architecture, engineering, fixtures, equipment, furnishings,  
47 amenities and other related soft costs approved by the Mississippi  
48 Development Authority, and having a minimum private investment of  
49 One Hundred Fifty Thousand Dollars (\$150,000.00) per guest room  
50 which amount shall be included within the minimum private  
51 investment of Forty Million Dollars (\$40,000,000.00);

52 (iii) A public golf course with a minimum private  
53 investment of Ten Million Dollars (\$10,000,000.00).

54 The term "tourism project" does not include any business,  
55 corporation or entity having a gaming license issued under Section  
56 75-76-1 et seq., or any project in which a business corporation or  
57 entity having a gaming license has a direct or indirect financial  
58 interest.

59 The term "tourism project" does not include any facility  
60 within the project whose primary business is retail sales or any  
61 expansions of existing projects; however, pro shops, souvenir  
62 shops, gift shops, concessions and similar retail activities may  
63 be included within the definition of the term "tourism project."

64 (e) "State" means the State of Mississippi.

65 **SECTION 2.** (1) (a) There is created in the State Treasury  
66 a special fund to be known as the "Tourism Project Sales Tax  
67 Incentive Fund," into which shall be deposited such money as

68 provided in Section 27-65-75(16). The monies in the fund shall be  
69 used for the purpose of making the incentive payments authorized  
70 in this section. The fund shall be administered by the MDA.  
71 Unexpended amounts remaining in the fund at the end of a fiscal  
72 year shall not lapse into the State General Fund, and any interest  
73 earned on or investment earnings on the amounts in the fund shall  
74 be deposited to the credit of the fund. The MDA may use not more  
75 than one percent (1%) of interest earned or investment earnings,  
76 or both, on amounts in the fund for administration and management  
77 of the incentive program authorized under Sections 1 through 3 of  
78 this act.

79           (b) Subject to the provisions of this section,  
80 incentive payments may be made by the MDA to an approved  
81 participant that incurs approved project costs to locate a tourism  
82 project in the state. The payments to an approved participant  
83 shall be for eighty percent (80%) of the amount of sales tax  
84 revenue collected from the operation of the tourism project, after  
85 making the diversions required in Section 27-65-75(7) and (8).  
86 The MDA shall make payments to an approved participant on a  
87 semiannual basis with payments being made in the months of January  
88 and July. The aggregate amount of incentive payments that an  
89 approved participant may receive shall not exceed thirty percent  
90 (30%) of the approved project costs incurred by the approved  
91 participant for the tourism project. Expansions, enlargements or  
92 additional investments made by an approved participant will not  
93 increase authorized incentive payments certified by the MDA. The  
94 MDA shall make the calculations necessary to make the payments  
95 provided for in this section. The MDA shall cease making  
96 incentive payments to an approved participant on the occurrence of  
97 the earlier of:

98           (i) The date that an aggregate amount of thirty  
99 percent (30%) of the approved project costs incurred by the

100 approved participant for the tourism project has been paid to the  
101 approved participant; or

102 (ii) Ten (10) years after the date the tourism  
103 project opens for commercial operation.

104 (2) At such time as incentive payments are no longer  
105 required to be made to an approved participant, the MDA shall  
106 notify the State Tax Commission and the sales tax revenue  
107 collected from the tourism project shall no longer be deposited  
108 into the Tourism Project Sales Tax Incentive Fund. Any amounts  
109 remaining in the fund that were collected from such project shall  
110 be transferred to the State General Fund.

111 **SECTION 3.** (1) The MDA shall develop, implement and  
112 administer the incentive program authorized in Sections 1 through  
113 3 of this act and shall promulgate rules and regulations necessary  
114 for the development, implementation and administration of such  
115 program.

116 (2) A person, corporation or other entity desiring to  
117 participate in the incentive program authorized in Sections 1  
118 through 3 of this act must submit an application and an  
119 application fee in the amount of Five Thousand Dollars (\$5,000.00)  
120 to the MDA. Such application must contain (a) plans for the  
121 proposed tourism project; (b) a detailed description of the  
122 proposed tourism project; (c) the method of financing the proposed  
123 tourism project and the terms of such financing; (d) an  
124 independent study that identifies the number of out-of-state  
125 visitors anticipated to visit the project and the ratio of  
126 out-of-state visitors to in-state visitors; and (e) any other  
127 information required by the MDA. The Executive Director of the  
128 MDA shall review the application and determine if it qualifies as  
129 a tourism project under this section and under the rules and  
130 regulations promulgated pursuant to this section. If the  
131 executive director determines the proposed tourism project  
132 qualifies as a tourism project under this section and under the

133 rules and regulations promulgated pursuant to this section, he  
134 shall issue a certificate to the person, corporation or other  
135 entity designating such person, corporation or other entity as an  
136 approved participant and authorizing the approved participant to  
137 participate in the incentive program provided for in Sections 1  
138 through 3 of this act.

139 (3) The MDA shall cause a cost benefit analysis of the  
140 tourism project to be performed by a state institution of higher  
141 learning, the university research center or some other entity  
142 approved by the MDA.

143 **SECTION 4.** Section 27-65-75, Mississippi Code of 1972, as  
144 amended by Senate Bill No. 3215, 2007 Regular Session, is amended  
145 as follows:

146 27-65-75. On or before the fifteenth day of each month, the  
147 revenue collected under the provisions of this chapter during the  
148 preceding month shall be paid and distributed as follows:

149 (1) (a) On or before August 15, 1992, and each succeeding  
150 month thereafter through July 15, 1993, eighteen percent (18%) of  
151 the total sales tax revenue collected during the preceding month  
152 under the provisions of this chapter, except that collected under  
153 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
154 business activities within a municipal corporation shall be  
155 allocated for distribution to the municipality and paid to the  
156 municipal corporation. On or before August 15, 1993, and each  
157 succeeding month thereafter, eighteen and one-half percent  
158 (18-1/2%) of the total sales tax revenue collected during the  
159 preceding month under the provisions of this chapter, except that  
160 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
161 and 27-65-21, on business activities within a municipal  
162 corporation shall be allocated for distribution to the  
163 municipality and paid to the municipal corporation.

164 A municipal corporation, for the purpose of distributing the  
165 tax under this subsection, shall mean and include all incorporated  
166 cities, towns and villages.

167 Monies allocated for distribution and credited to a municipal  
168 corporation under this subsection may be pledged as security for a  
169 loan if the distribution received by the municipal corporation is  
170 otherwise authorized or required by law to be pledged as security  
171 for such a loan.

172 In any county having a county seat that is not an  
173 incorporated municipality, the distribution provided under this  
174 subsection shall be made as though the county seat was an  
175 incorporated municipality; however, the distribution to the  
176 municipality shall be paid to the county treasury in which the  
177 municipality is located, and those funds shall be used for road,  
178 bridge and street construction or maintenance in the county.

179 (b) On or before August 15, 2006, and each succeeding  
180 month thereafter, eighteen and one-half percent (18-1/2%) of the  
181 total sales tax revenue collected during the preceding month under  
182 the provisions of this chapter, except that collected under the  
183 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
184 business activities on the campus of a state institution of higher  
185 learning or community or junior college whose campus is not  
186 located within the corporate limits of a municipality, shall be  
187 allocated for distribution to the state institution of higher  
188 learning or community or junior college and paid to the state  
189 institution of higher learning or community or junior college.

190 (2) On or before September 15, 1987, and each succeeding  
191 month thereafter, from the revenue collected under this chapter  
192 during the preceding month, One Million One Hundred Twenty-five  
193 Thousand Dollars (\$1,125,000.00) shall be allocated for  
194 distribution to municipal corporations as defined under subsection  
195 (1) of this section in the proportion that the number of gallons  
196 of gasoline and diesel fuel sold by distributors to consumers and

197 retailers in each such municipality during the preceding fiscal  
198 year bears to the total gallons of gasoline and diesel fuel sold  
199 by distributors to consumers and retailers in municipalities  
200 statewide during the preceding fiscal year. The State Tax  
201 Commission shall require all distributors of gasoline and diesel  
202 fuel to report to the commission monthly the total number of  
203 gallons of gasoline and diesel fuel sold by them to consumers and  
204 retailers in each municipality during the preceding month. The  
205 State Tax Commission shall have the authority to promulgate such  
206 rules and regulations as is necessary to determine the number of  
207 gallons of gasoline and diesel fuel sold by distributors to  
208 consumers and retailers in each municipality. In determining the  
209 percentage allocation of funds under this subsection for the  
210 fiscal year beginning July 1, 1987, and ending June 30, 1988, the  
211 State Tax Commission may consider gallons of gasoline and diesel  
212 fuel sold for a period of less than one (1) fiscal year. For the  
213 purposes of this subsection, the term "fiscal year" means the  
214 fiscal year beginning July 1 of a year.

215 (3) On or before September 15, 1987, and on or before the  
216 fifteenth day of each succeeding month, until the date specified  
217 in Section 65-39-35, the proceeds derived from contractors' taxes  
218 levied under Section 27-65-21 on contracts for the construction or  
219 reconstruction of highways designated under the highway program  
220 created under Section 65-3-97 shall, except as otherwise provided  
221 in Section 31-17-127, be deposited into the State Treasury to the  
222 credit of the State Highway Fund to be used to fund that highway  
223 program. The Mississippi Department of Transportation shall  
224 provide to the State Tax Commission such information as is  
225 necessary to determine the amount of proceeds to be distributed  
226 under this subsection.

227 (4) On or before August 15, 1994, and on or before the  
228 fifteenth day of each succeeding month through July 15, 1999, from  
229 the proceeds of gasoline, diesel fuel or kerosene taxes as

230 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
231 (\$4,000,000.00) shall be deposited in the State Treasury to the  
232 credit of a special fund designated as the "State Aid Road Fund,"  
233 created by Section 65-9-17. On or before August 15, 1999, and on  
234 or before the fifteenth day of each succeeding month, from the  
235 total amount of the proceeds of gasoline, diesel fuel or kerosene  
236 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
237 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
238 one-fourth percent (23-1/4%) of those funds, whichever is the  
239 greater amount, shall be deposited in the State Treasury to the  
240 credit of the "State Aid Road Fund," created by Section 65-9-17.  
241 Those funds shall be pledged to pay the principal of and interest  
242 on state aid road bonds heretofore issued under Sections 19-9-51  
243 through 19-9-77, in lieu of and in substitution for the funds  
244 previously allocated to counties under this section. Those funds  
245 may not be pledged for the payment of any state aid road bonds  
246 issued after April 1, 1981; however, this prohibition against the  
247 pledging of any such funds for the payment of bonds shall not  
248 apply to any bonds for which intent to issue those bonds has been  
249 published, for the first time, as provided by law before March 29,  
250 1981. From the amount of taxes paid into the special fund under  
251 this subsection and subsection (9) of this section, there shall be  
252 first deducted and paid the amount necessary to pay the expenses  
253 of the Office of State Aid Road Construction, as authorized by the  
254 Legislature for all other general and special fund agencies. The  
255 remainder of the fund shall be allocated monthly to the several  
256 counties in accordance with the following formula:

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

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



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

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

270           The amount of funds allocated to any county under this  
271 subsection for any fiscal year after fiscal year 1994 shall not be  
272 less than the amount allocated to the county for fiscal year 1994.

273           Any reference in the general laws of this state or the  
274 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
275 construed to refer and apply to subsection (4) of Section  
276 27-65-75.

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

283           (6) An amount each month beginning August 15, 1983, through  
284 November 15, 1986, as specified in Section 6 of Chapter 542, Laws  
285 of 1983, shall be paid into the special fund known as the  
286 Correctional Facilities Construction Fund created in Section 6 of  
287 Chapter 542, Laws of 1983.

288           (7) On or before August 15, 1992, and each succeeding month  
289 thereafter through July 15, 2000, two and two hundred sixty-six  
290 one-thousandths percent (2.266%) of the total sales tax revenue  
291 collected during the preceding month under the provisions of this  
292 chapter, except that collected under the provisions of Section  
293 27-65-17(2) shall be deposited by the commission into the School  
294 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
295 or before August 15, 2000, and each succeeding month thereafter,

296 two and two hundred sixty-six one-thousandths percent (2.266%) of  
297 the total sales tax revenue collected during the preceding month  
298 under the provisions of this chapter, except that collected under  
299 the provisions of Section 27-65-17(2), shall be deposited into the  
300 School Ad Valorem Tax Reduction Fund created under Section  
301 37-61-35 until such time that the total amount deposited into the  
302 fund during a fiscal year equals Forty-two Million Dollars  
303 (\$42,000,000.00). Thereafter, the amounts diverted under this  
304 subsection (7) during the fiscal year in excess of Forty-two  
305 Million Dollars (\$42,000,000.00) shall be deposited into the  
306 Education Enhancement Fund created under Section 37-61-33 for  
307 appropriation by the Legislature as other education needs and  
308 shall not be subject to the percentage appropriation requirements  
309 set forth in Section 37-61-33.

310 (8) On or before August 15, 1992, and each succeeding month  
311 thereafter, nine and seventy-three one-thousandths percent  
312 (9.073%) of the total sales tax revenue collected during the  
313 preceding month under the provisions of this chapter, except that  
314 collected under the provisions of Section 27-65-17(2), shall be  
315 deposited into the Education Enhancement Fund created under  
316 Section 37-61-33.

317 (9) On or before August 15, 1994, and each succeeding month  
318 thereafter, from the revenue collected under this chapter during  
319 the preceding month, Two Hundred Fifty Thousand Dollars  
320 (\$250,000.00) shall be paid into the State Aid Road Fund.

321 (10) On or before August 15, 1994, and each succeeding month  
322 thereafter through August 15, 1995, from the revenue collected  
323 under this chapter during the preceding month, Two Million Dollars  
324 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
325 Valorem Tax Reduction Fund established in Section 27-51-105.

326 (11) Notwithstanding any other provision of this section to  
327 the contrary, on or before February 15, 1995, and each succeeding  
328 month thereafter, the sales tax revenue collected during the

329 preceding month under the provisions of Section 27-65-17(2) and  
330 the corresponding levy in Section 27-65-23 on the rental or lease  
331 of private carriers of passengers and light carriers of property  
332 as defined in Section 27-51-101 shall be deposited, without  
333 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
334 established in Section 27-51-105.

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

344 (13) On or before July 15, 1994, and on or before the  
345 fifteenth day of each succeeding month thereafter, that portion of  
346 the avails of the tax imposed in Section 27-65-22 that is derived  
347 from activities held on the Mississippi State Fairgrounds Complex,  
348 shall be paid into a special fund that is created in the State  
349 Treasury and shall be expended upon legislative appropriation  
350 solely to defray the costs of repairs and renovation at the Trade  
351 Mart and Coliseum.

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

359 (15) Notwithstanding any other provision of this section to  
360 the contrary, on or before September 15, 2000, and each succeeding  
361 month thereafter, the sales tax revenue collected during the

362 preceding month under the provisions of Section 27-65-19(1)(f) and  
363 (g)(i)2, shall be deposited, without diversion, into the  
364 Telecommunications Ad Valorem Tax Reduction Fund established in  
365 Section 27-38-7.

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

373 (b) On or before August 15, 2007, and each succeeding  
374 month thereafter, eighty percent (80%) of the sales tax revenue  
375 collected during the preceding month under the provisions of this  
376 chapter from the operation of a tourism project under the  
377 provisions of Sections 1 through 3 of House Bill No. 1142, 2007  
378 Regular Session, shall be deposited, after the diversions required  
379 in subsections (7) and (8) of this section, into the Tourism  
380 Project Sales Tax Incentive Fund created in Section 2 of House  
381 Bill No. 1142, 2007 Regular Session.

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

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

395           (19) (a) On or before August 15, 2005, and each succeeding  
396 month thereafter, the sales tax revenue collected during the  
397 preceding month under the provisions of this chapter on the gross  
398 proceeds of sales of a business enterprise located within a  
399 redevelopment project area under the provisions of Sections  
400 57-91-1 through 57-91-11, and the revenue collected on the gross  
401 proceeds of sales from sales made to a business enterprise located  
402 in a redevelopment project area under the provisions of Sections  
403 57-91-1 through 57-91-11 (provided that such sales made to a  
404 business enterprise are made on the premises of the business  
405 enterprise), shall, except as otherwise provided in this  
406 subsection (19), be deposited, after all diversions, into the  
407 Redevelopment Project Incentive Fund as created in Section  
408 57-91-9.

409           (b) For a municipality participating in the Economic  
410 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
411 the diversion provided for in subsection (1) of this section  
412 attributable to the gross proceeds of sales of a business  
413 enterprise located within a redevelopment project area under the  
414 provisions of Sections 57-91-1 through 57-91-11, and attributable  
415 to the gross proceeds of sales from sales made to a business  
416 enterprise located in a redevelopment project area under the  
417 provisions of Sections 57-91-1 through 57-91-11 (provided that  
418 such sales made to a business enterprise are made on the premises  
419 of the business enterprise), shall be deposited into the  
420 Redevelopment Project Incentive Fund as created in Section  
421 57-91-9, as follows:

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

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

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

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

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

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

441 (20) On or before January 15, 2007, and each succeeding  
442 month thereafter, eighty percent (80%) of the sales tax revenue  
443 collected during the preceding month under the provisions of this  
444 chapter from the operation of a tourism project under the  
445 provisions of Sections 57-28-1 through 57-28-5, shall be  
446 deposited, after the diversions required in subsections (7) and  
447 (8) of this section, into the Tourism Sales Tax Incentive Fund  
448 created in Section 57-28-3.

449 (21) On or before April 15, 2007, and each succeeding month  
450 thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00) of  
451 the sales tax revenue collected during the preceding month under  
452 the provisions of this chapter shall be deposited into the MMEIA  
453 Tax Incentive Fund created in Section 24 of Senate Bill No. 3215,  
454 2007 Regular Session.

455 (22) The remainder of the amounts collected under the  
456 provisions of this chapter shall be paid into the State Treasury  
457 to the credit of the General Fund.

458 (23) It shall be the duty of the municipal officials of any  
459 municipality that expands its limits, or of any community that  
460 incorporates as a municipality, to notify the commissioner of that

461 action thirty (30) days before the effective date. Failure to so  
462 notify the commissioner shall cause the municipality to forfeit  
463 the revenue that it would have been entitled to receive during  
464 this period of time when the commissioner had no knowledge of the  
465 action. If any funds have been erroneously disbursed to any  
466 municipality or any overpayment of tax is recovered by the  
467 taxpayer, the commissioner may make correction and adjust the  
468 error or overpayment with the municipality by withholding the  
469 necessary funds from any later payment to be made to the  
470 municipality.

471       **SECTION 5.** This act shall take effect and be in force from  
472 and after July 1, 2007.