

By: Senator(s) Robertson

To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2520

1 AN ACT TO AMEND SECTION 57-30-3, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO EXTEND THE
3 PERIOD OF TIME THAT A FAMILY-ORIENTED ENTERTAINMENT ENTERPRISE MAY
4 RECEIVE PAYMENTS FROM THE SALES TAX INCENTIVE FUND IF THE
5 ENTERPRISE IS UNABLE TO COLLECT SALES TAXES AS A RESULT OF CERTAIN
6 DISASTERS; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 57-30-3, Mississippi Code of 1972, is
9 amended as follows:

10 57-30-3. (1) (a) There is created in the State Treasury a
11 special fund to be known as the "Sales Tax Incentive Fund," into
12 which shall be deposited such money as provided in Section
13 27-65-75(16). The monies in the fund shall be used for the
14 purpose of making the incentive payments authorized in this
15 section. The fund shall be administered by the MDA. Unexpended
16 amounts remaining in the fund at the end of a fiscal year shall
17 not lapse into the General Fund, and any interest earned on or
18 investment earnings on the amounts in the fund shall be deposited
19 to the credit of the fund. The MDA may use not more than one
20 percent (1%) of interest earned or investment earnings, or both,
21 on amounts in the fund for administration and management of the
22 incentive program.

23 (b) Subject to the provisions of this section,
24 incentive payments may be made by the MDA to an approved
25 participant that incurs indebtedness or incurs capital costs, or
26 both, to locate a project in the state. The payments to an
27 approved participant shall be for the amount of sales tax revenue
28 collected on the gross proceeds of sales of a project, after
29 making the diversions required in Section 27-65-75, except the

30 diversion provided for in Section 27-65-75(1). The MDA shall
31 ensure that payments made pursuant to this section are utilized to
32 pay the debt service incurred by the approved participant for the
33 project as approved by the MDA or any project capital cost
34 incurred by the approved participant for the project as approved
35 by the MDA, or both. The MDA shall make payments to an approved
36 participant on a semiannual basis with payments being made in the
37 months of January and July. For the purposes of determining the
38 amount of indebtedness or project capital costs, or both, incurred
39 for any ancillary business, as described in Section 57-30-1(c),
40 which is eligible for incentive payments under this section, the
41 amount of such indebtedness or project capital costs, or both,
42 shall be limited to an amount not greater than the indebtedness or
43 project capital costs, or both, incurred for the primary project.
44 The aggregate amount that an approved participant may receive
45 shall not exceed thirty-five percent (35%) of the portion of the
46 original indebtedness that is funded from private sources or
47 project capital cost that is funded from private sources, or both,
48 incurred by such participant for the project. The MDA shall make
49 the calculations necessary to make the payments provided for in
50 this section. The MDA shall cease making incentive payments to an
51 approved participant on the occurrence of the earlier of (i) the
52 date thirty-five percent (35%) of the portion of the original
53 indebtedness that is funded from private sources, or any
54 refinancing of the portion of the original indebtedness that is
55 funded from private sources, incurred for the project or the
56 portion of the original project capital cost that is funded from
57 private sources incurred for the project, or both, is satisfied,
58 (ii) ten (10) years from the date the original indebtedness for
59 the project was incurred, without regard to any refinancing or
60 additional financing for any addition to or expansion of the
61 project, or (iii) the project ceases operations; however, if the
62 approved participant is located in an area that has been declared

63 by the Governor to be a disaster area and as a result of the
64 disaster the approved participant is unable to collect sales
65 taxes, the MDA may extend the ten-year period until such time as
66 the participant is able to collect sales taxes or for two (2)
67 years, whichever occurs first.

68 (2) At such time as payments are no longer required to be
69 made to an approved participant, the MDA shall notify the State
70 Tax Commission and the sales tax revenue collected from such
71 project shall no longer be deposited into the Sales Tax Incentive
72 Fund, and any amounts remaining in the fund that were collected
73 from such participant shall be transferred to the State General
74 Fund; however, if the project is located in a municipality, a
75 portion of such amount shall be paid to such municipality in the
76 same manner and amounts as provided for in Section 27-65-75(1).

77 **SECTION 2.** This act shall take effect and be in force from
78 and after July 1, 2007.