

By: Senator(s) Robertson

To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3004

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 PAYMENT 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, TO PROVIDE THAT 80% OF THE
14 SALES TAX REVENUE COLLECTED FROM THE OPERATION OF A TOURISM
15 PROJECT UNDER THE PROVISIONS OF THIS ACT SHALL BE DEPOSITED, AFTER
16 CERTAIN DIVERSIONS, INTO THE TOURISM PROJECT SALES TAX INCENTIVE
17 FUND; AND FOR RELATED PURPOSES.

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

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

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

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

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

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

36 (i) Theme parks, water parks, entertainment parks
37 or outdoor adventure parks, cultural or historical interpretive
38 educational centers or museums, race tracks, indoor or outdoor
39 entertainment centers or complexes, attractions created around a
40 natural phenomenon or scenic landscape and marinas open to the
41 public with a minimum private investment of not less than
42 Twenty-five Million Dollar (\$25,000,000.00) if located in county
43 in a Tier One area as designated under Section 57-73-21, with a
44 minimum private investment of not less than Twenty Million Dollars
45 (\$20,000,000.00) if located in a county in a Tier Two area as
46 designated under Section 57-73-21, or with a minimum private
47 investment of not less than Fifteen Million Dollars
48 (\$15,000,000.00) if located in a county in a Tier Three area as
49 designated under Section 57-73-21. Whether a county is in a Tier
50 One area, Tier Two area or Tier Three area shall be determined by
51 the classification of the area at the time the application is
52 approved;

53 (ii) A hotel with a minimum private investment of
54 Forty Million Dollars (\$40,000,000.00) in land, buildings,
55 architecture, engineering, fixtures, equipment, furnishings,
56 amenities and other related soft costs approved by the Mississippi
57 Development Authority, and having a minimum private investment of
58 One Hundred Fifty Thousand Dollars (\$150,000.00) per guest room
59 which amount shall be included within the minimum private
60 investment of Forty Million Dollars (\$40,000,000.00);

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

63 The term "tourism project" does not include any business,
64 corporation or entity having a gaming license issued under Section
65 75-76-1 et seq., but may include an entertainment enterprise owned
66 by such a business, corporation or entity that is in excess of

67 development that the State Gaming Commission requires for the
68 issuance or renewal or a gaming license.

69 The term "tourism project" does not include any expansions of
70 existing projects or any facility within a project whose primary
71 business is retail sales of tangible personal property; however,
72 golf pro shops, gift shops, souvenir shops and concessions within
73 a project, or other similar retail outlets within a project that
74 are uniquely related to the project and restaurants within a hotel
75 project, shall be included within the term "tourism project."

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

77 **SECTION 2.** (1) (a) There is created in the State Treasury
78 a special fund to be known as the "Tourism Project Sales Tax
79 Incentive Fund," into which shall be deposited such money as
80 provided in Section 27-65-75(16). The monies in the fund shall be
81 used for the purpose of making the incentive payments authorized
82 in this section. The fund shall be administered by the MDA.
83 Unexpended amounts remaining in the fund at the end of a fiscal
84 year shall not lapse into the State General Fund, and any interest
85 earned on or investment earnings on the amounts in the fund shall
86 be deposited to the credit of the fund. The MDA may use not more
87 than one percent (1%) of interest earned or investment earnings,
88 or both, on amounts in the fund for administration and management
89 of the incentive program authorized under Sections 1 through 3 of
90 this act.

91 (b) Subject to the provisions of this section,
92 incentive payments may be made by the MDA to an approved
93 participant that incurs approved project costs to locate a tourism
94 project in the state. The payments to an approved participant
95 shall be for eighty percent (80%) of the amount of sales tax
96 revenue collected from the operation of the tourism project, after
97 making the diversions required in Section 27-65-75(7) and (8).
98 The MDA shall make payments to an approved participant on a
99 semiannual basis with payments being made in the months of January

100 and July. The aggregate amount of incentive payments that an
101 approved participant may receive shall not exceed thirty percent
102 (30%) of the approved project costs incurred by the approved
103 participant for the tourism project. Expansions, enlargements or
104 additional investments made by an approved participant will not
105 increase authorized incentive payments certified by the MDA. The
106 MDA shall make the calculations necessary to make the payments
107 provided for in this section. The MDA shall cease making
108 incentive payments to an approved participant on the occurrence of
109 the earlier of:

110 (i) The date that an aggregate amount of thirty
111 percent (30%) of the approved project costs incurred by the
112 approved participant for the tourism project has been paid to the
113 approved participant; or

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

116 (2) At such time as incentive payments are no longer
117 required to be made to an approved participant, the MDA shall
118 notify the State Tax Commission and the sales tax revenue
119 collected from the tourism project shall no longer be deposited
120 into the Tourism Project Sales Tax Incentive Fund. Any amounts
121 remaining in the fund that were collected from such project shall
122 be transferred to the State General Fund.

123 **SECTION 3.** (1) The MDA shall develop, implement and
124 administer the incentive program authorized in Sections 1 through
125 3 of this act and shall promulgate rules and regulations necessary
126 for the development, implementation and administration of such
127 program.

128 (2) A person, corporation or other entity desiring to
129 participate in the incentive program authorized in Sections 1
130 through 3 of this act must submit an application and an
131 application fee in the amount of Five Thousand Dollars (\$5,000.00)
132 to the MDA. Such application must contain (a) plans for the

133 proposed tourism project; (b) a detailed description of the
134 proposed tourism project; (c) the method of financing the proposed
135 tourism project and the terms of such financing; (d) An
136 independent study that identifies the number of out-of-state
137 visitors anticipated to visit the project and the ratio of
138 out-of-state visitors to in-state visitors; and (e) any other
139 information required by the MDA. The Executive Director of the
140 MDA shall review the application and determine if it qualifies as
141 a tourism project. If the executive director determines the
142 proposed tourism project qualifies as a tourism project, he shall
143 issue a certificate to the person, corporation or other entity
144 designating such person, corporation or other entity as an
145 approved participant and authorizing the approved participant to
146 participate in the incentive program provided for in Sections 1
147 through 3 of this act.

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

152 **SECTION 4.** Section 27-65-75, Mississippi Code of 1972, is
153 amended as follows:

154 27-65-75. On or before the fifteenth day of each month, the
155 revenue collected under the provisions of this chapter during the
156 preceding month shall be paid and distributed as follows:

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

166 (18-1/2%) of the total sales tax revenue collected during the
167 preceding month under the provisions of this chapter, except that
168 collected under the provisions of Sections 27-65-15, 27-65-19(3)
169 and 27-65-21, on business activities within a municipal
170 corporation shall be allocated for distribution to the
171 municipality and paid to the municipal corporation.

172 A municipal corporation, for the purpose of distributing the
173 tax under this subsection, shall mean and include all incorporated
174 cities, towns and villages.

175 Monies allocated for distribution and credited to a municipal
176 corporation under this subsection may be pledged as security for a
177 loan if the distribution received by the municipal corporation is
178 otherwise authorized or required by law to be pledged as security
179 for such a loan.

180 In any county having a county seat that is not an
181 incorporated municipality, the distribution provided under this
182 subsection shall be made as though the county seat was an
183 incorporated municipality; however, the distribution to the
184 municipality shall be paid to the county treasury in which the
185 municipality is located, and those funds shall be used for road,
186 bridge and street construction or maintenance in the county.

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

198 (2) On or before September 15, 1987, and each succeeding
199 month thereafter, from the revenue collected under this chapter
200 during the preceding month, One Million One Hundred Twenty-five
201 Thousand Dollars (\$1,125,000.00) shall be allocated for
202 distribution to municipal corporations as defined under subsection
203 (1) of this section in the proportion that the number of gallons
204 of gasoline and diesel fuel sold by distributors to consumers and
205 retailers in each such municipality during the preceding fiscal
206 year bears to the total gallons of gasoline and diesel fuel sold
207 by distributors to consumers and retailers in municipalities
208 statewide during the preceding fiscal year. The State Tax
209 Commission shall require all distributors of gasoline and diesel
210 fuel to report to the commission monthly the total number of
211 gallons of gasoline and diesel fuel sold by them to consumers and
212 retailers in each municipality during the preceding month. The
213 State Tax Commission shall have the authority to promulgate such
214 rules and regulations as is necessary to determine the number of
215 gallons of gasoline and diesel fuel sold by distributors to
216 consumers and retailers in each municipality. In determining the
217 percentage allocation of funds under this subsection for the
218 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
219 State Tax Commission may consider gallons of gasoline and diesel
220 fuel sold for a period of less than one (1) fiscal year. For the
221 purposes of this subsection, the term "fiscal year" means the
222 fiscal year beginning July 1 of a year.

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

231 program. The Mississippi Department of Transportation shall
232 provide to the State Tax Commission such information as is
233 necessary to determine the amount of proceeds to be distributed
234 under this subsection.

235 (4) On or before August 15, 1994, and on or before the
236 fifteenth day of each succeeding month through July 15, 1999, from
237 the proceeds of gasoline, diesel fuel or kerosene taxes as
238 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
239 (\$4,000,000.00) shall be deposited in the State Treasury to the
240 credit of a special fund designated as the "State Aid Road Fund,"
241 created by Section 65-9-17. On or before August 15, 1999, and on
242 or before the fifteenth day of each succeeding month, from the
243 total amount of the proceeds of gasoline, diesel fuel or kerosene
244 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
245 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
246 one-fourth percent (23-1/4%) of those funds, whichever is the
247 greater amount, shall be deposited in the State Treasury to the
248 credit of the "State Aid Road Fund," created by Section 65-9-17.
249 Those funds shall be pledged to pay the principal of and interest
250 on state aid road bonds heretofore issued under Sections 19-9-51
251 through 19-9-77, in lieu of and in substitution for the funds
252 previously allocated to counties under this section. Those funds
253 may not be pledged for the payment of any state aid road bonds
254 issued after April 1, 1981; however, this prohibition against the
255 pledging of any such funds for the payment of bonds shall not
256 apply to any bonds for which intent to issue those bonds has been
257 published, for the first time, as provided by law before March 29,
258 1981. From the amount of taxes paid into the special fund under
259 this subsection and subsection (9) of this section, there shall be
260 first deducted and paid the amount necessary to pay the expenses
261 of the Office of State Aid Road Construction, as authorized by the
262 Legislature for all other general and special fund agencies. The

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

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

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

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

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

278 The amount of funds allocated to any county under this
279 subsection for any fiscal year after fiscal year 1994 shall not be
280 less than the amount allocated to the county for fiscal year 1994.

281 Any reference in the general laws of this state or the
282 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
283 construed to refer and apply to subsection (4) of Section
284 27-65-75.

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

291 (6) An amount each month beginning August 15, 1983, through
292 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
293 of 1983, shall be paid into the special fund known as the
294 Correctional Facilities Construction Fund created in Section 6 of
295 Chapter 542, Laws of 1983.

296 (7) On or before August 15, 1992, and each succeeding month
297 thereafter through July 15, 2000, two and two hundred sixty-six
298 one-thousandths percent (2.266%) of the total sales tax revenue
299 collected during the preceding month under the provisions of this
300 chapter, except that collected under the provisions of Section
301 27-65-17(2) shall be deposited by the commission into the School
302 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
303 or before August 15, 2000, and each succeeding month thereafter,
304 two and two hundred sixty-six one-thousandths percent (2.266%) of
305 the total sales tax revenue collected during the preceding month
306 under the provisions of this chapter, except that collected under
307 the provisions of Section 27-65-17(2), shall be deposited into the
308 School Ad Valorem Tax Reduction Fund created under Section
309 37-61-35 until such time that the total amount deposited into the
310 fund during a fiscal year equals Forty-two Million Dollars
311 (\$42,000,000.00). Thereafter, the amounts diverted under this
312 subsection (7) during the fiscal year in excess of Forty-two
313 Million Dollars (\$42,000,000.00) shall be deposited into the
314 Education Enhancement Fund created under Section 37-61-33 for
315 appropriation by the Legislature as other education needs and
316 shall not be subject to the percentage appropriation requirements
317 set forth in Section 37-61-33.

318 (8) On or before August 15, 1992, and each succeeding month
319 thereafter, nine and seventy-three one-thousandths percent
320 (9.073%) of the total sales tax revenue collected during the
321 preceding month under the provisions of this chapter, except that
322 collected under the provisions of Section 27-65-17(2), shall be
323 deposited into the Education Enhancement Fund created under
324 Section 37-61-33.

325 (9) On or before August 15, 1994, and each succeeding month
326 thereafter, from the revenue collected under this chapter during
327 the preceding month, Two Hundred Fifty Thousand Dollars
328 (\$250,000.00) shall be paid into the State Aid Road Fund.

329 (10) On or before August 15, 1994, and each succeeding month
330 thereafter through August 15, 1995, from the revenue collected
331 under this chapter during the preceding month, Two Million Dollars
332 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
333 Valorem Tax Reduction Fund established in Section 27-51-105.

334 (11) Notwithstanding any other provision of this section to
335 the contrary, on or before February 15, 1995, and each succeeding
336 month thereafter, the sales tax revenue collected during the
337 preceding month under the provisions of Section 27-65-17(2) and
338 the corresponding levy in Section 27-65-23 on the rental or lease
339 of private carriers of passengers and light carriers of property
340 as defined in Section 27-51-101 shall be deposited, without
341 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
342 established in Section 27-51-105.

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

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

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

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

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

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

381 (b) On or before August 15, 2007, and each succeeding
382 month thereafter, eighty percent (80%) of the sales tax revenue
383 collected during the preceding month under the provisions of this
384 chapter from the operation of a tourism project under the
385 provisions of Sections 1 through 3 of Senate Bill No. 3004, 2007
386 Regular Session, shall be deposited, after the diversions required
387 in subsections (7) and (8) of this section, into the Tourism
388 Project Sales Tax Incentive Fund created in Section 2 of Senate
389 Bill No. 3004, 2007 Regular Session.

390 (17) Notwithstanding any other provision of this section to
391 the contrary, on or before April 15, 2002, and each succeeding
392 month thereafter, the sales tax revenue collected during the
393 preceding month under Section 27-65-23 on sales of parking
394 services of parking garages and lots at airports shall be

395 deposited, without diversion, into the special fund created under
396 Section 27-5-101(d).

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

403 (19) (a) On or before August 15, 2005, and each succeeding
404 month thereafter, the sales tax revenue collected during the
405 preceding month under the provisions of this chapter on the gross
406 proceeds of sales of a business enterprise located within a
407 redevelopment project area under the provisions of Sections
408 57-91-1 through 57-91-11, and the revenue collected on the gross
409 proceeds of sales from sales made to a business enterprise located
410 in a redevelopment project area under the provisions of Sections
411 57-91-1 through 57-91-11 (provided that such sales made to a
412 business enterprise are made on the premises of the business
413 enterprise), shall, except as otherwise provided in this
414 subsection (19), be deposited, after all diversions, into the
415 Redevelopment Project Incentive Fund as created in Section
416 57-91-9.

417 (b) For a municipality participating in the Economic
418 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
419 the diversion provided for in subsection (1) of this section
420 attributable to the gross proceeds of sales of a business
421 enterprise located within a redevelopment project area under the
422 provisions of Sections 57-91-1 through 57-91-11, and attributable
423 to the gross proceeds of sales from sales made to a business
424 enterprise located in a redevelopment project area under the
425 provisions of Sections 57-91-1 through 57-91-11 (provided that
426 such sales made to a business enterprise are made on the premises
427 of the business enterprise), shall be deposited into the

428 Redevelopment Project Incentive Fund as created in Section
429 57-91-9, as follows:

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

434 (ii) For the seventh year in which such payments
435 are made to a developer from the Redevelopment Project Incentive
436 Fund, eighty percent (80%) of the diversion shall be deposited
437 into the fund;

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

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

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

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

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

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

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