

By: Representatives Currie, Henley

To: Tourism; Revenue and
Expenditure General Bills

HOUSE BILL NO. 1081

1 AN ACT TO AMEND SECTION 57-26-1, MISSISSIPPI CODE OF 1972, TO
 2 REVISE THE DEFINITION OF THE TERM "TOURISM PROJECT" FOR PURPOSES OF
 3 THE TOURISM PROJECT SALES TAX INCENTIVE PROGRAM; TO AMEND SECTION
 4 57-26-5, MISSISSIPPI CODE OF 1972, TO EXTEND UNTIL JULY 1, 2019,
 5 THE AUTHORITY OF THE MISSISSIPPI DEVELOPMENT AUTHORITY TO ISSUE
 6 CERTIFICATES DESIGNATING AN ENTITY AS AN APPROVED PARTICIPANT AND
 7 AUTHORIZING THE APPROVED PARTICIPANT TO PARTICIPATE IN THE TOURISM
 8 PROJECT SALES TAX INCENTIVE PROGRAM FOR CERTAIN TOURISM PROJECTS;
 9 AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** Section 57-26-1, Mississippi Code of 1972, is
 12 amended as follows:

13 57-26-1. As used in Sections 57-26-1 through 57-26-5, the
 14 following terms and phrases shall have the meanings ascribed in
 15 this section unless the context clearly indicates otherwise:

16 (a) "Approved project costs" means actual costs
 17 incurred by an approved participant for land acquisition,
 18 construction, engineering, design and other costs approved by the
 19 Mississippi Development Authority relating to a tourism project;
 20 however, for the purposes of a tourism project described in
 21 paragraph (d)(iv) of this section, such costs include only those



22 incurred after January 1, 2011, relating to the hotel portion of
23 the project consisting of facilities used for lodging and common
24 areas in that portion of the project. All costs must be verified
25 by an independent third party approved by the MDA. An approved
26 participant shall pay the costs for the third-party verification
27 of costs. Approved project costs may not increase regardless of
28 the actual costs incurred by the project.

29 (b) "Approved participant" means a person, corporation
30 or other entity issued a certificate by the Mississippi
31 Development Authority under Section 57-26-5.

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

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

35 (i) Theme parks, water parks, entertainment parks
36 or outdoor adventure parks, cultural or historical interpretive
37 educational centers or museums, motor speedways, indoor or outdoor
38 entertainment centers or complexes, convention centers,
39 professional sports facilities, spas, 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 Ten
42 Million Dollars (\$10,000,000.00);

43 (ii) A hotel with a minimum private investment of
44 Forty Million Dollars (\$40,000,000.00) in land, buildings,
45 architecture, engineering, fixtures, equipment, furnishings,
46 amenities and other related soft costs approved by the Mississippi



47 Development Authority, and having a minimum private investment of
48 One Hundred Fifty Thousand Dollars (\$150,000.00) per guest room
49 which amount shall be included within the minimum private
50 investment of Forty Million Dollars (\$40,000,000.00);

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

53 (iv) A full service hotel with a minimum private
54 investment of Fifteen Million Dollars (\$15,000,000.00) in land,
55 buildings, architecture, engineering, fixtures, equipment,
56 furnishings, amenities and other related soft costs approved by
57 the Mississippi Development Authority, and having a minimum
58 private investment of Two Hundred Thousand Dollars (\$200,000.00)
59 per guest room or suite which amount shall be included within the
60 minimum private investment of Fifteen Million Dollars
61 (\$15,000,000.00), a minimum of twenty-five (25) guest rooms or
62 suites, and guest amenities such as restaurants, spas and other
63 amenities as determined by the Mississippi Development Authority;

64 (v) A tourism attraction located within an
65 "entertainment district" as defined in Section 17-29-3 that is
66 open to the public, has seating to accommodate at least forty (40)
67 persons, is open at least five (5) days per week from at least
68 6:00 p.m. until midnight, serves food and beverages, and provides
69 live entertainment at least three (3) nights per week;

70 (vi) A cultural retail attraction;



71 (vii) A tourism attraction located within a
72 historic district where the district is listed in the National
73 Register of Historic Places, where the tourism attraction is open
74 to the public, has seating to accommodate at least forty (40)
75 persons, is open at least five (5) days per week from at least
76 6:00 p.m. until midnight, serves food and beverages, and provides
77 live entertainment at least three (3) nights per week * * *;

78 (viii) A master-planned development centered
79 around a tourism complex associated with a historical Mississippi
80 musician and containing not less than five hundred (500) acres
81 which includes residential, commercial and recreational
82 developments, lodging, an outdoor entertainment musical venue,
83 attraction-themed retail, historical elements, and amenities, all
84 which may be completed in phases, and with a minimum private
85 investment of Twenty Million Dollars (\$20,000,000.00).

86 The term "tourism project" does not include any licensed
87 gaming establishment owned, leased or controlled by a business,
88 corporation or entity having a gaming license issued under Section
89 75-76-1 et seq.; however, the term "tourism project" may include a
90 project described in this paragraph (d) that is owned, leased or
91 controlled by such a business, corporation or entity or in which
92 the business, corporation or entity has a direct or indirect
93 financial interest if the project is in excess of development that
94 the State Gaming Commission requires for the issuance or renewal



95 of a gaming license and is not part of a licensed gaming
96 establishment in which gaming activities are conducted.

97 The term "tourism project" does not include any facility
98 within the project whose primary business is retail sales or any
99 expansions of existing projects; however, pro shops, souvenir
100 shops, gift shops, concessions and similar retail activities, and
101 cultural retail attractions may be included within the definition
102 of the term "tourism project." In addition, retail activities,
103 regardless of whether the primary business is retail sales, that
104 are part of a resort development may be included within the
105 definition of "tourism project."

106 (e) "Resort development" means a travel destination
107 development with a minimum private investment of One Hundred
108 Million Dollars (\$100,000,000.00) and which consists of (i) a
109 hotel with a minimum of two hundred (200) guest rooms or suites
110 and having a minimum private investment of Two Hundred Thousand
111 Dollars (\$200,000.00) per guest room or suite, and (ii) guest
112 amenities such as restaurants, golf courses, spas, fitness
113 facilities, entertainment activities and other amenities as
114 determined by the MDA. Not more than an amount equal to forty
115 percent (40%) of the private investment required by this paragraph
116 may be expended on facilities to house retail activity.

117 (f) "Cultural retail attraction" means a project which
118 combines destination shopping with cultural or historical
119 interpretive elements specific to Mississippi with a minimum



120 private investment of Fifty Million Dollars (\$50,000,000.00) in
121 land, buildings, architecture, engineering, fixtures, equipment,
122 furnishings, amenities and other related soft costs approved by
123 the Mississippi Development Authority and which:

124 (i) Is located in a qualified resort area as
125 defined in Section 67-1-5;

126 (ii) Is a part of a master-planned development
127 with a total investment of not less than One Hundred Million
128 Dollars (\$100,000,000.00) in land, buildings, architecture,
129 engineering, fixtures, equipment, furnishings, amenities and other
130 related soft costs approved by the Mississippi Development
131 Authority;

132 (iii) Has a minimum of fifty (50) retail tenants
133 with a minimum of three hundred thousand (300,000) square feet of
134 heated and cooled space; and

135 (iv) Has a minimum investment of One Million
136 Dollars (\$1,000,000.00) in one or more of the following:

137 1. Art created by Mississippi artists or
138 portraying themes specific to Mississippi;

139 2. Memorabilia, signage or historical markers
140 which serve to promote the State of Mississippi;

141 3. Audio/visual equipment used to showcase
142 Mississippi artists;

143 4. A minimum of one thousand two hundred and
144 fifty (1,250) square feet of heated and cooled space available to



145 the Mississippi Development Authority or its assignee for a period
146 of not less than ten (10) years.

147 (g) "Retail activity" means businesses whose inventory
148 consists primarily of upscale name brands or their equivalent as
149 determined by the MDA.

150 (h) "State" means the State of Mississippi.

151 **SECTION 2.** Section 57-26-5, Mississippi Code of 1972, is
152 amended as follows:

153 57-26-5. (1) The MDA shall develop, implement and
154 administer the incentive program authorized in Sections 57-26-1
155 through 57-26-5 and shall promulgate rules and regulations
156 necessary for the development, implementation and administration
157 of such program.

158 (2) A person, corporation or other entity desiring to
159 participate in the incentive program authorized in Sections
160 57-26-1 through 57-26-5 must submit an application and an
161 application fee in the amount of Five Thousand Dollars (\$5,000.00)
162 to the MDA. Such application must contain (a) plans for the
163 proposed tourism project; (b) a detailed description of the
164 proposed tourism project; (c) the method of financing the proposed
165 tourism project and the terms of such financing; (d) an
166 independent study that identifies the number of out-of-state
167 visitors anticipated to visit the project and the ratio of
168 out-of-state visitors to in-state visitors; and (e) any other
169 information required by the MDA. The Executive Director of the



170 MDA shall review the application and determine if it qualifies as
171 a tourism project under this section and under the rules and
172 regulations promulgated pursuant to this section. If the
173 executive director determines the proposed tourism project
174 qualifies as a tourism project under this section and under the
175 rules and regulations promulgated pursuant to this section, he
176 shall issue a certificate to the person, corporation or other
177 entity designating such person, corporation or other entity as an
178 approved participant and authorizing the approved participant to
179 participate in the incentive program provided for in Sections
180 57-26-1 through 57-26-5. No certificate designating an entity as
181 an approved participant and authorizing the approved participant
182 to participate in the incentive program shall be issued from and
183 after July 1, 2014, for tourism projects that are cultural retail
184 attractions, or from and after July 1, * * * 2019, for other
185 tourism projects.

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

190 **SECTION 3.** This act shall take effect and be in force from
191 and after July 1, 2016.

