

By: Representative Scott

To: Ways and Means

HOUSE BILL NO. 435

1 AN ACT TO CREATE AN INCENTIVE FOR PERSONS, CORPORATIONS OR
 2 OTHER ENTITIES TO REPAIR AND RENOVATE HOTELS IN THIS STATE; TO
 3 CREATE THE HOTEL RENOVATION PROJECTS SALES TAX INCENTIVE FUND; TO
 4 AUTHORIZE CERTAIN INCENTIVE PAYMENTS FROM SUCH FUND TO APPROVED
 5 PARTICIPANTS THAT INCUR COSTS TO REPAIR AND RENOVATE HOTELS IN
 6 THIS STATE; TO PROVIDE THAT INCENTIVE PAYMENTS SHALL CEASE ON THE
 7 OCCURRENCE OF THE EARLIER OF THE DATE THAT AN AGGREGATE AMOUNT OF
 8 20% OF THE APPROVED PROJECT COSTS INCURRED BY AN APPROVED
 9 PARTICIPANT FOR A PROJECT HAS BEEN PAID TO THE APPROVED
 10 PARTICIPANT OR 10 YEARS AFTER THE DATE OF COMMENCEMENT OF
 11 INCENTIVE PAYMENTS TO AN APPROVED PARTICIPANT FOR A PROJECT; TO
 12 REQUIRE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO ADMINISTER THE
 13 PROGRAM; TO AMEND SECTION 25-65-75, MISSISSIPPI CODE OF 1972, TO
 14 PROVIDE THAT 25% OF THE SALES TAX REVENUE COLLECTED FROM THE
 15 OPERATION OF A PROJECT RELATED TO THE RENTAL OF GUEST ROOMS OR
 16 SUITES AND CONFERENCE ROOMS SHALL BE DEPOSITED, AFTER CERTAIN
 17 DIVERSIONS, INTO THE HOTEL RENOVATION PROJECTS SALES TAX INCENTIVE
 18 FUND; AND 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 repair, renovation,
 25 improvements and upgrades relating to guest rooms or suites of a
 26 project and common areas of the project. All costs must be



27 verified by an independent third party approved by the MDA. An
28 approved participant shall pay the costs for the third-party
29 verification of costs. Approved project costs may not increase
30 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 MDA under Section 3 of
33 this act.

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

35 (d) "Project" means a hotel with minimum expenditures
36 of Two Million Dollars (\$2,000,000.00) for costs incurred for
37 repair, renovation, improvements and upgrades of guest rooms or
38 suites and common areas, and having minimum expenditures of Ten
39 Thousand Dollars (\$10,000.00) per guest room or suite which amount
40 shall be included within the minimum private investment of Two
41 Million Dollars (\$2,000,000.00).

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

43 **SECTION 2.** (1) (a) There is created in the State Treasury
44 a special fund to be known as the "Hotel Renovation Projects Sales
45 Tax Incentive Fund," into which shall be deposited such money as
46 provided in Section 27-65-75(23). The monies in the fund shall be
47 used for the purpose of making the incentive payments authorized
48 in this section. The fund shall be administered by the MDA.
49 Unexpended amounts remaining in the fund at the end of a fiscal
50 year shall not lapse into the State General Fund, and any interest
51 earned on or investment earnings on the amounts in the fund shall



52 be deposited to the credit of the fund. The MDA may use not more
53 than one percent (1%) of interest earned or investment earnings,
54 or both, on amounts in the fund for administration and management
55 of the incentive program authorized under Sections 1 through 3 of
56 this act.

57 (b) Subject to the provisions of this section,
58 incentive payments may be made by the MDA to an approved
59 participant that incurs approved project costs related to a
60 project in the state. The payments to an approved participant
61 shall be for twenty-five percent (25%) of the amount of sales tax
62 revenue collected from the operation of the project relating to
63 the rental of guest rooms or suites for lodging and conference
64 rooms, after making the diversions required in Section
65 27-65-75(1), (7) and (8). The MDA shall make payments to an
66 approved participant on a semiannual basis with payments being
67 made in the months of January and July. The aggregate amount of
68 incentive payments that an approved participant may receive shall
69 not exceed twenty percent (20%) of the approved project costs
70 incurred by the approved participant for the project. Expansions,
71 enlargements or additional investments made by an approved
72 participant will not increase authorized incentive payments
73 certified by the MDA. The MDA shall make the calculations
74 necessary to make the payments provided for in this section. The
75 MDA shall cease making incentive payments to an approved
76 participant on the occurrence of the earlier of:



77 (i) The date that an aggregate amount of twenty
78 percent (20%) of the approved project costs incurred by the
79 approved participant for the project has been paid to the approved
80 participant; or

81 (ii) Ten (10) years after the date of the
82 commencement of incentive payments to an approved participant for
83 the project.

84 (2) At such time as incentive payments are no longer
85 required to be made to an approved participant, the MDA shall
86 notify the Department of Revenue and the sales tax revenue
87 collected from the project shall no longer be deposited into the
88 Hotel Renovation Projects Sales Tax Incentive Fund. Any amounts
89 remaining in the fund that were collected from such project shall
90 be transferred to the State General Fund.

91 **SECTION 3.** (1) The MDA shall develop, implement and
92 administer the incentive program authorized in Sections 1 through
93 3 of this act and shall promulgate rules and regulations necessary
94 for the development, implementation and administration of such
95 program.

96 (2) A person, corporation or other entity desiring to
97 participate in the incentive program authorized in Sections 1
98 through 3 of this act must submit an application and an
99 application fee in the amount of One Thousand Dollars (\$1,000.00)
100 to the MDA. Such application must contain (a) plans for the
101 proposed project; (b) a detailed description of the proposed



102 project and (c) any other information required by the MDA. The
103 Executive Director of the MDA shall review the application and
104 determine if it qualifies as a project under Sections 1 through 3
105 of this act and under the rules and regulations promulgated
106 pursuant to this section. If the executive director determines
107 that the proposed project qualifies as a project, he shall issue a
108 certificate to the person, corporation or other entity designating
109 such person, corporation or other entity as an approved
110 participant and authorizing the approved participant to
111 participate in the incentive program provided for in Sections 1
112 through 3 of this act.

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

115 27-65-75. On or before the fifteenth day of each month, the
116 revenue collected under the provisions of this chapter during the
117 preceding month shall be paid and distributed as follows:

118 (1) (a) On or before August 15, 1992, and each succeeding
119 month thereafter through July 15, 1993, eighteen percent (18%) of
120 the total sales tax revenue collected during the preceding month
121 under the provisions of this chapter, except that collected under
122 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
123 business activities within a municipal corporation shall be
124 allocated for distribution to the municipality and paid to the
125 municipal corporation. Except as otherwise provided in this
126 paragraph (a), on or before August 15, 1993, and each succeeding



127 month thereafter, eighteen and one-half percent (18-1/2%) of the
128 total sales tax revenue collected during the preceding month under
129 the provisions of this chapter, except that collected under the
130 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
131 27-65-24, on business activities within a municipal corporation
132 shall be allocated for distribution to the municipality and paid
133 to the municipal corporation. However, in the event the State
134 Auditor issues a certificate of noncompliance pursuant to Section
135 21-35-31, the Department of Revenue shall withhold ten percent
136 (10%) of the allocations and payments to the municipality that
137 would otherwise be payable to the municipality under this
138 paragraph (a) until such time that the department receives written
139 notice of the cancellation of a certificate of noncompliance from
140 the State Auditor.

141 A municipal corporation, for the purpose of distributing the
142 tax under this subsection, shall mean and include all incorporated
143 cities, towns and villages.

144 Monies allocated for distribution and credited to a municipal
145 corporation under this paragraph may be pledged as security for a
146 loan if the distribution received by the municipal corporation is
147 otherwise authorized or required by law to be pledged as security
148 for such a loan.

149 In any county having a county seat that is not an
150 incorporated municipality, the distribution provided under this
151 subsection shall be made as though the county seat was an



152 incorporated municipality; however, the distribution to the
153 municipality shall be paid to the county treasury in which the
154 municipality is located, and those funds shall be used for road,
155 bridge and street construction or maintenance in the county.

156 (b) On or before August 15, 2006, and each succeeding
157 month thereafter, eighteen and one-half percent (18-1/2%) of the
158 total sales tax revenue collected during the preceding month under
159 the provisions of this chapter, except that collected under the
160 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
161 business activities on the campus of a state institution of higher
162 learning or community or junior college whose campus is not
163 located within the corporate limits of a municipality, shall be
164 allocated for distribution to the state institution of higher
165 learning or community or junior college and paid to the state
166 institution of higher learning or community or junior college.

167 (c) On or before August 15, 2018, and each succeeding
168 month thereafter until August 14, 2019, two percent (2%) of the
169 total sales tax revenue collected during the preceding month under
170 the provisions of this chapter, except that collected under the
171 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
172 27-65-24, on business activities within the corporate limits of
173 the City of Jackson, Mississippi, shall be deposited into the
174 Capitol Complex Improvement District Project Fund created in
175 Section 29-5-215. On or before August 15, 2019, and each
176 succeeding month thereafter until August 14, 2020, four percent



177 (4%) of the total sales tax revenue collected during the preceding
178 month under the provisions of this chapter, except that collected
179 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
180 and 27-65-24, on business activities within the corporate limits
181 of the City of Jackson, Mississippi, shall be deposited into the
182 Capitol Complex Improvement District Project Fund created in
183 Section 29-5-215. On or before August 15, 2020, and each
184 succeeding month thereafter, six percent (6%) of the total sales
185 tax revenue collected during the preceding month under the
186 provisions of this chapter, except that collected under the
187 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
188 27-65-24, on business activities within the corporate limits of
189 the City of Jackson, Mississippi, shall be deposited into the
190 Capitol Complex Improvement District Project Fund created in
191 Section 29-5-215.

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



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

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



227 necessary to determine the amount of proceeds to be distributed
228 under this subsection.

229 (4) On or before August 15, 1994, and on or before the
230 fifteenth day of each succeeding month through July 15, 1999, from
231 the proceeds of gasoline, diesel fuel or kerosene taxes as
232 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
233 (\$4,000,000.00) shall be deposited in the State Treasury to the
234 credit of a special fund designated as the "State Aid Road Fund,"
235 created by Section 65-9-17. On or before August 15, 1999, and on
236 or before the fifteenth day of each succeeding month, from the
237 total amount of the proceeds of gasoline, diesel fuel or kerosene
238 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
239 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
240 one-fourth percent (23-1/4%) of those funds, whichever is the
241 greater amount, shall be deposited in the State Treasury to the
242 credit of the "State Aid Road Fund," created by Section 65-9-17.
243 Those funds shall be pledged to pay the principal of and interest
244 on state aid road bonds heretofore issued under Sections 19-9-51
245 through 19-9-77, in lieu of and in substitution for the funds
246 previously allocated to counties under this section. Those funds
247 may not be pledged for the payment of any state aid road bonds
248 issued after April 1, 1981; however, this prohibition against the
249 pledging of any such funds for the payment of bonds shall not
250 apply to any bonds for which intent to issue those bonds has been
251 published for the first time, as provided by law before March 29,



252 1981. From the amount of taxes paid into the special fund under
253 this subsection and subsection (9) of this section, there shall be
254 first deducted and paid the amount necessary to pay the expenses
255 of the Office of State Aid Road Construction, as authorized by the
256 Legislature for all other general and special fund agencies. The
257 remainder of the fund shall be allocated monthly to the several
258 counties in accordance with the following formula:

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

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

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

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

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

275 Any reference in the general laws of this state or the
276 Mississippi Code of 1972 to Section 27-5-105 shall mean and be



277 construed to refer and apply to subsection (4) of Section
278 27-65-75.

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

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

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



302 School Ad Valorem Tax Reduction Fund created under Section
303 37-61-35 until such time that the total amount deposited into the
304 fund during a fiscal year equals Forty-two Million Dollars
305 (\$42,000,000.00). Thereafter, the amounts diverted under this
306 subsection (7) during the fiscal year in excess of Forty-two
307 Million Dollars (\$42,000,000.00) shall be deposited into the
308 Education Enhancement Fund created under Section 37-61-33 for
309 appropriation by the Legislature as other education needs and
310 shall not be subject to the percentage appropriation requirements
311 set forth in Section 37-61-33.

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

319 (9) On or before August 15, 1994, and each succeeding month
320 thereafter, from the revenue collected under this chapter during
321 the preceding month, Two Hundred Fifty Thousand Dollars
322 (\$250,000.00) shall be paid into the State Aid Road Fund.

323 (10) On or before August 15, 1994, and each succeeding month
324 thereafter through August 15, 1995, from the revenue collected
325 under this chapter during the preceding month, Two Million Dollars



326 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
327 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

346 (13) On or before July 15, 1994, and on or before the
347 fifteenth day of each succeeding month thereafter, that portion of
348 the avails of the tax imposed in Section 27-65-22 that is derived
349 from activities held on the Mississippi State Fairgrounds Complex
350 shall be paid into a special fund that is created in the State



351 Treasury and shall be expended upon legislative appropriation
352 solely to defray the costs of repairs and renovation at the Trade
353 Mart and Coliseum.

354 (14) On or before August 15, 1998, and each succeeding month
355 thereafter through July 15, 2005, that portion of the avails of
356 the tax imposed in Section 27-65-23 that is derived from sales by
357 cotton compresses or cotton warehouses and that would otherwise be
358 paid into the General Fund shall be deposited in an amount not to
359 exceed Two Million Dollars (\$2,000,000.00) into the special fund
360 created under Section 69-37-39. On or before August 15, 2007, and
361 each succeeding month thereafter through July 15, 2010, that
362 portion of the avails of the tax imposed in Section 27-65-23 that
363 is derived from sales by cotton compresses or cotton warehouses
364 and that would otherwise be paid into the General Fund shall be
365 deposited in an amount not to exceed Two Million Dollars
366 (\$2,000,000.00) into the special fund created under Section
367 69-37-39 until all debts or other obligations incurred by the
368 Certified Cotton Growers Organization under the Mississippi Boll
369 Weevil Management Act before January 1, 2007, are satisfied in
370 full. On or before August 15, 2010, and each succeeding month
371 thereafter through July 15, 2011, fifty percent (50%) of that
372 portion of the avails of the tax imposed in Section 27-65-23 that
373 is derived from sales by cotton compresses or cotton warehouses
374 and that would otherwise be paid into the General Fund shall be
375 deposited into the special fund created under Section 69-37-39



376 until such time that the total amount deposited into the fund
377 during a fiscal year equals One Million Dollars (\$1,000,000.00).
378 On or before August 15, 2011, and each succeeding month
379 thereafter, that portion of the avails of the tax imposed in
380 Section 27-65-23 that is derived from sales by cotton compresses
381 or cotton warehouses and that would otherwise be paid into the
382 General Fund shall be deposited into the special fund created
383 under Section 69-37-39 until such time that the total amount
384 deposited into the fund during a fiscal year equals One Million
385 Dollars (\$1,000,000.00).

386 (15) Notwithstanding any other provision of this section to
387 the contrary, on or before September 15, 2000, and each succeeding
388 month thereafter, the sales tax revenue collected during the
389 preceding month under the provisions of Section
390 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
391 without diversion, into the Telecommunications Ad Valorem Tax
392 Reduction Fund established in Section 27-38-7.

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



400 (b) On or before August 15, 2007, and each succeeding
401 month thereafter, eighty percent (80%) of the sales tax revenue
402 collected during the preceding month under the provisions of this
403 chapter from the operation of a tourism project under the
404 provisions of Sections 57-26-1 through 57-26-5, shall be
405 deposited, after the diversions required in subsections (7) and
406 (8) of this section, into the Tourism Project Sales Tax Incentive
407 Fund created in Section 57-26-3.

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

415 (18) [Repealed]

416 (19) (a) On or before August 15, 2005, and each succeeding
417 month thereafter, the sales tax revenue collected during the
418 preceding month under the provisions of this chapter on the gross
419 proceeds of sales of a business enterprise located within a
420 redevelopment project area under the provisions of Sections
421 57-91-1 through 57-91-11, and the revenue collected on the gross
422 proceeds of sales from sales made to a business enterprise located
423 in a redevelopment project area under the provisions of Sections
424 57-91-1 through 57-91-11 (provided that such sales made to a



425 business enterprise are made on the premises of the business
426 enterprise), shall, except as otherwise provided in this
427 subsection (19), be deposited, after all diversions, into the
428 Redevelopment Project Incentive Fund as created in Section
429 57-91-9.

430 (b) For a municipality participating in the Economic
431 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
432 the diversion provided for in subsection (1) of this section
433 attributable to the gross proceeds of sales of a business
434 enterprise located within a redevelopment project area under the
435 provisions of Sections 57-91-1 through 57-91-11, and attributable
436 to the gross proceeds of sales from sales made to a business
437 enterprise located in a redevelopment project area under the
438 provisions of Sections 57-91-1 through 57-91-11 (provided that
439 such sales made to a business enterprise are made on the premises
440 of the business enterprise), shall be deposited into the
441 Redevelopment Project Incentive Fund as created in Section
442 57-91-9, as follows:

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

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



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

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

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

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

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

470 (21) (a) On or before April 15, 2007, and each succeeding
471 month thereafter through June 15, 2013, One Hundred Fifty Thousand
472 Dollars (\$150,000.00) of the sales tax revenue collected during
473 the preceding month under the provisions of this chapter shall be



474 deposited into the MMEIA Tax Incentive Fund created in Section
475 57-101-3.

476 (b) On or before July 15, 2013, and each succeeding
477 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
478 of the sales tax revenue collected during the preceding month
479 under the provisions of this chapter shall be deposited into the
480 Mississippi Development Authority Job Training Grant Fund created
481 in Section 57-1-451.

482 (22) Notwithstanding any other provision of this section to
483 the contrary, on or before August 15, 2009, and each succeeding
484 month thereafter, the sales tax revenue collected during the
485 preceding month under the provisions of Section 27-65-201 shall be
486 deposited, without diversion, into the Motor Vehicle Ad Valorem
487 Tax Reduction Fund established in Section 27-51-105.

488 (23) On or before August 15, 2018, and each succeeding month
489 thereafter, twenty-five percent (25%) of the sales tax revenue
490 collected during the preceding month under the provisions of this
491 chapter from the operation of a project under Sections 1 through 3
492 of this act relating to the rental of guest rooms or suites for
493 lodging and conference rooms shall be deposited, after the
494 diversions required in subsections (1), (7) and (8) of this
495 section, into the Hotel Renovation Projects Sales Tax Incentive
496 Fund created in Section 2 of this act.



497 (* * * 24) The remainder of the amounts collected under the
498 provisions of this chapter shall be paid into the State Treasury
499 to the credit of the General Fund.

500 (* * * 25) (a) It shall be the duty of the municipal
501 officials of any municipality that expands its limits, or of any
502 community that incorporates as a municipality, to notify the
503 commissioner of that action thirty (30) days before the effective
504 date. Failure to so notify the commissioner shall cause the
505 municipality to forfeit the revenue that it would have been
506 entitled to receive during this period of time when the
507 commissioner had no knowledge of the action.

508 (b) (i) Except as otherwise provided in subparagraph
509 (ii) of this paragraph, if any funds have been erroneously
510 disbursed to any municipality or any overpayment of tax is
511 recovered by the taxpayer, the commissioner may make correction
512 and adjust the error or overpayment with the municipality by
513 withholding the necessary funds from any later payment to be made
514 to the municipality.

515 (ii) Subject to the provisions of Sections
516 27-65-51 and 27-65-53, if any funds have been erroneously
517 disbursed to a municipality under subsection (1) of this section
518 for a period of three (3) years or more, the maximum amount that
519 may be recovered or withheld from the municipality is the total
520 amount of funds erroneously disbursed for a period of three (3)
521 years beginning with the date of the first erroneous disbursement.



522 However, if during such period, a municipality provides written
523 notice to the Department of Revenue indicating the erroneous
524 disbursement of funds, then the maximum amount that may be
525 recovered or withheld from the municipality is the total amount of
526 funds erroneously disbursed for a period of one (1) year beginning
527 with the date of the first erroneous disbursement.

528 **SECTION 5.** This act shall take effect and be in force from
529 and after July 1, 2018.

