

By: Representative Young

To: Ways and Means

HOUSE BILL NO. 581

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 27-65-75, MISSISSIPPI CODE OF 1972, TO
 14 PROVIDE THAT 20% 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 Five Hundred Thousand Dollars (\$500,000.00) for costs incurred
37 for repair, renovation, improvements and upgrades of guest rooms
38 or 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 Five
41 Hundred Thousand Dollars (\$500,000.00).

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 percent (20%) 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 a 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 this section and
105 under the rules and regulations promulgated pursuant to this
106 section. If the executive director determines that the proposed
107 project qualifies as a project under this section and under the
108 rules and regulations promulgated pursuant to this section, he
109 shall issue a certificate to the person, corporation or other
110 entity designating such person, corporation or other entity as an
111 approved participant and authorizing the approved participant to
112 participate in the incentive program provided for in Sections 1
113 through 3 of this act. No certificate designating an entity as an
114 approved participant and authorizing the approved participant to
115 participate in the incentive program may be issued from and after
116 July 1, 2021.

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

119 27-65-75. On or before the fifteenth day of each month, the
120 revenue collected under the provisions of this chapter during the
121 preceding month shall be paid and distributed as follows:

122 (1) (a) On or before August 15, 1992, and each succeeding
123 month thereafter through July 15, 1993, eighteen percent (18%) of
124 the total sales tax revenue collected during the preceding month
125 under the provisions of this chapter, except that collected under
126 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on



127 business activities within a municipal corporation shall be
128 allocated for distribution to the municipality and paid to the
129 municipal corporation. Except as otherwise provided in this
130 paragraph (a), on or before August 15, 1993, and each succeeding
131 month thereafter, eighteen and one-half percent (18-1/2%) of the
132 total sales tax revenue collected during the preceding month under
133 the provisions of this chapter, except that collected under the
134 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
135 27-65-24, on business activities within a municipal corporation
136 shall be allocated for distribution to the municipality and paid
137 to the municipal corporation. However, in the event the State
138 Auditor issues a certificate of noncompliance pursuant to Section
139 21-35-31, the Department of Revenue shall withhold ten percent
140 (10%) of the allocations and payments to the municipality that
141 would otherwise be payable to the municipality under this
142 paragraph (a) until such time that the department receives written
143 notice of the cancellation of a certificate of noncompliance from
144 the State Auditor.

145 A municipal corporation, for the purpose of distributing the
146 tax under this subsection, shall mean and include all incorporated
147 cities, towns and villages.

148 Monies allocated for distribution and credited to a municipal
149 corporation under this paragraph may be pledged as security for a
150 loan if the distribution received by the municipal corporation is



151 otherwise authorized or required by law to be pledged as security
152 for such a loan.

153 In any county having a county seat that is not an
154 incorporated municipality, the distribution provided under this
155 subsection shall be made as though the county seat was an
156 incorporated municipality; however, the distribution to the
157 municipality shall be paid to the county treasury in which the
158 municipality is located, and those funds shall be used for road,
159 bridge and street construction or maintenance in the county.

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

171 (c) On or before August 15, 2018, and each succeeding
172 month thereafter until August 14, 2019, two percent (2%) of the
173 total sales tax revenue collected during the preceding month under
174 the provisions of this chapter, except that collected under the
175 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and



176 27-65-24, on business activities within the corporate limits of
177 the City of Jackson, Mississippi, shall be deposited into the
178 Capitol Complex Improvement District Project Fund created in
179 Section 29-5-215. On or before August 15, 2019, and each
180 succeeding month thereafter until August 14, 2020, four percent
181 (4%) of the total sales tax revenue collected during the preceding
182 month under the provisions of this chapter, except that collected
183 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
184 and 27-65-24, on business activities within the corporate limits
185 of the City of Jackson, Mississippi, shall be deposited into the
186 Capitol Complex Improvement District Project Fund created in
187 Section 29-5-215. On or before August 15, 2020, and each
188 succeeding month thereafter, six percent (6%) of the total sales
189 tax revenue collected during the preceding month under the
190 provisions of this chapter, except that collected under the
191 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
192 27-65-24, on business activities within the corporate limits of
193 the City of Jackson, Mississippi, shall be deposited into the
194 Capitol Complex Improvement District Project Fund created in
195 Section 29-5-215.

196 (2) On or before September 15, 1987, and each succeeding
197 month thereafter, from the revenue collected under this chapter
198 during the preceding month, One Million One Hundred Twenty-five
199 Thousand Dollars (\$1,125,000.00) shall be allocated for
200 distribution to municipal corporations as defined under subsection



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

221 (3) On or before September 15, 1987, and on or before the
222 fifteenth day of each succeeding month, until the date specified
223 in Section 65-39-35, the proceeds derived from contractors' taxes
224 levied under Section 27-65-21 on contracts for the construction or
225 reconstruction of highways designated under the highway program



226 created under Section 65-3-97 shall, except as otherwise provided
227 in Section 31-17-127, be deposited into the State Treasury to the
228 credit of the State Highway Fund to be used to fund that highway
229 program. The Mississippi Department of Transportation shall
230 provide to the Department of Revenue such information as is
231 necessary to determine the amount of proceeds to be distributed
232 under this subsection.

233 (4) On or before August 15, 1994, and on or before the
234 fifteenth day of each succeeding month through July 15, 1999, from
235 the proceeds of gasoline, diesel fuel or kerosene taxes as
236 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
237 (\$4,000,000.00) shall be deposited in the State Treasury to the
238 credit of a special fund designated as the "State Aid Road Fund,"
239 created by Section 65-9-17. On or before August 15, 1999, and on
240 or before the fifteenth day of each succeeding month, from the
241 total amount of the proceeds of gasoline, diesel fuel or kerosene
242 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
243 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
244 one-fourth percent (23-1/4%) of those funds, whichever is the
245 greater amount, shall be deposited in the State Treasury to the
246 credit of the "State Aid Road Fund," created by Section 65-9-17.
247 Those funds shall be pledged to pay the principal of and interest
248 on state aid road bonds heretofore issued under Sections 19-9-51
249 through 19-9-77, in lieu of and in substitution for the funds
250 previously allocated to counties under this section. Those funds



251 may not be pledged for the payment of any state aid road bonds
252 issued after April 1, 1981; however, this prohibition against the
253 pledging of any such funds for the payment of bonds shall not
254 apply to any bonds for which intent to issue those bonds has been
255 published for the first time, as provided by law before March 29,
256 1981. From the amount of taxes paid into the special fund under
257 this subsection and subsection (9) of this section, there shall be
258 first deducted and paid the amount necessary to pay the expenses
259 of the Office of State Aid Road Construction, as authorized by the
260 Legislature for all other general and special fund agencies. The
261 remainder of the fund shall be allocated monthly to the several
262 counties in accordance with the following formula:

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

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

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

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



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

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

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

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

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



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

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

323 (9) On or before August 15, 1994, and each succeeding month
324 thereafter, from the revenue collected under this chapter during



325 the preceding month, Two Hundred Fifty Thousand Dollars
326 (\$250,000.00) shall be paid into the State Aid Road Fund.

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

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

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



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

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



375 thereafter through July 15, 2011, fifty percent (50%) of that
376 portion of the avails of the tax imposed in Section 27-65-23 that
377 is derived from sales by cotton compresses or cotton warehouses
378 and that would otherwise be paid into the General Fund shall be
379 deposited into the special fund created under Section 69-37-39
380 until such time that the total amount deposited into the fund
381 during a fiscal year equals One Million Dollars (\$1,000,000.00).
382 On or before August 15, 2011, and each succeeding month
383 thereafter, that portion of the avails of the tax imposed in
384 Section 27-65-23 that is derived from sales by cotton compresses
385 or cotton warehouses and that would otherwise be paid into the
386 General Fund shall be deposited into the special fund created
387 under Section 69-37-39 until such time that the total amount
388 deposited into the fund during a fiscal year equals One Million
389 Dollars (\$1,000,000.00).

390 (15) Notwithstanding any other provision of this section to
391 the contrary, on or before September 15, 2000, and each succeeding
392 month thereafter, the sales tax revenue collected during the
393 preceding month under the provisions of Section
394 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
395 without diversion, into the Telecommunications Ad Valorem Tax
396 Reduction Fund established in Section 27-38-7.

397 (16) (a) On or before August 15, 2000, and each succeeding
398 month thereafter, the sales tax revenue collected during the
399 preceding month under the provisions of this chapter on the gross



400 proceeds of sales of a project as defined in Section 57-30-1 shall
401 be deposited, after all diversions except the diversion provided
402 for in subsection (1) of this section, into the Sales Tax
403 Incentive Fund created in Section 57-30-3.

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

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

419 (18) [Repealed]

420 (19) (a) On or before August 15, 2005, and each succeeding
421 month thereafter, the sales tax revenue collected during the
422 preceding month under the provisions of this chapter on the gross
423 proceeds of sales of a business enterprise located within a
424 redevelopment project area under the provisions of Sections



425 57-91-1 through 57-91-11, and the revenue collected on the gross
426 proceeds of sales from sales made to a business enterprise located
427 in a redevelopment project area under the provisions of Sections
428 57-91-1 through 57-91-11 (provided that such sales made to a
429 business enterprise are made on the premises of the business
430 enterprise), shall, except as otherwise provided in this
431 subsection (19), be deposited, after all diversions, into the
432 Redevelopment Project Incentive Fund as created in Section
433 57-91-9.

434 (b) For a municipality participating in the Economic
435 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
436 the diversion provided for in subsection (1) of this section
437 attributable to the gross proceeds of sales of a business
438 enterprise located within a redevelopment project area under the
439 provisions of Sections 57-91-1 through 57-91-11, and attributable
440 to the gross proceeds of sales from sales made to a business
441 enterprise located in a redevelopment project area under the
442 provisions of Sections 57-91-1 through 57-91-11 (provided that
443 such sales made to a business enterprise are made on the premises
444 of the business enterprise), shall be deposited into the
445 Redevelopment Project Incentive Fund as created in Section
446 57-91-9, as follows:

447 (i) For the first six (6) years in which payments
448 are made to a developer from the Redevelopment Project Incentive



449 Fund, one hundred percent (100%) of the diversion shall be
450 deposited into the fund;

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

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

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

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

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



474 (21) (a) On or before April 15, 2007, and each succeeding
475 month thereafter through June 15, 2013, One Hundred Fifty Thousand
476 Dollars (\$150,000.00) of the sales tax revenue collected during
477 the preceding month under the provisions of this chapter shall be
478 deposited into the MMEIA Tax Incentive Fund created in Section
479 57-101-3.

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

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

492 (23) On or before August 15, 2018, and each succeeding month
493 thereafter, twenty percent (20%) of the sales tax revenue
494 collected during the preceding month under the provisions of this
495 chapter from the operation of a project under Sections 1 through 3
496 of this act relating to the rental of guest rooms or suites for
497 lodging and conference rooms shall be deposited, after the
498 diversions required in subsections (1), (7) and (8) of this



499 section, into the Hotel Renovation Projects Sales Tax Incentive
500 Fund created in Section 2 of this act.

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

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

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

519 (ii) Subject to the provisions of Sections
520 27-65-51 and 27-65-53, if any funds have been erroneously
521 disbursed to a municipality under subsection (1) of this section
522 for a period of three (3) years or more, the maximum amount that
523 may be recovered or withheld from the municipality is the total



524 amount of funds erroneously disbursed for a period of three (3)
525 years beginning with the date of the first erroneous disbursement.
526 However, if during such period, a municipality provides written
527 notice to the Department of Revenue indicating the erroneous
528 disbursement of funds, then the maximum amount that may be
529 recovered or withheld from the municipality is the total amount of
530 funds erroneously disbursed for a period of one (1) year beginning
531 with the date of the first erroneous disbursement.

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

