

By: Representative Arnold

To: Ways and Means

HOUSE BILL NO. 661

1 AN ACT TO CREATE AN INCENTIVE FOR PERSONS, CORPORATIONS OR
 2 OTHER ENTITIES TO CONSTRUCT HOTELS IN THIS STATE; TO CREATE THE
 3 HOTEL CONSTRUCTION PROJECT SALES TAX INCENTIVE FUND; TO AUTHORIZE
 4 INCENTIVE PAYMENTS FROM SUCH FUND TO APPROVED PARTICIPANTS THAT
 5 INCUR COSTS TO CONSTRUCT HOTELS IN THIS STATE; TO PROVIDE THAT
 6 INCENTIVE PAYMENTS SHALL CEASE ON THE OCCURRENCE OF THE EARLIER OF
 7 THE DATE THAT AN AGGREGATE AMOUNT OF 30% OF THE APPROVED PROJECT
 8 COSTS INCURRED BY AN APPROVED PARTICIPANT FOR A HOTEL PROJECT HAS
 9 BEEN PAID TO THE APPROVED PARTICIPANT OR 15 YEARS AFTER THE DATE
 10 THE HOTEL PROJECT OPENS FOR COMMERCIAL OPERATION; TO REQUIRE THE
 11 MISSISSIPPI DEVELOPMENT AUTHORITY TO ADMINISTER THE PROGRAM; TO
 12 AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
 13 A PORTION OF THE SALES TAX REVENUE COLLECTED FROM THE OPERATION OF
 14 A HOTEL PROJECT SHALL BE DEPOSITED, AFTER CERTAIN DIVERSIONS, INTO
 15 THE HOTEL CONSTRUCTION PROJECT SALES TAX INCENTIVE FUND; AND FOR
 16 RELATED PURPOSES.

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

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

21 (a) "Approved project costs" means actual costs
 22 incurred by an approved participant for construction, furnishing
 23 and equipping of a project. All costs must be verified by an
 24 independent third party approved by the MDA. An approved
 25 participant shall pay the costs for the third-party verification



26 of costs. Approved project costs may not increase regardless of
27 the actual costs incurred by the project.

28 (b) "Approved participant" means a person, corporation
29 or other entity issued a certificate by the MDA under Section 3 of
30 this act.

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

32 (d) "Project" means a hotel (i) with a minimum capital
33 investment of Four Million Dollars (\$4,000,000.00) for costs
34 incurred for construction, furnishing and equipping of the hotel
35 and (ii) located within the corporate limits of a municipality in
36 the State of Mississippi with a population of not less than five
37 thousand (5,000) according to the most recent federal decennial
38 census at the time an applicant submits an application to the MDA
39 under Section 3 of this act. If a hotel includes a convention
40 center that is constructed as part of the hotel, the convention
41 center shall be included within the project and the costs incurred
42 for construction, furnishing and equipping of the convention
43 center shall be included within the minimum capital investment of
44 Four Million Dollars (\$4,000,000.00).

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

46 **SECTION 2.** (1) (a) There is created in the State Treasury
47 a special fund to be known as the "Hotel Construction Project
48 Sales Tax Incentive Fund," into which shall be deposited such
49 monies as provided in Section 27-65-75(24). The monies in the
50 fund shall be used for the purpose of making the incentive



51 payments authorized in this section. The fund shall be
52 administered by the MDA. Unexpended amounts remaining in the fund
53 at the end of a fiscal year shall not lapse into the State General
54 Fund, and any interest earned on or investment earnings on the
55 amounts in the fund shall be deposited to the credit of the fund.
56 The MDA may use not more than one percent (1%) of interest earned
57 or investment earnings, or both, on amounts in the fund for
58 administration and management of the incentive program authorized
59 under Sections 1 through 3 of this act.

60 (b) Subject to the provisions of this section,
61 incentive payments may be made by the MDA to an approved
62 participant that incurs approved project costs related to a
63 project in the state. The payments to an approved participant
64 shall be for eighty percent (80%) of the amount of sales tax
65 revenue collected from the operation of the project, after making
66 the diversions required in Section 27-65-75(7) and (8). The MDA
67 shall make payments to an approved participant on a semiannual
68 basis with payments being made in the months of January and July.
69 The aggregate amount of incentive payments that an approved
70 participant may receive shall not exceed thirty percent (30%) of
71 the approved project costs incurred by the approved participant
72 for the project. Expansions, enlargements or additional
73 investments made by an approved participant will not increase
74 authorized incentive payments certified by the MDA. The MDA shall
75 make the calculations necessary to make the payments provided for



76 in this section. The MDA shall cease making incentive payments to
77 an approved participant on the occurrence of the earlier of:

78 (i) The date that an aggregate amount of thirty
79 percent (30%) of the approved project costs incurred by the
80 approved participant for the project has been paid to the approved
81 participant; or

82 (ii) Fifteen (15) years after the date the project
83 opens for commercial operation.

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 Construction Project 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 Five Thousand Dollars (\$5,000.00)
100 to the MDA. Such application must contain (a) plans for the



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

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

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

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



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

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

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



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

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

169 (c) On or before August 15, 2018, and each succeeding
170 month thereafter until August 14, 2019, two percent (2%) of the
171 total sales tax revenue collected during the preceding month under
172 the provisions of this chapter, except that collected under the
173 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
174 27-65-24, on business activities within the corporate limits of
175 the City of Jackson, Mississippi, shall be deposited into the



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

194 (d) (i) On or before the fifteenth day of the month
195 that the diversion authorized by this section begins, and each
196 succeeding month thereafter, eighteen and one-half percent
197 (18-1/2%) of the total sales tax revenue collected during the
198 preceding month under the provisions of this chapter, except that
199 collected under the provisions of Sections 27-65-15, 27-65-19(3)
200 and 27-65-21, on business activities within a redevelopment



201 project area developed under a redevelopment plan adopted under
202 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
203 allocated for distribution to the county in which the project area
204 is located if:

205 1. The county:

206 a. Borders on the Mississippi Sound and
207 the State of Alabama, or

208 b. Is Harrison County, Mississippi, and
209 the project area is within a radius of two (2) miles from the
210 intersection of Interstate 10 and Menge Avenue;

211 2. The county has issued bonds under Section
212 21-45-9 to finance all or a portion of a redevelopment project in
213 the redevelopment project area;

214 3. Any debt service for the indebtedness
215 incurred is outstanding; and

216 4. A development with a value of Ten Million
217 Dollars (\$10,000,000.00) or more is, or will be, located in the
218 redevelopment area.

219 (ii) Before any sales tax revenue may be allocated
220 for distribution to a county under this paragraph, the county
221 shall certify to the Department of Revenue that the requirements
222 of this paragraph have been met, the amount of bonded indebtedness
223 that has been incurred by the county for the redevelopment project
224 and the expected date the indebtedness incurred by the county will
225 be satisfied.



226 (iii) The diversion of sales tax revenue
227 authorized by this paragraph shall begin the month following the
228 month in which the Department of Revenue determines that the
229 requirements of this paragraph have been met. The diversion shall
230 end the month the indebtedness incurred by the county is
231 satisfied. All revenue received by the county under this
232 paragraph shall be deposited in the fund required to be created in
233 the tax increment financing plan under Section 21-45-11 and be
234 utilized solely to satisfy the indebtedness incurred by the
235 county.

236 (2) On or before September 15, 1987, and each succeeding
237 month thereafter, from the revenue collected under this chapter
238 during the preceding month, One Million One Hundred Twenty-five
239 Thousand Dollars (\$1,125,000.00) shall be allocated for
240 distribution to municipal corporations as defined under subsection
241 (1) of this section in the proportion that the number of gallons
242 of gasoline and diesel fuel sold by distributors to consumers and
243 retailers in each such municipality during the preceding fiscal
244 year bears to the total gallons of gasoline and diesel fuel sold
245 by distributors to consumers and retailers in municipalities
246 statewide during the preceding fiscal year. The Department of
247 Revenue shall require all distributors of gasoline and diesel fuel
248 to report to the department monthly the total number of gallons of
249 gasoline and diesel fuel sold by them to consumers and retailers
250 in each municipality during the preceding month. The Department



251 of Revenue shall have the authority to promulgate such rules and
252 regulations as is necessary to determine the number of gallons of
253 gasoline and diesel fuel sold by distributors to consumers and
254 retailers in each municipality. In determining the percentage
255 allocation of funds under this subsection for the fiscal year
256 beginning July 1, 1987, and ending June 30, 1988, the Department
257 of Revenue may consider gallons of gasoline and diesel fuel sold
258 for a period of less than one (1) fiscal year. For the purposes
259 of this subsection, the term "fiscal year" means the fiscal year
260 beginning July 1 of a year.

261 (3) On or before September 15, 1987, and on or before the
262 fifteenth day of each succeeding month, until the date specified
263 in Section 65-39-35, the proceeds derived from contractors' taxes
264 levied under Section 27-65-21 on contracts for the construction or
265 reconstruction of highways designated under the highway program
266 created under Section 65-3-97 shall, except as otherwise provided
267 in Section 31-17-127, be deposited into the State Treasury to the
268 credit of the State Highway Fund to be used to fund that highway
269 program. The Mississippi Department of Transportation shall
270 provide to the Department of Revenue such information as is
271 necessary to determine the amount of proceeds to be distributed
272 under this subsection.

273 (4) On or before August 15, 1994, and on or before the
274 fifteenth day of each succeeding month through July 15, 1999, from
275 the proceeds of gasoline, diesel fuel or kerosene taxes as



276 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
277 (\$4,000,000.00) shall be deposited in the State Treasury to the
278 credit of a special fund designated as the "State Aid Road Fund,"
279 created by Section 65-9-17. On or before August 15, 1999, and on
280 or before the fifteenth day of each succeeding month, from the
281 total amount of the proceeds of gasoline, diesel fuel or kerosene
282 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
283 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
284 one-fourth percent (23-1/4%) of those funds, whichever is the
285 greater amount, shall be deposited in the State Treasury to the
286 credit of the "State Aid Road Fund," created by Section 65-9-17.
287 Those funds shall be pledged to pay the principal of and interest
288 on state aid road bonds heretofore issued under Sections 19-9-51
289 through 19-9-77, in lieu of and in substitution for the funds
290 previously allocated to counties under this section. Those funds
291 may not be pledged for the payment of any state aid road bonds
292 issued after April 1, 1981; however, this prohibition against the
293 pledging of any such funds for the payment of bonds shall not
294 apply to any bonds for which intent to issue those bonds has been
295 published for the first time, as provided by law before March 29,
296 1981. From the amount of taxes paid into the special fund under
297 this subsection and subsection (9) of this section, there shall be
298 first deducted and paid the amount necessary to pay the expenses
299 of the Office of State Aid Road Construction, as authorized by the
300 Legislature for all other general and special fund agencies. The



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

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

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

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

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

316 The amount of funds allocated to any county under this
317 subsection for any fiscal year after fiscal year 1994 shall not be
318 less than the amount allocated to the county for fiscal year 1994.

319 Any reference in the general laws of this state or the
320 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
321 construed to refer and apply to subsection (4) of Section
322 27-65-75.

323 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
324 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
325 the special fund known as the "State Public School Building Fund"



326 created and existing under the provisions of Sections 37-47-1
327 through 37-47-67. Those payments into that fund are to be made on
328 the last day of each succeeding month hereafter.

329 (6) An amount each month beginning August 15, 1983, through
330 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
331 1983, shall be paid into the special fund known as the
332 Correctional Facilities Construction Fund created in Section 6,
333 Chapter 542, Laws of 1983.

334 (7) On or before August 15, 1992, and each succeeding month
335 thereafter through July 15, 2000, two and two hundred sixty-six
336 one-thousandths percent (2.266%) of the total sales tax revenue
337 collected during the preceding month under the provisions of this
338 chapter, except that collected under the provisions of Section
339 27-65-17(2), shall be deposited by the department into the School
340 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
341 or before August 15, 2000, and each succeeding month thereafter,
342 two and two hundred sixty-six one-thousandths percent (2.266%) of
343 the total sales tax revenue collected during the preceding month
344 under the provisions of this chapter, except that collected under
345 the provisions of Section 27-65-17(2), shall be deposited into the
346 School Ad Valorem Tax Reduction Fund created under Section
347 37-61-35 until such time that the total amount deposited into the
348 fund during a fiscal year equals Forty-two Million Dollars
349 (\$42,000,000.00). Thereafter, the amounts diverted under this
350 subsection (7) during the fiscal year in excess of Forty-two



351 Million Dollars (\$42,000,000.00) shall be deposited into the
352 Education Enhancement Fund created under Section 37-61-33 for
353 appropriation by the Legislature as other education needs and
354 shall not be subject to the percentage appropriation requirements
355 set forth in Section 37-61-33.

356 (8) On or before August 15, 1992, and each succeeding month
357 thereafter, nine and seventy-three one-thousandths percent
358 (9.073%) of the total sales tax revenue collected during the
359 preceding month under the provisions of this chapter, except that
360 collected under the provisions of Section 27-65-17(2), shall be
361 deposited into the Education Enhancement Fund created under
362 Section 37-61-33.

363 (9) On or before August 15, 1994, and each succeeding month
364 thereafter, from the revenue collected under this chapter during
365 the preceding month, Two Hundred Fifty Thousand Dollars
366 (\$250,000.00) shall be paid into the State Aid Road Fund.

367 (10) On or before August 15, 1994, and each succeeding month
368 thereafter through August 15, 1995, from the revenue collected
369 under this chapter during the preceding month, Two Million Dollars
370 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
371 Valorem Tax Reduction Fund established in Section 27-51-105.

372 (11) Notwithstanding any other provision of this section to
373 the contrary, on or before February 15, 1995, and each succeeding
374 month thereafter, the sales tax revenue collected during the
375 preceding month under the provisions of Section 27-65-17(2) and



376 the corresponding levy in Section 27-65-23 on the rental or lease
377 of private carriers of passengers and light carriers of property
378 as defined in Section 27-51-101 shall be deposited, without
379 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
380 established in Section 27-51-105.

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

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

398 (14) On or before August 15, 1998, and each succeeding month
399 thereafter through July 15, 2005, that portion of the avails of
400 the tax imposed in Section 27-65-23 that is derived from sales by



401 cotton compresses or cotton warehouses and that would otherwise be
402 paid into the General Fund shall be deposited in an amount not to
403 exceed Two Million Dollars (\$2,000,000.00) into the special fund
404 created under Section 69-37-39. On or before August 15, 2007, and
405 each succeeding month thereafter through July 15, 2010, that
406 portion of the avails of the tax imposed in Section 27-65-23 that
407 is derived from sales by cotton compresses or cotton warehouses
408 and that would otherwise be paid into the General Fund shall be
409 deposited in an amount not to exceed Two Million Dollars
410 (\$2,000,000.00) into the special fund created under Section
411 69-37-39 until all debts or other obligations incurred by the
412 Certified Cotton Growers Organization under the Mississippi Boll
413 Weevil Management Act before January 1, 2007, are satisfied in
414 full. On or before August 15, 2010, and each succeeding month
415 thereafter through July 15, 2011, fifty percent (50%) of that
416 portion of the avails of the tax imposed in Section 27-65-23 that
417 is derived from sales by cotton compresses or cotton warehouses
418 and that would otherwise be paid into the General Fund shall be
419 deposited into the special fund created under Section 69-37-39
420 until such time that the total amount deposited into the fund
421 during a fiscal year equals One Million Dollars (\$1,000,000.00).
422 On or before August 15, 2011, and each succeeding month
423 thereafter, that portion of the avails of the tax imposed in
424 Section 27-65-23 that is derived from sales by cotton compresses
425 or cotton warehouses and that would otherwise be paid into the



426 General Fund shall be deposited into the special fund created
427 under Section 69-37-39 until such time that the total amount
428 deposited into the fund during a fiscal year equals One Million
429 Dollars (\$1,000,000.00).

430 (15) Notwithstanding any other provision of this section to
431 the contrary, on or before September 15, 2000, and each succeeding
432 month thereafter, the sales tax revenue collected during the
433 preceding month under the provisions of Section
434 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
435 without diversion, into the Telecommunications Ad Valorem Tax
436 Reduction Fund established in Section 27-38-7.

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

444 (b) On or before August 15, 2007, and each succeeding
445 month thereafter, eighty percent (80%) of the sales tax revenue
446 collected during the preceding month under the provisions of this
447 chapter from the operation of a tourism project under the
448 provisions of Sections 57-26-1 through 57-26-5, shall be
449 deposited, after the diversions required in subsections (7) and



450 (8) of this section, into the Tourism Project Sales Tax Incentive
451 Fund created in Section 57-26-3.

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

459 (18) [Repealed]

460 (19) (a) On or before August 15, 2005, and each succeeding
461 month thereafter, the sales tax revenue collected during the
462 preceding month under the provisions of this chapter on the gross
463 proceeds of sales of a business enterprise located within a
464 redevelopment project area under the provisions of Sections
465 57-91-1 through 57-91-11, and the revenue collected on the gross
466 proceeds of sales from sales made to a business enterprise located
467 in a redevelopment project area under the provisions of Sections
468 57-91-1 through 57-91-11 (provided that such sales made to a
469 business enterprise are made on the premises of the business
470 enterprise), shall, except as otherwise provided in this
471 subsection (19), be deposited, after all diversions, into the
472 Redevelopment Project Incentive Fund as created in Section
473 57-91-9.



474 (b) For a municipality participating in the Economic
475 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
476 the diversion provided for in subsection (1) of this section
477 attributable to the gross proceeds of sales of a business
478 enterprise located within a redevelopment project area under the
479 provisions of Sections 57-91-1 through 57-91-11, and attributable
480 to the gross proceeds of sales from sales made to a business
481 enterprise located in a redevelopment project area under the
482 provisions of Sections 57-91-1 through 57-91-11 (provided that
483 such sales made to a business enterprise are made on the premises
484 of the business enterprise), shall be deposited into the
485 Redevelopment Project Incentive Fund as created in Section
486 57-91-9, as follows:

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

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

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



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

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

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

514 (21) (a) On or before April 15, 2007, and each succeeding
515 month thereafter through June 15, 2013, One Hundred Fifty Thousand
516 Dollars (\$150,000.00) of the sales tax revenue collected during
517 the preceding month under the provisions of this chapter shall be
518 deposited into the MMEIA Tax Incentive Fund created in Section
519 57-101-3.

520 (b) On or before July 15, 2013, and each succeeding
521 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
522 of the sales tax revenue collected during the preceding month
523 under the provisions of this chapter shall be deposited into the



524 Mississippi Development Authority Job Training Grant Fund created
525 in Section 57-1-451.

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

532 (23) (a) On or before August 15, 2019, and each month
533 thereafter through July 15, 2020, one percent (1%) of the total
534 sales tax revenue collected during the preceding month from
535 restaurants and hotels shall be allocated for distribution to the
536 Mississippi Development Authority Tourism Advertising Fund
537 established under Section 57-1-64, to be used exclusively for the
538 purpose stated therein. On or before August 15, 2020, and each
539 month thereafter through July 15, 2021, two percent (2%) of the
540 total sales tax revenue collected during the preceding month from
541 restaurants and hotels shall be allocated for distribution to the
542 Mississippi Development Authority Tourism Advertising Fund
543 established under Section 57-1-64, to be used exclusively for the
544 purpose stated therein. On or before August 15, 2021, and each
545 month thereafter, three percent (3%) of the total sales tax
546 revenue collected during the preceding month from restaurants and
547 hotels shall be allocated for distribution to the Mississippi
548 Development Authority Tourism Advertising Fund established under



549 Section 57-1-64, to be used exclusively for the purpose stated
550 therein. The revenue diverted pursuant to this subsection shall
551 not be available for expenditure until February 1, 2020.

552 (b) The Joint Legislative Committee on Performance
553 Evaluation and Expenditure Review (PEER) must provide an annual
554 report to the Legislature indicating the amount of funds deposited
555 into the Mississippi Development Authority Tourism Advertising
556 Fund established under Section 57-1-64, and a detailed record of
557 how the funds are spent.

558 (24) On or before August 15, 2022, and each succeeding month
559 thereafter, eighty percent (80%) of the sales tax revenue
560 collected during the preceding month under the provisions of this
561 chapter from the operation of a project under the provisions of
562 Sections 1 through 3 of this act shall be deposited, after the
563 diversions required in subsections (7) and (8) of this section,
564 into the Hotel Construction Project Sales Tax Incentive Fund
565 created in Section 2 of this act.

566 (* * *25) The remainder of the amounts collected under the
567 provisions of this chapter shall be paid into the State Treasury
568 to the credit of the General Fund.

569 (* * *26) (a) It shall be the duty of the municipal
570 officials of any municipality that expands its limits, or of any
571 community that incorporates as a municipality, to notify the
572 commissioner of that action thirty (30) days before the effective
573 date. Failure to so notify the commissioner shall cause the



574 municipality to forfeit the revenue that it would have been
575 entitled to receive during this period of time when the
576 commissioner had no knowledge of the action.

577 (b) (i) Except as otherwise provided in subparagraph
578 (ii) of this paragraph, if any funds have been erroneously
579 disbursed to any municipality or any overpayment of tax is
580 recovered by the taxpayer, the commissioner may make correction
581 and adjust the error or overpayment with the municipality by
582 withholding the necessary funds from any later payment to be made
583 to the municipality.

584 (ii) Subject to the provisions of Sections
585 27-65-51 and 27-65-53, if any funds have been erroneously
586 disbursed to a municipality under subsection (1) of this section
587 for a period of three (3) years or more, the maximum amount that
588 may be recovered or withheld from the municipality is the total
589 amount of funds erroneously disbursed for a period of three (3)
590 years beginning with the date of the first erroneous disbursement.
591 However, if during such period, a municipality provides written
592 notice to the Department of Revenue indicating the erroneous
593 disbursement of funds, then the maximum amount that may be
594 recovered or withheld from the municipality is the total amount of
595 funds erroneously disbursed for a period of one (1) year beginning
596 with the date of the first erroneous disbursement.

597 **SECTION 5.** This act shall take effect and be in force from
598 and after July 1, 2022.

