

By: Representative Arnold

To: Ways and Means

HOUSE BILL NO. 792

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 "Educational Facilities Revolving



326 Loan Fund" created and existing under the provisions of Section  
327 37-47-24. Those payments into that fund are to be made on the  
328 last day of each succeeding month hereafter. This subsection (5)  
329 shall stand repealed on July 1, 2023.

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

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



351 subsection (7) during the fiscal year in excess of Forty-two  
352 Million Dollars (\$42,000,000.00) shall be deposited into the  
353 Education Enhancement Fund created under Section 37-61-33 for  
354 appropriation by the Legislature as other education needs and  
355 shall not be subject to the percentage appropriation requirements  
356 set forth in Section 37-61-33.

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

364 (9) On or before August 15, 1994, and each succeeding month  
365 thereafter, from the revenue collected under this chapter during  
366 the preceding month, Two Hundred Fifty Thousand Dollars  
367 (\$250,000.00) shall be paid into the State Aid Road Fund.

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

373 (11) Notwithstanding any other provision of this section to  
374 the contrary, on or before February 15, 1995, and each succeeding  
375 month thereafter, the sales tax revenue collected during the



376 preceding month under the provisions of Section 27-65-17(2) and  
377 the corresponding levy in Section 27-65-23 on the rental or lease  
378 of private carriers of passengers and light carriers of property  
379 as defined in Section 27-51-101 shall be deposited, without  
380 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
381 established in Section 27-51-105.

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

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

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





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



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

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

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

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



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

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

460 (18) [Repealed]

461 (19) (a) On or before August 15, 2005, and each succeeding  
462 month thereafter, the sales tax revenue collected during the  
463 preceding month under the provisions of this chapter on the gross  
464 proceeds of sales of a business enterprise located within a  
465 redevelopment project area under the provisions of Sections  
466 57-91-1 through 57-91-11, and the revenue collected on the gross  
467 proceeds of sales from sales made to a business enterprise located  
468 in a redevelopment project area under the provisions of Sections  
469 57-91-1 through 57-91-11 (provided that such sales made to a  
470 business enterprise are made on the premises of the business  
471 enterprise), shall, except as otherwise provided in this  
472 subsection (19), be deposited, after all diversions, into the  
473 Redevelopment Project Incentive Fund as created in Section  
474 57-91-9.



475           (b) For a municipality participating in the Economic  
476 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
477 the diversion provided for in subsection (1) of this section  
478 attributable to the gross proceeds of sales of a business  
479 enterprise located within a redevelopment project area under the  
480 provisions of Sections 57-91-1 through 57-91-11, and attributable  
481 to the gross proceeds of sales from sales made to a business  
482 enterprise located in a redevelopment project area under the  
483 provisions of Sections 57-91-1 through 57-91-11 (provided that  
484 such sales made to a business enterprise are made on the premises  
485 of the business enterprise), shall be deposited into the  
486 Redevelopment Project Incentive Fund as created in Section  
487 57-91-9, as follows:

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

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

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



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

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

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

515 (21) (a) On or before April 15, 2007, and each succeeding  
516 month thereafter through June 15, 2013, One Hundred Fifty Thousand  
517 Dollars (\$150,000.00) of the sales tax revenue collected during  
518 the preceding month under the provisions of this chapter shall be  
519 deposited into the MMEIA Tax Incentive Fund created in Section  
520 57-101-3.

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



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

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

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



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

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

559 (24) On or before August 15, 2023, and each succeeding month  
560 thereafter, eighty percent (80%) of the sales tax revenue  
561 collected during the preceding month under the provisions of this  
562 chapter from the operation of a project under the provisions of  
563 Sections 1 through 3 of this act shall be deposited, after the  
564 diversions required in subsections (7) and (8) of this section,  
565 into the Hotel Construction Project Sales Tax Incentive Fund  
566 created in Section 2 of this act.

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

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



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

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

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

598           **SECTION 5.** This act shall take effect and be in force from  
599 and after July 1, 2023.

