

By: Representative Arnold

To: Ways and Means

HOUSE BILL NO. 631

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), Mississippi Code of
50 1972. The monies in the fund shall be used for the purpose of



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

61 (b) Subject to the provisions of this section,
62 incentive payments may be made by the MDA to an approved
63 participant that incurs approved project costs related to a
64 project in the state. The payments to an approved participant
65 shall be for eighty percent (80%) of the amount of sales tax
66 revenue collected from the operation of the project, after making
67 the diversions required in Section 27-65-75(7) and (8),
68 Mississippi Code of 1972. The MDA shall make payments to an
69 approved participant on a semiannual basis with payments being
70 made in the months of January and July. The aggregate amount of
71 incentive payments that an approved participant may receive shall
72 not exceed thirty percent (30%) of the approved project costs
73 incurred by the approved participant for the project. Expansions,
74 enlargements or additional investments made by an approved
75 participant will not increase authorized incentive payments



76 certified by the MDA. The MDA shall make the calculations
77 necessary to make the payments provided for in this section. The
78 MDA shall cease making incentive payments to an approved
79 participant on the occurrence of the earlier of:

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

84 (ii) Fifteen (15) years after the date the project
85 opens for commercial operation.

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

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

98 (2) A person, corporation or other entity desiring to
99 participate in the incentive program authorized in Sections 1
100 through 3 of this act must submit an application and an



101 application fee in the amount of Five Thousand Dollars (\$5,000.00)
102 to the MDA. Such application must contain (a) plans for the
103 proposed project; (b) a detailed description of the proposed
104 project; (c) the method of financing the proposed project and the
105 terms of such financing; and (d) any other information required by
106 the MDA. The Executive Director of the MDA shall review the
107 application and determine if it qualifies as a project under
108 Sections 1 through 3 of this act and under the rules and
109 regulations promulgated pursuant to this section. If the
110 executive director determines the proposed project qualifies as a
111 project under Sections 1 through 3 of this act and under the rules
112 and regulations promulgated pursuant to this section, he shall
113 issue a certificate to the person, corporation or other entity
114 designating such person, corporation or other entity as an
115 approved participant and authorizing the approved participant to
116 participate in the incentive program provided for in Sections 1
117 through 3 of this act.

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

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

123 (1) (a) On or before August 15, 1992, and each succeeding
124 month thereafter through July 15, 1993, eighteen percent (18%) of
125 the total sales tax revenue collected during the preceding month



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

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

149 Monies allocated for distribution and credited to a municipal
150 corporation under this paragraph may be pledged as security for a



151 loan if the distribution received by the municipal corporation is
152 otherwise authorized or required by law to be pledged as security
153 for such a loan.

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

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

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



176 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
177 27-65-24, on business activities within the corporate limits of
178 the City of Jackson, Mississippi, shall be deposited into the
179 Capitol Complex Improvement District Project Fund created in
180 Section 29-5-215. On or before August 15, 2019, and each
181 succeeding month thereafter until August 14, 2020, four percent
182 (4%) of the total sales tax revenue collected during the preceding
183 month under the provisions of this chapter, except that collected
184 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
185 and 27-65-24, on business activities within the corporate limits
186 of the City of Jackson, Mississippi, shall be deposited into the
187 Capitol Complex Improvement District Project Fund created in
188 Section 29-5-215. On or before August 15, 2020, and each
189 succeeding month thereafter through July 15, 2023, six percent
190 (6%) of the total sales tax revenue collected during the preceding
191 month under the provisions of this chapter, except that collected
192 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
193 and 27-65-24, on business activities within the corporate limits
194 of the City of Jackson, Mississippi, shall be deposited into the
195 Capitol Complex Improvement District Project Fund created in
196 Section 29-5-215. On or before August 15, 2023, and each
197 succeeding month thereafter, nine percent (9%) of the total sales
198 tax revenue collected during the preceding month under the
199 provisions of this chapter, except that collected under the
200 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and



201 27-65-24, on business activities within the corporate limits of
202 the City of Jackson, Mississippi, shall be deposited into the
203 Capitol Complex Improvement District Project Fund created in
204 Section 29-5-215.

205 (d) (i) On or before the fifteenth day of the month
206 that the diversion authorized by this section begins, and each
207 succeeding month thereafter, eighteen and one-half percent
208 (18-1/2%) of the total sales tax revenue collected during the
209 preceding month under the provisions of this chapter, except that
210 collected under the provisions of Sections 27-65-15, 27-65-19(3)
211 and 27-65-21, on business activities within a redevelopment
212 project area developed under a redevelopment plan adopted under
213 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
214 allocated for distribution to the county in which the project area
215 is located if:

216 1. The county:

217 a. Borders on the Mississippi Sound and
218 the State of Alabama, or

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

222 2. The county has issued bonds under Section
223 21-45-9 to finance all or a portion of a redevelopment project in
224 the redevelopment project area;



225 3. Any debt service for the indebtedness
226 incurred is outstanding; and

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

230 (ii) Before any sales tax revenue may be allocated
231 for distribution to a county under this paragraph, the county
232 shall certify to the Department of Revenue that the requirements
233 of this paragraph have been met, the amount of bonded indebtedness
234 that has been incurred by the county for the redevelopment project
235 and the expected date the indebtedness incurred by the county will
236 be satisfied.

237 (iii) The diversion of sales tax revenue
238 authorized by this paragraph shall begin the month following the
239 month in which the Department of Revenue determines that the
240 requirements of this paragraph have been met. The diversion shall
241 end the month the indebtedness incurred by the county is
242 satisfied. All revenue received by the county under this
243 paragraph shall be deposited in the fund required to be created in
244 the tax increment financing plan under Section 21-45-11 and be
245 utilized solely to satisfy the indebtedness incurred by the
246 county.

247 (2) On or before September 15, 1987, and each succeeding
248 month thereafter, from the revenue collected under this chapter
249 during the preceding month, One Million One Hundred Twenty-five



250 Thousand Dollars (\$1,125,000.00) shall be allocated for
251 distribution to municipal corporations as defined under subsection
252 (1) of this section in the proportion that the number of gallons
253 of gasoline and diesel fuel sold by distributors to consumers and
254 retailers in each such municipality during the preceding fiscal
255 year bears to the total gallons of gasoline and diesel fuel sold
256 by distributors to consumers and retailers in municipalities
257 statewide during the preceding fiscal year. The Department of
258 Revenue shall require all distributors of gasoline and diesel fuel
259 to report to the department monthly the total number of gallons of
260 gasoline and diesel fuel sold by them to consumers and retailers
261 in each municipality during the preceding month. The Department
262 of Revenue shall have the authority to promulgate such rules and
263 regulations as is necessary to determine the number of gallons of
264 gasoline and diesel fuel sold by distributors to consumers and
265 retailers in each municipality. In determining the percentage
266 allocation of funds under this subsection for the fiscal year
267 beginning July 1, 1987, and ending June 30, 1988, the Department
268 of Revenue may consider gallons of gasoline and diesel fuel sold
269 for a period of less than one (1) fiscal year. For the purposes
270 of this subsection, the term "fiscal year" means the fiscal year
271 beginning July 1 of a year.

272 (3) On or before September 15, 1987, and on or before the
273 fifteenth day of each succeeding month, until the date specified
274 in Section 65-39-35, the proceeds derived from contractors' taxes



275 levied under Section 27-65-21 on contracts for the construction or
276 reconstruction of highways designated under the highway program
277 created under Section 65-3-97 shall, except as otherwise provided
278 in Section 31-17-127, be deposited into the State Treasury to the
279 credit of the State Highway Fund to be used to fund that highway
280 program. The Mississippi Department of Transportation shall
281 provide to the Department of Revenue such information as is
282 necessary to determine the amount of proceeds to be distributed
283 under this subsection.

284 (4) On or before August 15, 1994, and on or before the
285 fifteenth day of each succeeding month through July 15, 1999, from
286 the proceeds of gasoline, diesel fuel or kerosene taxes as
287 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
288 (\$4,000,000.00) shall be deposited in the State Treasury to the
289 credit of a special fund designated as the "State Aid Road Fund,"
290 created by Section 65-9-17. On or before August 15, 1999, and on
291 or before the fifteenth day of each succeeding month, from the
292 total amount of the proceeds of gasoline, diesel fuel or kerosene
293 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
294 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
295 one-fourth percent (23-1/4%) of those funds, whichever is the
296 greater amount, shall be deposited in the State Treasury to the
297 credit of the "State Aid Road Fund," created by Section 65-9-17.
298 Those funds shall be pledged to pay the principal of and interest
299 on state aid road bonds heretofore issued under Sections 19-9-51



300 through 19-9-77, in lieu of and in substitution for the funds
301 previously allocated to counties under this section. Those funds
302 may not be pledged for the payment of any state aid road bonds
303 issued after April 1, 1981; however, this prohibition against the
304 pledging of any such funds for the payment of bonds shall not
305 apply to any bonds for which intent to issue those bonds has been
306 published for the first time, as provided by law before March 29,
307 1981. From the amount of taxes paid into the special fund under
308 this subsection and subsection (9) of this section, there shall be
309 first deducted and paid the amount necessary to pay the expenses
310 of the Office of State Aid Road Construction, as authorized by the
311 Legislature for all other general and special fund agencies. The
312 remainder of the fund shall be allocated monthly to the several
313 counties in accordance with the following formula:

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

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

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



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

327 The amount of funds allocated to any county under this
328 subsection for any fiscal year after fiscal year 1994 shall not be
329 less than the amount allocated to the county for fiscal year 1994.

330 Any reference in the general laws of this state or the
331 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
332 construed to refer and apply to subsection (4) of Section
333 27-65-75.

334 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
335 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
336 the special fund known as the "Educational Facilities Revolving
337 Loan Fund" created and existing under the provisions of Section
338 37-47-24. Those payments into that fund are to be made on the
339 last day of each succeeding month hereafter. This subsection (5)
340 shall stand repealed on July 1, 2026.

341 (6) An amount each month beginning August 15, 1983, through
342 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
343 1983, shall be paid into the special fund known as the
344 Correctional Facilities Construction Fund created in Section 6,
345 Chapter 542, Laws of 1983.

346 (7) On or before August 15, 1992, and each succeeding month
347 thereafter through July 15, 2000, two and two hundred sixty-six
348 one-thousandths percent (2.266%) of the total sales tax revenue



349 collected during the preceding month under the provisions of this
350 chapter, except that collected under the provisions of Section
351 27-65-17(2), shall be deposited by the department into the School
352 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
353 or before August 15, 2000, and each succeeding month thereafter,
354 two and two hundred sixty-six one-thousandths percent (2.266%) of
355 the total sales tax revenue collected during the preceding month
356 under the provisions of this chapter, except that collected under
357 the provisions of Section 27-65-17(2), shall be deposited into the
358 School Ad Valorem Tax Reduction Fund created under Section
359 37-61-35 until such time that the total amount deposited into the
360 fund during a fiscal year equals Forty-two Million Dollars
361 (\$42,000,000.00). Thereafter, the amounts diverted under this
362 subsection (7) during the fiscal year in excess of Forty-two
363 Million Dollars (\$42,000,000.00) shall be deposited into the
364 Education Enhancement Fund created under Section 37-61-33 for
365 appropriation by the Legislature as other education needs and
366 shall not be subject to the percentage appropriation requirements
367 set forth in Section 37-61-33.

368 (8) On or before August 15, 1992, and each succeeding month
369 thereafter, nine and seventy-three one-thousandths percent
370 (9.073%) of the total sales tax revenue collected during the
371 preceding month under the provisions of this chapter, except that
372 collected under the provisions of Section 27-65-17(2), shall be



373 deposited into the Education Enhancement Fund created under
374 Section 37-61-33.

375 (9) On or before August 15, 1994, and each succeeding month
376 thereafter, from the revenue collected under this chapter during
377 the preceding month, Two Hundred Fifty Thousand Dollars
378 (\$250,000.00) shall be paid into the State Aid Road Fund.

379 (10) On or before August 15, 1994, and each succeeding month
380 thereafter through August 15, 1995, from the revenue collected
381 under this chapter during the preceding month, Two Million Dollars
382 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
383 Valorem Tax Reduction Fund established in Section 27-51-105.

384 (11) Notwithstanding any other provision of this section to
385 the contrary, on or before February 15, 1995, and each succeeding
386 month thereafter, the sales tax revenue collected during the
387 preceding month under the provisions of Section 27-65-17(2) and
388 the corresponding levy in Section 27-65-23 on the rental or lease
389 of private carriers of passengers and light carriers of property
390 as defined in Section 27-51-101 shall be deposited, without
391 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
392 established in Section 27-51-105.

393 (12) Notwithstanding any other provision of this section to
394 the contrary, on or before August 15, 1995, and each succeeding
395 month thereafter, the sales tax revenue collected during the
396 preceding month under the provisions of Section 27-65-17(1) on
397 retail sales of private carriers of passengers and light carriers



398 of property, as defined in Section 27-51-101 and the corresponding
399 levy in Section 27-65-23 on the rental or lease of these vehicles,
400 shall be deposited, after diversion, into the Motor Vehicle Ad
401 Valorem Tax Reduction Fund established in Section 27-51-105.

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

410 (14) On or before August 15, 1998, and each succeeding month
411 thereafter through July 15, 2005, that portion of the avails of
412 the tax imposed in Section 27-65-23 that is derived from sales by
413 cotton compresses or cotton warehouses and that would otherwise be
414 paid into the General Fund shall be deposited in an amount not to
415 exceed Two Million Dollars (\$2,000,000.00) into the special fund
416 created under Section 69-37-39. On or before August 15, 2007, and
417 each succeeding month thereafter through July 15, 2010, that
418 portion of the avails of the tax imposed in Section 27-65-23 that
419 is derived from sales by cotton compresses or cotton warehouses
420 and that would otherwise be paid into the General Fund shall be
421 deposited in an amount not to exceed Two Million Dollars
422 (\$2,000,000.00) into the special fund created under Section



423 69-37-39 until all debts or other obligations incurred by the
424 Certified Cotton Growers Organization under the Mississippi Boll
425 Weevil Management Act before January 1, 2007, are satisfied in
426 full. On or before August 15, 2010, and each succeeding month
427 thereafter through July 15, 2011, fifty percent (50%) of that
428 portion of the avails of the tax imposed in Section 27-65-23 that
429 is derived from sales by cotton compresses or cotton warehouses
430 and that would otherwise be paid into the General Fund shall be
431 deposited into the special fund created under Section 69-37-39
432 until such time that the total amount deposited into the fund
433 during a fiscal year equals One Million Dollars (\$1,000,000.00).
434 On or before August 15, 2011, and each succeeding month
435 thereafter, that portion of the avails of the tax imposed in
436 Section 27-65-23 that is derived from sales by cotton compresses
437 or cotton warehouses and that would otherwise be paid into the
438 General Fund shall be deposited into the special fund created
439 under Section 69-37-39 until such time that the total amount
440 deposited into the fund during a fiscal year equals One Million
441 Dollars (\$1,000,000.00).

442 (15) Notwithstanding any other provision of this section to
443 the contrary, on or before September 15, 2000, and each succeeding
444 month thereafter, the sales tax revenue collected during the
445 preceding month under the provisions of Section
446 27-65-19(1) (d) (i)2, and 27-65-19(1) (d) (i)3 shall be deposited,



447 without diversion, into the Telecommunications Ad Valorem Tax
448 Reduction Fund established in Section 27-38-7.

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

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

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

471 (18) [Repealed]



472 (19) (a) On or before August 15, 2005, and each succeeding
473 month thereafter, the sales tax revenue collected during the
474 preceding month under the provisions of this chapter on the gross
475 proceeds of sales of a business enterprise located within a
476 redevelopment project area under the provisions of Sections
477 57-91-1 through 57-91-11, and the revenue collected on the gross
478 proceeds of sales from sales made to a business enterprise located
479 in a redevelopment project area under the provisions of Sections
480 57-91-1 through 57-91-11 (provided that such sales made to a
481 business enterprise are made on the premises of the business
482 enterprise), shall, except as otherwise provided in this
483 subsection (19), be deposited, after all diversions, into the
484 Redevelopment Project Incentive Fund as created in Section
485 57-91-9.

486 (b) For a municipality participating in the Economic
487 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
488 the diversion provided for in subsection (1) of this section
489 attributable to the gross proceeds of sales of a business
490 enterprise located within a redevelopment project area under the
491 provisions of Sections 57-91-1 through 57-91-11, and attributable
492 to the gross proceeds of sales from sales made to a business
493 enterprise located in a redevelopment project area under the
494 provisions of Sections 57-91-1 through 57-91-11 (provided that
495 such sales made to a business enterprise are made on the premises
496 of the business enterprise), shall be deposited into the



497 Redevelopment Project Incentive Fund as created in Section
498 57-91-9, as follows:

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

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

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

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

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

518 (20) On or before January 15, 2007, and each succeeding
519 month thereafter, eighty percent (80%) of the sales tax revenue
520 collected during the preceding month under the provisions of this
521 chapter from the operation of a tourism project under the



522 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
523 after the diversions required in subsections (7) and (8) of this
524 section, into the Tourism Sales Tax Incentive Fund created in
525 Section 57-28-3.

526 (21) (a) On or before April 15, 2007, and each succeeding
527 month thereafter through June 15, 2013, One Hundred Fifty Thousand
528 Dollars (\$150,000.00) of the sales tax revenue collected during
529 the preceding month under the provisions of this chapter shall be
530 deposited into the MMEIA Tax Incentive Fund created in Section
531 57-101-3.

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

538 (22) On or before June 1, 2024, and each succeeding month
539 thereafter until December 31, 2057, an amount determined annually
540 by the Mississippi Development Authority of the sales tax revenue
541 collected during the preceding month under the provisions of this
542 chapter shall be deposited into the MMEIA Tax Incentive Fund
543 created in Section 18 of * * * Senate Bill No. 2001, 2024 Second
544 Extraordinary Session. This amount shall be based on estimated
545 payments due within the upcoming year to construction contractors
546 pursuant to construction contracts subject to the tax imposed by



547 Section 27-65-21 for construction to be performed on the project
548 site of a project defined under Section 57-75-5(f) (xxxiii) for the
549 coming year.

550 (23) Notwithstanding any other provision of this section to
551 the contrary, on or before August 15, 2009, and each succeeding
552 month thereafter, the sales tax revenue collected during the
553 preceding month under the provisions of Section 27-65-201 shall be
554 deposited, without diversion, into the Motor Vehicle Ad Valorem
555 Tax Reduction Fund established in Section 27-51-105.

556 (24) (a) On or before August 15, 2019, and each month
557 thereafter through July 15, 2020, one percent (1%) of the total
558 sales tax revenue collected during the preceding month from
559 restaurants and hotels shall be allocated for distribution to the
560 Mississippi Development Authority Tourism Advertising Fund
561 established under Section 57-1-64, to be used exclusively for the
562 purpose stated therein. On or before August 15, 2020, and each
563 month thereafter through July 15, 2021, two percent (2%) of the
564 total sales tax revenue collected during the preceding month from
565 restaurants and hotels shall be allocated for distribution to the
566 Mississippi Development Authority Tourism Advertising Fund
567 established under Section 57-1-64, to be used exclusively for the
568 purpose stated therein. On or before August 15, 2021, and each
569 month thereafter, three percent (3%) of the total sales tax
570 revenue collected during the preceding month from restaurants and
571 hotels shall be allocated for distribution to the Mississippi



572 Development Authority Tourism Advertising Fund established under
573 Section 57-1-64, to be used exclusively for the purpose stated
574 therein. The revenue diverted pursuant to this subsection shall
575 not be available for expenditure until February 1, 2020.

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

582 (25) On or before August 15, 2024, and each succeeding month
583 thereafter, eighty percent (80%) of the sales tax revenue
584 collected during the preceding month under the provisions of this
585 chapter from the operation of a project under the provisions of
586 Sections 1 through 3 of this act shall be deposited, after the
587 diversions required in subsections (7) and (8) of this section,
588 into the Hotel Construction Project Sales Tax Incentive Fund
589 created in Section 2 of this act.

590 (* * *26) The remainder of the amounts collected under the
591 provisions of this chapter shall be paid into the State Treasury
592 to the credit of the General Fund.

593 (* * *27) (a) It shall be the duty of the municipal
594 officials of any municipality that expands its limits, or of any
595 community that incorporates as a municipality, to notify the
596 commissioner of that action thirty (30) days before the effective



597 date. Failure to so notify the commissioner shall cause the
598 municipality to forfeit the revenue that it would have been
599 entitled to receive during this period of time when the
600 commissioner had no knowledge of the action.

601 (b) (i) Except as otherwise provided in subparagraph
602 (ii) of this paragraph, if any funds have been erroneously
603 disbursed to any municipality or any overpayment of tax is
604 recovered by the taxpayer, the commissioner may make correction
605 and adjust the error or overpayment with the municipality by
606 withholding the necessary funds from any later payment to be made
607 to the municipality.

608 (ii) Subject to the provisions of Sections
609 27-65-51 and 27-65-53, if any funds have been erroneously
610 disbursed to a municipality under subsection (1) of this section
611 for a period of three (3) years or more, the maximum amount that
612 may be recovered or withheld from the municipality is the total
613 amount of funds erroneously disbursed for a period of three (3)
614 years beginning with the date of the first erroneous disbursement.
615 However, if during such period, a municipality provides written
616 notice to the Department of Revenue indicating the erroneous
617 disbursement of funds, then the maximum amount that may be
618 recovered or withheld from the municipality is the total amount of
619 funds erroneously disbursed for a period of one (1) year beginning
620 with the date of the first erroneous disbursement.



621 **SECTION 5.** This act shall take effect and be in force from
622 and after July 1, 2024.

