

By: Representative Steverson

To: Ways and Means

HOUSE BILL NO. 1623

1 AN ACT TO BRING FORWARD SECTIONS 57-26-1, 57-26-3, 57-26-5
2 AND 57-26-7, MISSISSIPPI CODE OF 1972, WHICH PROVIDE FOR A TOURISM
3 PROJECT SALES TAX INCENTIVE PROGRAM ADMINISTERED BY THE
4 MISSISSIPPI DEVELOPMENT AUTHORITY, FOR THE PURPOSES OF POSSIBLE
5 AMENDMENT; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 57-26-1, Mississippi Code of 1972, is
8 brought forward as follows:

9 57-26-1. As used in Sections 57-26-1 through 57-26-5, the
10 following terms and phrases shall have the meanings ascribed in
11 this section unless the context clearly indicates otherwise:

12 (a) "Approved project costs" means actual costs
13 incurred by an approved participant for land acquisition,
14 construction, engineering, design and other costs approved by the
15 Mississippi Development Authority relating to a tourism project;
16 however, for the purposes of a tourism project described in
17 paragraph (d)(iv) of this section, such costs include only those
18 incurred after January 1, 2011, relating to the hotel portion of
19 the project consisting of facilities used for lodging and common



20 areas in that portion of the project. All costs must be verified
21 by an independent third party approved by the MDA. An approved
22 participant shall pay the costs for the third-party verification
23 of costs. Approved project costs may not increase regardless of
24 the actual costs incurred by the project.

25 (b) "Approved participant" means a person, corporation
26 or other entity issued a certificate by the Mississippi
27 Development Authority under Section 57-26-5.

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

29 (d) "Tourism project" shall include any of the
30 following as may be approved by the MDA:

31 (i) Theme parks, water parks, entertainment parks
32 or outdoor adventure parks, cultural or historical interpretive
33 educational centers or museums, motor speedways, indoor or outdoor
34 entertainment centers or complexes, convention centers,
35 professional sports facilities, spas, attractions created around a
36 natural phenomenon or scenic landscape and marinas open to the
37 public with a minimum private investment of not less than Ten
38 Million Dollars (\$10,000,000.00);

39 (ii) A hotel with a minimum private investment of
40 Forty Million Dollars (\$40,000,000.00) in land, buildings,
41 architecture, engineering, fixtures, equipment, furnishings,
42 amenities and other related soft costs approved by the Mississippi
43 Development Authority, and having a minimum private investment of
44 One Hundred Fifty Thousand Dollars (\$150,000.00) per guest room



45 which amount shall be included within the minimum private
46 investment of Forty Million Dollars (\$40,000,000.00);
47 (iii) A public golf course with a minimum private
48 investment of Ten Million Dollars (\$10,000,000.00);
49 (iv) A full service hotel with a minimum private
50 investment of Fifteen Million Dollars (\$15,000,000.00) in land,
51 buildings, architecture, engineering, fixtures, equipment,
52 furnishings, amenities and other related soft costs approved by
53 the Mississippi Development Authority, and having a minimum
54 private investment of Two Hundred Thousand Dollars (\$200,000.00)
55 per guest room or suite which amount shall be included within the
56 minimum private investment of Fifteen Million Dollars
57 (\$15,000,000.00), a minimum of twenty-five (25) guest rooms or
58 suites, and guest amenities such as restaurants, spas and other
59 amenities as determined by the Mississippi Development Authority;
60 however, in a county in which the Grammy Museum Mississippi or the
61 Mississippi Arts and Entertainment Center is located, in a county
62 in which the Saenger Theater and the main campus of a state
63 institution of higher learning are located, and in the downtown
64 historic district of the city in which the NWCC Performing Arts
65 Center is located, the minimum private investment per guest room
66 or suite shall be One Hundred Fifty Thousand Dollars (\$150,000.00)
67 which amount shall be included within the minimum private
68 investment of Fifteen Million Dollars (\$15,000,000.00);



69 (v) A tourism attraction located within an
70 "entertainment district" as defined in Section 17-29-3 that is
71 open to the public, has seating to accommodate at least forty (40)
72 persons, is open at least five (5) days per week from at least
73 6:00 p.m. until midnight, serves food and beverages, and provides
74 live entertainment at least three (3) nights per week;

75 (vi) A cultural retail attraction;

76 (vii) A tourism attraction located within a
77 historic district where the district is listed in the National
78 Register of Historic Places, where the tourism attraction is open
79 to the public, has seating to accommodate at least forty (40)
80 persons, is open at least five (5) days per week from at least
81 6:00 p.m. until midnight, serves food and beverages, and provides
82 live entertainment at least three (3) nights per week;

83 (viii) A tourism attraction, located in a county
84 bordered by the Mississippi River and including Interstate 69 and
85 U.S. Highways 3, 4 and 61, with a minimum investment of One
86 Hundred Million Dollars (\$100,000,000.00) and subject to an urban
87 renewal plan that redevelops two (2) hotels, a golf course and
88 clubhouse, a shooting range and a convention center and develops
89 an entertainment center and waterpark, together with other
90 attraction-related amenities, on an area not less than two
91 thousand (2,000) acres.

92 The term "tourism project" does not include any licensed
93 gaming establishment owned, leased or controlled by a business,



94 corporation or entity having a gaming license issued under Section
95 75-76-1 et seq.; however, the term "tourism project" may include a
96 project described in this paragraph (d) that is owned, leased or
97 controlled by such a business, corporation or entity or in which
98 the business, corporation or entity has a direct or indirect
99 financial interest if the project is in excess of development that
100 the State Gaming Commission requires for the issuance or renewal
101 of a gaming license and is not part of a licensed gaming
102 establishment in which gaming activities are conducted.

103 The term "tourism project" does not include any facility
104 within the project whose primary business is retail sales or any
105 expansions of existing projects; however, pro shops, souvenir
106 shops, gift shops, concessions and similar retail activities, and
107 cultural retail attractions may be included within the definition
108 of the term "tourism project." In addition, retail activities,
109 regardless of whether the primary business is retail sales, that
110 are part of a resort development may be included within the
111 definition of "tourism project."

112 (e) "Resort development" means a travel destination
113 development with a minimum private investment of One Hundred
114 Million Dollars (\$100,000,000.00) and which consists of (i) a
115 hotel with a minimum of two hundred (200) guest rooms or suites
116 and having a minimum private investment of Two Hundred Thousand
117 Dollars (\$200,000.00) per guest room or suite, and (ii) guest
118 amenities such as restaurants, golf courses, spas, fitness



119 facilities, entertainment activities and other amenities as
120 determined by the MDA. Not more than an amount equal to forty
121 percent (40%) of the private investment required by this paragraph
122 may be expended on facilities to house retail activity.

123 (f) "Cultural retail attraction" means a project which
124 combines destination shopping with cultural or historical
125 interpretive elements specific to Mississippi with a minimum
126 private investment of Fifty Million Dollars (\$50,000,000.00) in
127 land, buildings, architecture, engineering, fixtures, equipment,
128 furnishings, amenities and other related soft costs approved by
129 the Mississippi Development Authority and which:

130 (i) Is located in a qualified resort area as
131 defined in Section 67-1-5;

132 (ii) Is a part of a master-planned development
133 with a total investment of not less than One Hundred Million
134 Dollars (\$100,000,000.00) in land, buildings, architecture,
135 engineering, fixtures, equipment, furnishings, amenities and other
136 related soft costs approved by the Mississippi Development
137 Authority;

138 (iii) Has a minimum of fifty (50) retail tenants
139 with a minimum of three hundred thousand (300,000) square feet of
140 heated and cooled space; and

141 (iv) Has a minimum investment of One Million
142 Dollars (\$1,000,000.00) in one or more of the following:



- 143 1. Art created by Mississippi artists or
144 portraying themes specific to Mississippi;
145 2. Memorabilia, signage or historical markers
146 which serve to promote the State of Mississippi;
147 3. Audio/visual equipment used to showcase
148 Mississippi artists;
149 4. A minimum of one thousand two hundred
150 fifty (1,250) square feet of heated and cooled space available to
151 the Mississippi Development Authority or its assignee for a period
152 of not less than ten (10) years.

153 (g) "Retail activity" means businesses whose inventory
154 consists primarily of upscale name brands or their equivalent as
155 determined by the MDA.

156 (h) "State" means the State of Mississippi.

157 **SECTION 2.** Section 57-26-3, Mississippi Code of 1972, is
158 brought forward as follows:

159 57-26-3. (1) (a) There is created in the State Treasury a
160 special fund to be known as the "Tourism Project Sales Tax
161 Incentive Fund," into which shall be deposited such money as
162 provided in Section 27-65-75(16). The monies in the fund shall be
163 used for the purpose of making the incentive payments authorized
164 in this section. The fund shall be administered by the MDA.
165 Unexpended amounts remaining in the fund at the end of a fiscal
166 year shall not lapse into the State General Fund, and any interest
167 earned on or investment earnings on the amounts in the fund shall



168 be deposited to the credit of the fund. The MDA may use not more
169 than one percent (1%) of interest earned or investment earnings,
170 or both, on amounts in the fund for administration and management
171 of the incentive program authorized under Sections 57-26-1 through
172 57-26-5.

173 (b) Subject to the provisions of this section,
174 incentive payments may be made by the MDA to an approved
175 participant that incurs approved project costs to locate a tourism
176 project in the state. The payments to an approved participant
177 shall be for eighty percent (80%) of the amount of sales tax
178 revenue collected from the operation of the tourism project, after
179 making the diversions required in Section 27-65-75(7) and (8).
180 The MDA shall make payments to an approved participant on a
181 semiannual basis with payments being made in the months of January
182 and July. The aggregate amount of incentive payments that an
183 approved participant may receive shall not exceed thirty percent
184 (30%) of the approved project costs incurred by the approved
185 participant for the tourism project. Expansions, enlargements or
186 additional investments made by an approved participant will not
187 increase authorized incentive payments certified by the MDA. The
188 MDA shall make the calculations necessary to make the payments
189 provided for in this section. The MDA shall cease making
190 incentive payments to an approved participant on the occurrence of
191 the earlier of:



192 (i) The date that an aggregate amount of thirty
193 percent (30%) of the approved project costs incurred by the
194 approved participant for the tourism project has been paid to the
195 approved participant; or

196 (ii) Fifteen (15) years after the date the tourism
197 project opens for commercial operation.

198 (2) At such time as incentive payments are no longer
199 required to be made to an approved participant, the MDA shall
200 notify the Department of Revenue and the sales tax revenue
201 collected from the tourism project shall no longer be deposited
202 into the Tourism Project Sales Tax Incentive Fund. Any amounts
203 remaining in the fund that were collected from such project shall
204 be transferred to the State General Fund.

205 **SECTION 3.** Section 57-26-5, Mississippi Code of 1972, is
206 brought forward as follows:

207 57-26-5. (1) The MDA shall develop, implement and
208 administer the incentive program authorized in Sections 57-26-1
209 through 57-26-5 and shall promulgate rules and regulations
210 necessary for the development, implementation and administration
211 of such program.

212 (2) A person, corporation or other entity desiring to
213 participate in the incentive program authorized in Sections
214 57-26-1 through 57-26-5 must submit an application and an
215 application fee in the amount of Five Thousand Dollars (\$5,000.00)
216 to the MDA. Such application must contain (a) plans for the



217 proposed tourism project; (b) a detailed description of the
218 proposed tourism project; (c) the method of financing the proposed
219 tourism project and the terms of such financing; (d) an
220 independent study that identifies the number of out-of-state
221 visitors anticipated to visit the project and the ratio of
222 out-of-state visitors to in-state visitors; and (e) any other
223 information required by the MDA. The Executive Director of the
224 MDA shall review the application and determine if it qualifies as
225 a tourism project under this section and under the rules and
226 regulations promulgated pursuant to this section. If the
227 executive director determines the proposed tourism project
228 qualifies as a tourism project under this section and under the
229 rules and regulations promulgated pursuant to this section, he
230 shall issue a certificate to the person, corporation or other
231 entity designating such person, corporation or other entity as an
232 approved participant and authorizing the approved participant to
233 participate in the incentive program provided for in Sections
234 57-26-1 through 57-26-5. No certificate designating an entity as
235 an approved participant and authorizing the approved participant
236 to participate in the incentive program shall be issued from and
237 after July 1, 2014, for tourism projects that are cultural retail
238 attractions, or from and after July 1, 2027, for other tourism
239 projects. For tourism projects that are cultural retail
240 attractions, no such issued certificate shall be altered or
241 extended after the date last approved as of July 1, 2020.



242 (3) The MDA shall cause a cost-benefit analysis of the
243 tourism project to be performed by a state institution of higher
244 learning, the university research center or some other entity
245 approved by the MDA.

246 **SECTION 4.** Section 57-26-7, Mississippi Code of 1972, is
247 brought forward as follows:

248 57-26-7. The MDA shall not approve any application submitted
249 after June 30, 2014, pursuant to Section 57-26-5 for a project
250 that includes any resort development.

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

