

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.

