

By: Representative Cummings

To: Ways and Means

HOUSE BILL NO. 1456

1 AN ACT TO AMEND SECTIONS 57-30-1 AND 57-30-3, MISSISSIPPI  
2 CODE OF 1972, TO REVISE CERTAIN INTERNAL REFERENCES AND TO DELETE  
3 THE REQUIREMENT THAT MONIES IN THE SALES TAX INCENTIVE FUND BE  
4 APPROPRIATED IN ORDER TO BE EXPENDED; AND FOR RELATED PURPOSES.

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

6 SECTION 1. Section 57-30-1, Mississippi Code of 1972, is  
7 amended as follows:

8 57-30-1. As used in this chapter, the following terms and  
9 phrases shall have the meanings ascribed in this section unless  
10 the context clearly indicates otherwise:

11 (a) "Approved participant" means a person, corporation  
12 or other entity issued a certificate by the Mississippi  
13 Development Authority under Section 57-30-3.

14 (b) "MDA" means the Mississippi Development Authority.

15 (c) "Project" means any family-oriented entertainment  
16 enterprise such as campgrounds and theme parks, as designated by  
17 the Mississippi Development Authority, with an initial capital  
18 investment of not less than Five Million Dollars (\$5,000,000.00)  
19 if located in a county in a tier one area, as designated under  
20 Section 57-73-21, or with an initial capital investment of not  
21 less than Three Million Dollars (\$3,000,000.00) if located in a  
22 county in a tier two area or tier three area as designated in  
23 Section 57-73-21. Whether a county is in a tier one area, tier  
24 two area or tier three area shall be determined by the  
25 classification of the area at the time the initial investment is  
26 made. The term "project" also means any of the following if  
27 located on the project site or within one (1) mile of the project

28 and owned by the owner of the family-oriented entertainment  
29 enterprise: (a) auditoriums, (b) dining facilities, (c) gift  
30 shops and (d) lodging facilities. However, the capital investment  
31 in any such dining facility or lodging facility shall not be  
32 included for purposes of meeting the minimum capital investment  
33 requirement for a project. The term "project" does not mean any  
34 business, corporation or entity having a gaming license issued  
35 under Section 75-76-1 et seq., Mississippi Code of 1972, but may  
36 include a family-oriented entertainment enterprise owned by such a  
37 business, corporation or entity that is in excess of development  
38 that the State Gaming Commission requires for the issuance or  
39 renewal of a gaming license.

40 (d) "State" means the State of Mississippi.

41 SECTION 2. Section 57-30-3, Mississippi Code of 1972, is  
42 amended as follows:

43 57-30-3. (1) The MDA shall develop, implement and  
44 administer the incentive program authorized in this section and  
45 shall promulgate rules and regulations necessary for the  
46 development, implementation and administration of such program.

47 (2) A person, corporation or other entity desiring to  
48 participate in the incentive payment program authorized in this  
49 section must submit an application to the MDA. Such application  
50 must contain (a) plans for the proposed project; (b) a detailed  
51 description of the proposed project; (c) the method of financing  
52 the proposed project and the terms of such financing; and (d) any  
53 other information required by the MDA. The executive director of  
54 the MDA shall review the application and determine whether it  
55 qualifies as a project. If the executive director determines the  
56 proposed project qualifies as a project, he shall issue a  
57 certificate to the person, corporation or other entity designating  
58 such person, corporation or other entity as an approved  
59 participant and authorizing the approved participant to

60 participate in the incentive payment program provided for in this  
61 section.

62 (3) (a) There is created in the State Treasury a special  
63 fund to be known as the "Sales Tax Incentive Fund," into which  
64 shall be deposited such money as provided in Section 27-65-75(16).  
65 The monies in the fund shall be used for the purpose of making the  
66 incentive payments authorized in this section. The fund shall be  
67 administered by the MDA. Unexpended amounts remaining in the fund  
68 at the end of a fiscal year shall not lapse into the General Fund,  
69 and any interest earned on or investment earnings on the amounts  
70 in the fund shall be deposited to the credit of the fund. The MDA  
71 may use not more than one percent (1%) of interest earned or  
72 investment earnings, or both, on amounts in the fund for  
73 administration and management of the incentive program.

74 (b) Incentive payments may be made by the MDA to an  
75 approved participant that incurs indebtedness or incurs capital  
76 costs, or both, to locate a project in the state. The payments to  
77 an approved participant shall be for the amount of sales tax  
78 revenue collected on the gross proceeds of sales of a project,  
79 after making the diversions required in Section 27-65-75, except  
80 the diversion provided for in Section 27-65-75(1). The MDA shall  
81 ensure that payments made pursuant to this section are utilized to  
82 pay the debt service incurred by the approved participant for the  
83 project as approved by the MDA or any project capital cost  
84 incurred by the approved participant for the project as approved  
85 by the MDA, or both. The MDA shall make payments to an approved  
86 participant on a semiannual basis with payments being made in the  
87 months of January and July. The aggregate amount that an approved  
88 participant may receive shall not exceed thirty-five percent (35%)  
89 of the original indebtedness or project capital cost, or both,  
90 incurred by such participant for the project. The MDA shall make  
91 the calculations necessary to make the payments provided for in  
92 this section. The MDA shall cease making incentive payments to an

93 approved participant on the occurrence of the earlier of (i) the  
94 date thirty-five percent (35%) of the original indebtedness, or  
95 any refinancing of the original indebtedness, incurred for the  
96 project or original project capital cost incurred for the project,  
97 or both, is satisfied, (ii) ten (10) years from the date the  
98 original indebtedness for the project was incurred, without regard  
99 to any refinancing or additional financing for any addition to or  
100 expansion of the project, or (iii) the project ceases operations.

101 (4) At such time as payments are no longer required to be  
102 made to an approved participant, the MDA shall notify the State  
103 Tax Commission and the sales tax revenue collected from such  
104 project shall no longer be deposited into the Sales Tax Incentive  
105 Fund, and any amounts remaining in the fund that were collected  
106 from such participant shall be transferred to the State General  
107 Fund; provided, however, if the project is located in a  
108 municipality, a portion of such amount shall be paid to such  
109 municipality in the same manner and amounts as provided for in  
110 Section 27-65-75(1).

111 SECTION 2. This act shall take effect and be in force from  
112 and after July 1, 2001.