

By: Representative Mayo

To: Ways and Means

HOUSE BILL NO. 633

1 AN ACT TO AMEND SECTION 57-30-1, MISSISSIPPI CODE OF 1972, TO
2 REVISE THE MINIMUM INITIAL CAPITAL INVESTMENT REQUIRED FOR
3 PROJECTS FOR WHICH PERSONS, CORPORATIONS OR OTHER ENTITIES MAY
4 INCUR INDEBTEDNESS AND BE ELIGIBLE FOR INCENTIVE PAYMENTS FROM THE
5 SALES TAX INCENTIVE FUND; TO AMEND SECTION 57-30-3, MISSISSIPPI
6 CODE OF 1972, TO REFLECT THE CHANGE OF THE NAME OF THE MISSISSIPPI
7 DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO THE
8 MISSISSIPPI DEVELOPMENT AUTHORITY; AND FOR RELATED PURPOSES.

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

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

12 [From and after July 1, 2002, through June 30, 2004, this
13 section shall read as follows:]

14 57-30-1. As used in this chapter, the following terms and
15 phrases shall have the meanings ascribed in this section unless
16 the context clearly indicates otherwise:

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

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

21 (c) "Project" means any family-oriented entertainment
22 enterprise such as campgrounds and theme parks, as designated by
23 the Mississippi Development Authority, with an initial capital
24 investment of not less than One Million Dollars (\$1,000,000.00).
25 The term "project" also means any of the following if located on
26 the project site or within one (1) mile of the project and owned
27 by the owner of the family-oriented entertainment enterprise: (a)
28 auditoriums, (b) dining facilities, (c) gift shops and (d) lodging
29 facilities. However, the capital investment in any such dining
30 facility or lodging facility shall not be included for purposes of



31 meeting the minimum capital investment requirement for a project.
32 The term "project" does not mean any business, corporation or
33 entity having a gaming license issued under Section 75-76-1 et
34 seq., Mississippi Code of 1972, but may include a family-oriented
35 entertainment enterprise owned by such a business, corporation or
36 entity that is in excess of development that the State Gaming
37 Commission requires for the issuance or renewal of a gaming
38 license.

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

40 **[From and after July 1, 2004, this section shall read as**
41 **follows:]**

42 57-30-1. As used in this chapter, the following terms and
43 phrases shall have the meanings ascribed in this section unless
44 the context clearly indicates otherwise:

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

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

49 (c) "Project" means any family-oriented entertainment
50 enterprise such as campgrounds and theme parks, as designated by
51 the Mississippi Development Authority, with an initial capital
52 investment of not less than Five Million Dollars (\$5,000,000.00)
53 if located in a county in a Tier One area, as designated under
54 Section 57-73-21, or with an initial capital investment of not
55 less than Three Million Dollars (\$3,000,000.00) if located in a
56 county in a Tier Two area or Tier Three area as designated in
57 Section 57-73-21. Whether a county is in a Tier One area, Tier
58 Two area or Tier Three area shall be determined by the
59 classification of the area at the time the initial investment is
60 made. The term "project" also means any of the following if
61 located on the project site or within one (1) mile of the project
62 and owned by the owner of the family-oriented entertainment
63 enterprise: (a) auditoriums, (b) dining facilities, (c) gift



64 shops and (d) lodging facilities. However, the capital investment
65 in any such dining facility or lodging facility shall not be
66 included for purposes of meeting the minimum capital investment
67 requirement for a project. The term "project" does not mean any
68 business, corporation or entity having a gaming license issued
69 under Section 75-76-1 et seq., Mississippi Code of 1972, but may
70 include a family-oriented entertainment enterprise owned by such a
71 business, corporation or entity that is in excess of development
72 that the State Gaming Commission requires for the issuance or
73 renewal of a gaming license.

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

75 **SECTION 2.** Section 57-30-3, Mississippi Code of 1972, is
76 amended as follows:

77 57-30-3. (1) The MDA shall develop, implement and
78 administer the incentive program authorized in this section and
79 shall promulgate rules and regulations necessary for the
80 development, implementation and administration of such program.

81 (2) A person, corporation or other entity desiring to
82 participate in the incentive payment program authorized in this
83 section must submit an application to the MDA. Such application
84 must contain (a) plans for the proposed project; (b) a detailed
85 description of the proposed project; (c) the method of financing
86 the proposed project and the terms of such financing; and (d) any
87 other information required by the MDA. The executive director of
88 the MDA shall review the application and determine whether it
89 qualifies as a project. If the executive director determines the
90 proposed project qualifies as a project, he shall issue a
91 certificate to the person, corporation or other entity designating
92 such person, corporation or other entity as an approved
93 participant and authorizing the approved participant to
94 participate in the incentive payment program provided for in this
95 section.



96 (3) (a) There is created in the State Treasury a special
97 fund to be known as the "Sales Tax Incentive Fund," into which
98 shall be deposited such money as provided in Section 27-65-75(16).
99 The monies in the fund shall be used for the purpose of making the
100 incentive payments authorized in this section. The fund shall be
101 administered by the MDA, and monies in the fund shall be expended
102 upon appropriation by the Legislature. Unexpended amounts
103 remaining in the fund at the end of a fiscal year shall not lapse
104 into the General Fund, and any interest earned on or investment
105 earnings on the amounts in the fund shall be deposited to the
106 credit of the fund. The MDA may use not more than one percent
107 (1%) of interest earned or investment earnings, or both, on
108 amounts in the fund for administration and management of the
109 incentive program.

110 (b) Incentive payments may be made by the MDA to an
111 approved participant that incurs indebtedness or incurs capital
112 costs, or both, to locate a project in the state. The payments to
113 an approved participant shall be for the amount of sales tax
114 revenue collected on the gross proceeds of sales of a project,
115 after making the diversions required in Section 27-65-75, except
116 the diversion provided for in Section 27-65-75(1). The MDA shall
117 ensure that payments made pursuant to this section are utilized to
118 pay the debt service incurred by the approved participant for the
119 project as approved by the MDA or any project capital cost
120 incurred by the approved participant for the project as approved
121 by the MDA, or both. The MDA shall make payments to an approved
122 participant on a semiannual basis with payments being made in the
123 months of January and July. The aggregate amount that an approved
124 participant may receive shall not exceed thirty-five percent (35%)
125 of the original indebtedness or project capital cost, or both,
126 incurred by such participant for the project. The MDA shall make
127 the calculations necessary to make the payments provided for in
128 this section. The MDA shall cease making incentive payments to an



129 approved participant on the occurrence of the earlier of (i) the
130 date thirty-five percent (35%) of the original indebtedness, or
131 any refinancing of the original indebtedness, incurred for the
132 project or original project capital cost incurred for the project,
133 or both, is satisfied, (ii) ten (10) years from the date the
134 original indebtedness for the project was incurred, without regard
135 to any refinancing or additional financing for any addition to or
136 expansion of the project, or (iii) the project ceases operations.

137 (4) At such time as payments are no longer required to be
138 made to an approved participant, the MDA shall notify the State
139 Tax Commission and the sales tax revenue collected from such
140 project shall no longer be deposited into the Sales Tax Incentive
141 Fund, and any amounts remaining in the fund that were collected
142 from such participant shall be transferred to the State General
143 Fund; provided, however, if the project is located in a
144 municipality, a portion of such amount shall be paid to such
145 municipality in the same manner and amounts as provided for in
146 Section 27-65-75(1).

147 **SECTION 3.** This act shall take effect and be in force from
148 and after July 1, 2002.

