

REPORT OF CONFERENCE COMMITTEE

MADAM PRESIDENT AND MR. SPEAKER:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

S. B. No. 2930: Sales Tax Incentive Fund; revise indebtedness eligible for incentive payments.

We, therefore, respectfully submit the following report and recommendation:

1. That the House recede from its Amendment No. 1.

2. That the Senate and House adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

17 **SECTION 1.** Section 57-30-1, Mississippi Code of 1972, is
18 amended as follows:

19 57-30-1. As used in this chapter, the following terms and
20 phrases shall have the meanings ascribed in this section unless
21 the context clearly indicates otherwise:

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

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

26 (c) "Project" means any family-oriented entertainment
27 enterprise such as campgrounds and theme parks, as designated by
28 the Mississippi Development Authority, with an initial capital
29 investment of not less than Five Million Dollars (\$5,000,000.00)
30 in federal, local and/or private funds if located in a county in a
31 Tier One area, as designated under Section 57-73-21, or with an
32 initial capital investment of not less than Three Million Dollars
33 (\$3,000,000.00) in federal, local and/or private funds if located
34 in a county in a Tier Two area or Tier Three area as designated in
35 Section 57-73-21. Whether a county is in a Tier One area, Tier
36 Two area or Tier Three area shall be determined by the
37 classification of the area at the time the initial investment is
38 made. The term "project" also means any of the following

ancillary businesses if located on the project site or within one (1) mile of the project and owned by the owner of the family-oriented entertainment enterprise or owned by an entity legally affiliated with the owner of the family-oriented entertainment enterprise: (i) auditoriums, (ii) dining facilities, (iii) gift shops, and (iv) lodging facilities. However, the capital investment in any such dining facility or lodging facility shall not be included for purposes of meeting the minimum capital investment requirement for a project. The term "project" does not mean any business, corporation or entity having a gaming license issued under Section 75-76-1 et seq., Mississippi Code of 1972, but may include a family-oriented entertainment enterprise owned by such a business, corporation or entity that is in excess of development that the State Gaming Commission requires for the issuance or renewal of a gaming license.

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

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

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

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

section.

(3) (a) There is created in the State Treasury a special fund to be known as the "Sales Tax Incentive Fund," into which shall be deposited such money as provided in Section 27-65-75(16).

The monies in the fund shall be used for the purpose of making the incentive payments authorized in this section. The fund shall be administered by the MDA. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the General Fund, and any interest earned on or investment earnings on the amounts in the fund shall be deposited to the credit of the fund.

The MDA may use not more than one percent (1%) of interest earned or investment earnings, or both, on amounts in the fund for administration and management of the incentive program.

(b) Subject to the provisions of this section, incentive payments may be made by the MDA to an approved participant that incurs indebtedness or incurs capital costs, or both, to locate a project in the state. The payments to an approved participant shall be for the amount of sales tax revenue collected on the gross proceeds of sales of a project, after making the diversions required in Section 27-65-75, except the diversion provided for in Section 27-65-75(1). The MDA shall ensure that payments made pursuant to this section are utilized to pay the debt service incurred by the approved participant for the project as approved by the MDA or any project capital cost incurred by the approved participant for the project as approved by the MDA, or both. The MDA shall make payments to an approved participant on a semiannual basis with payments being made in the months of January and July. For the purposes of determining the amount of indebtedness or project capital costs, or both, incurred for any ancillary business, as described in Section 57-30-1(c), which is eligible for incentive payments under this section, the amount of such indebtedness or project capital costs, or both, shall be limited to an amount not greater than the indebtedness or project capital costs, or both, incurred for the primary project.

The aggregate amount that an approved participant may receive shall not exceed thirty-five percent (35%) of the portion of the

original indebtedness that is funded from private sources or project capital cost that is funded from private sources, or both, incurred by such participant for the project. The MDA shall make the calculations necessary to make the payments provided for in this section. The MDA shall cease making incentive payments to an approved participant on the occurrence of the earlier of (i) the date thirty-five percent (35%) of the portion of the original indebtedness that is funded from private sources, or any refinancing of the portion of the original indebtedness that is funded from private sources, incurred for the project or the portion of the original project capital cost that is funded from private sources incurred for the project, or both, is satisfied, (ii) ten (10) years from the date the original indebtedness for the project was incurred, without regard to any refinancing or additional financing for any addition to or expansion of the project, or (iii) the project ceases operations.

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

SECTION 3. Sections 57-30-1 and 57-30-3 shall stand repealed from and after July 1, 2004.

SECTION 4. This act shall take effect and be in force from and after its passage.

Further, amend by striking the title in its entirety and inserting in lieu thereof the following:

AN ACT TO AMEND SECTIONS 57-30-1 AND 57-30-3, MISSISSIPPI CODE OF 1972, TO REFLECT THE CHANGE OF THE NAME OF THE MISSISSIPPI DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO REVISE THE AMOUNT OF INDEBTEDNESS FOR WHICH PERSONS, CORPORATIONS OR OTHER ENTITIES MAY RECEIVE INCENTIVE PAYMENTS FROM THE SALES TAX INCENTIVE FUND; TO PROVIDE THAT ELIGIBLE PROJECTS SHALL INCLUDE CERTAIN ANCILLARY

8 BUSINESSES OWNED BY A LEGAL ENTITY LEGALLY AFFILIATED WITH THE
9 OWNER OF THE FAMILY-ORIENTED ENTERTAINMENT ENTERPRISE; TO PROVIDE
10 THAT THE AMOUNT OF THE INDEBTEDNESS MAY BE FUNDED FROM FEDERAL,
11 LOCAL AND/OR PRIVATE SOURCES; TO PROVIDE THAT THE AMOUNT THAT A
12 PARTICIPANT MAY RECEIVE SHALL NOT EXCEED 35% OF THE INDEBTEDNESS
13 FUNDED FROM PRIVATE SOURCES; TO DELETE THE REQUIREMENT THAT MONIES
14 IN THE SALES TAX INCENTIVE FUND BE APPROPRIATED IN ORDER TO BE
15 EXPENDED; AND FOR RELATED PURPOSES.

CONFEREES FOR THE SENATE

X _____
William R. Minor

X _____
Alan Nunnelee

X _____
Thomas E. Robertson

CONFEREES FOR THE HOUSE

X _____
Leonard Morris

X _____
Jeffrey C. Smith

X _____
Lee Jarrell Davis