

By: Representative Peranich

To: Tourism; Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1025

1 AN ACT TO PROVIDE AN INCENTIVE FOR PERSONS, CORPORATIONS OR
2 OTHER ENTITIES THAT MAKE CAPITAL INVESTMENTS TO LOCATE CERTAIN
3 TOURISM-ORIENTED ENTERPRISES IN THIS STATE; TO CREATE THE TOURISM
4 SALES TAX INCENTIVE FUND; TO AUTHORIZE INCENTIVE PAYMENTS FROM
5 SUCH FUND TO PERSONS, CORPORATIONS OR OTHER ENTITIES THAT MAKE
6 CAPITAL INVESTMENTS TO LOCATE CERTAIN TOURISM-ORIENTED ENTERPRISES
7 IN THIS STATE; TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY
8 TO DEVELOP A PROGRAM TO ADMINISTER THE TOURISM INCENTIVE PROGRAM
9 AUTHORIZED BY THIS ACT; TO CREATE THE TOURISM INCENTIVE PROGRAM;
10 TO AMEND SECTION 57-30-5, MISSISSIPPI CODE OF 1972, WHICH PROVIDES
11 FOR PARTICIPATION IN THE SALES TAX INCENTIVE FUND PROGRAM, TO
12 PROVIDE THAT NO CERTIFICATES AUTHORIZING PARTICIPATION IN THE
13 PROGRAM SHALL BE ISSUED AFTER JULY 1, 2005; TO EXTEND THE DATE OF
14 REPEAL FOR SUCH SECTION; TO AMEND SECTION 27-65-75, MISSISSIPPI
15 CODE OF 1972, TO CONFORM TO THE PROVISIONS OF THIS ACT; AND FOR
16 RELATED PURPOSES.

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

18 **SECTION 1.** As used in Sections 1 and 2 of this act, the
19 following terms and phrases shall have the meanings ascribed in
20 this section unless the context clearly indicates otherwise:

21 (a) "Approved capital costs" means any or all of the
22 following:

23 (i) Obligations incurred for labor and materials
24 in connection with the acquisition, construction, installation,
25 equipping, and rehabilitation of a project and all related costs
26 thereto;

27 (ii) The costs of acquiring land or rights in land
28 and any cost incidental thereto;

29 (iii) All costs of reasonable architectural and
30 engineering services, including test borings, surveys, estimates,
31 plans and specifications, preliminary investigations, and
32 supervision of construction, as well as for the performance of all
33 the duties required by or consequent to the acquisition,

34 construction, installation, equipping, and rehabilitation of a
35 project;

36 (iv) All costs which shall be required to be paid
37 under the terms of any contract or contracts for the acquisition,
38 construction, installation, equipping, and rehabilitation of a
39 project; and

40 (v) All other costs of a nature comparable to
41 those described above.

42 Approved capital costs does not mean working capital,
43 marketing expense, inventory and other soft cost as determined by
44 the MDA.

45 (b) "Approved participant" means a person, corporation,
46 or other entity issued a certificate by the MDA under Section 2 of
47 this act.

48 (c) "Board" means the Tourism Incentive Program Board.

49 (d) "Certificate" means a Certificate of Public
50 Convenience and Necessity authorized to be issued by the MDA
51 pursuant to Sections 1 and 2 of this act as approved and directed
52 by the board.

53 (e) "MDA" means the Mississippi Development Authority.

54 (f) "Project" means any of the following:

55 (i) A tourist-oriented enterprise as herein
56 specified or as designated by the MDA, with an initial capital
57 investment of not less than Five Million Dollars (\$5,000,000.00)
58 from federal, local and/or private sources if located in a county
59 in a Tier One area as designated under Section 57-73-21, or, with
60 an initial capital investment of not less than Three Million
61 Dollars (\$3,000,000.00) from federal, local and/or private sources
62 if located in a county in a Tier Two area or Tier Three area as
63 designated in Section 57-73-21. Whether a county is in a Tier One
64 area, Tier Two area or Tier Three area shall be determined by the
65 classification of the area at the time the initial investment is
66 made;

67 (ii) Future project expansions and complementary
68 projects and facilities meeting the same criteria for a project,
69 as defined herein, which are contiguous to the original project
70 site or within a designated development district created by a unit
71 of local government and owned by the owner of the initial project,
72 or its successor in interest, and which project additions and
73 expansions must also meet all other criteria of a qualifying
74 project;

75 (iii) A cultural or historical site, a recreation
76 or entertainment facility, or a facility that creates a natural
77 phenomenon or scenic beauty as determined by the MDA and approved
78 by the board;

79 (iv) Lodging facilities that have a minimum of one
80 hundred fifty (150) rooms, at least twenty (20) square feet of
81 meeting space per hotel room, and are within one thousand (1,000)
82 feet of a convention center owned by a unit of local government,
83 which convention center has at least twenty-five thousand (25,000)
84 square feet of exhibit space and at least ten thousand (10,000)
85 square feet of meeting and ballroom space; or

86 (v) Hotel facilities that involve the restoration
87 or rehabilitation of a structure that is listed individually in
88 the National Register of Historic Places, or are located in a
89 National Register Historic District.

90 In addition, in order for a project to qualify under the
91 provisions of Sections 1 and 2 of this act, it shall, at a
92 minimum, have a positive economic impact on the state and the
93 increased tax revenues and economic benefits derived from the
94 project will exceed the tax incentives granted to the approved
95 participant pursuant to this act.

96 The term "project" does not mean any of the following: (a)
97 any business, corporation or entity having a gaming license issued
98 under Section 75-76-1 et seq., Mississippi Code of 1972, but may
99 include a tourism-oriented facility 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; (b) except for a project promoting or otherwise marketing and selling crafts and products made in the state, facilities that are (i) primarily devoted to the retail sale of merchandise and goods in which retail sales exceed twenty-five percent (25%) of the total sales of the facility, or (ii) tourism-oriented facilities out of which the retail sale of merchandise and goods exceeds twenty-five percent (25%) of total sales in which retail sales exceed twenty-five percent (25%) of the total sales of the facility of the attraction; or (iii) any project that receives a tax subsidy or tax credit of any kind from the state pursuant to any other law.

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

(h) "Unit of local government" means any city, county or other public entity created by statute.

SECTION 2. (1) There is created the Tourism Incentive Program Board whose voting members shall be the Executive Director of the MDA, who shall serve as chairman, the Chairman of the State Tax Commission or his designee, and the Executive Director of the Department of Finance and Administration. The President of the Mississippi Tourism Association and the Director of the Tourism Division of the MDA shall serve in an advisory capacity as nonvoting members of the board. The board shall meet subject to the call of the chairman, shall keep minutes of its proceedings, and shall be authorized, in its sole discretion, to approve the issuance of certificates by the MDA approving projects as "qualified projects" which certificates shall set forth the terms and provisions under which such projects are approved and the extent to which such projects may receive the incentives provided in Sections 1 and 2 of this act, as may be determined by the board. All projects approved by the board pursuant to Sections 1 and 2 of this act shall require two (2) affirmative votes. The

board shall be further authorized to require the MDA to rescind and terminate certificates, enforce the terms and provisions of the certificates and any agreements arising therefrom and exercise any available remedy at law or arising out of contract approved by the board pursuant to any project approved pursuant to this act.

(2) The MDA shall develop, implement and administer the program authorized in Sections 1 and 2 of this act and shall submit rules and regulations necessary for the development, implementation and administration of such program to the board for its consideration and approval.

(3) Any person, corporation or other entity desiring to participate in the incentive program authorized by Sections 1 and 2 of this act must pay a nonrefundable application fee of Five Thousand Dollars (\$5,000.00) to the MDA which shall be used, without appropriation from the Legislature, by the MDA to offset administrative costs and then shall submit an application, hereinafter described, to the MDA. Such application must contain (a) plans for the proposed project; (b) a detailed description of the proposed project and its site; (c) a project budget including capital and other anticipated expenditures for the project that indicates that the total cost of the project shall achieve or exceed the investment threshold and the anticipated sources of funding the costs of the project; (d) marketing plans for the project; (e) the anticipated employment and wages to be paid at the project; (f) business plans describing the operation of the project, including the anticipated revenues and expenses generated by the project; (g) financial information regarding the applicant as may be requested by the MDA and/or the board to demonstrate that the applicant has the financial resources to construct and operate the project; (h) resumes of applicants and of its senior staff as may be requested by the MDA and/or the board to demonstrate that the applicant has the required experience to construct and operate the project; and (i) any other information

required by the MDA that would satisfactorily demonstrate that the project meets all specified criteria prescribed and approved by the board.

(4) If the MDA determines that the applicant and the project reasonably satisfy the criteria for approval as described in Sections 1 and 2 of this act, then the MDA shall submit a written memorandum describing the project and the applicant to the board requesting that the board consider a preliminary approval of the project.

(5) After receiving the preliminary approval of the board, the MDA shall engage the services of an institution of higher learning in the state to analyze the data made available by the applicant and to collect and analyze additional information necessary to determine that, in the independent judgment of the institution of higher learning, the tourism project: (a) shall have capital expenditures in excess of the minimum requirements set forth herein; (b) shall have a positive economic impact on the state; (c) will not occur if not for the designation of the project and granting of incentives by the state to the project; and (d) complies with the rules and regulations and minimum requirements adopted by the board.

The institution of higher learning shall consult with MDA staff and shall agree as to methodology to be used and assumptions to be made in preparing its report, and upon completion of such analysis, shall provide the board and the MDA staff a written report of its findings. Approval shall not be granted if it is determined that there is no projected net positive economic impact to the state.

The applicant shall pay for the cost of the institution of higher learning's report, shall cooperate with the institution of higher learning, and shall provide all of the data that the institution of higher learning deems necessary to make its determination under this paragraph (e).

199 (6) After a review of relevant materials, the institution of
200 higher learning's report, and completion of other inquiries, the
201 board may approve the project and direct the MDA to issue its
202 certificate approving the project, setting forth the terms and
203 conditions under which the project is approved and the extent to
204 which the incentives provided for herein may be used. A copy of
205 each certificate issued by the MDA shall be sent to the State Tax
206 Commission.

207 (7) (a) There is created in the State Treasury a special
208 fund to be known as the "Tourism Sales Tax Incentive Fund," into
209 which shall be deposited such money as provided in Section
210 27-65-75(19). The monies in the fund shall be used for the
211 purpose of making the incentive payments authorized in this
212 section. The fund shall be administered by the MDA. Unexpended
213 amounts remaining in the fund at the end of a fiscal year shall
214 not lapse into the General Fund, and any interest earned on or
215 investment earnings on the amounts in the fund shall be deposited
216 to the credit of the fund. MDA may use not more than one percent
217 (1%) of interest earned or investment earnings, or both, on
218 amounts in the fund for administration and management of the
219 incentive program. Any funds used by MDA under this subsection
220 shall be in addition to any funds made available to MDA under
221 Section 2(3) of this act.

222 (b) Incentive payments may be made by the MDA to an
223 approved participant that incurs approved costs to locate an
224 approved project in the state. The payments to an approved
225 participant shall be for the amount of sales tax revenue collected
226 on the gross proceeds of sales generated by the project, after
227 making the diversions required in Section 27-65-75, except the
228 diversion provided for in Section 27-65-75(1). The incentive
229 payments shall decrease at the rate of ten percent (10%) per year
230 during the first five (5) years of payments and shall be in the
231 amount of fifty percent (50%) of the sales generated by the

project, after making the applicable diversions, in years six (6) through ten (10) of payments. 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 or any approved cost incurred by the approved participant for the project as set forth in the certificates issued by the MDA. The MDA shall make payments to an approved participant on a semiannual basis with payments being made in the months of January and July. The aggregate amount that an approved participant may receive shall not exceed thirty-five percent (35%) of the original capital costs, funded from private sources, incurred for the project by such approved participant. The MDA shall make the calculations necessary to make the payments provided for in this section and submit such calculations to the board for its consideration and approval. The MDA shall cease making incentive payments to an approved participant upon the occurrence of the earlier of (i) the date thirty-five percent (35%) of the original indebtedness, or any refinancing of the original indebtedness, incurred for the project or original project capital cost incurred for the project from private sources, 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; (iii) any violation of the terms and provisions of the certificate or any agreement arising out of the certificate; (iv) the project ceases operations for a continuous period of ninety (90) days or more (except for seasonal projects or an act of God); or (v) the project or approved applicant is involved in any state or federal bankruptcy proceedings not discharged within ninety (90) days.

(8) 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 Tourism Sales Tax

265 Incentive Fund, and any amounts remaining in the fund that were
266 collected from such participant shall be transferred to the State
267 General Fund; however, if the project is located in a
268 municipality, a portion of such amount shall be paid to such
269 municipality in the same manner and amounts as provided for in
270 Section 27-65-75(1).

271 **SECTION 3.** Section 27-65-75, Mississippi Code of 1972, is
272 amended as follows:

273 27-65-75. On or before the fifteenth day of each month, the
274 revenue collected under the provisions of this chapter during the
275 preceding month shall be paid and distributed as follows:

276 (1) On or before August 15, 1992, and each succeeding month
277 thereafter through July 15, 1993, eighteen percent (18%) of the
278 total sales tax revenue collected during the preceding month under
279 the provisions of this chapter, except that collected under the
280 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
281 business activities within a municipal corporation shall be
282 allocated for distribution to the municipality and paid to the
283 municipal corporation. On or before August 15, 1993, and each
284 succeeding month thereafter, eighteen and one-half percent
285 (18-1/2%) of the total sales tax revenue collected during the
286 preceding month under the provisions of this chapter, except that
287 collected under the provisions of Sections 27-65-15, 27-65-19(3)
288 and 27-65-21, on business activities within a municipal
289 corporation shall be allocated for distribution to the
290 municipality and paid to the municipal corporation.

291 A municipal corporation, for the purpose of distributing the
292 tax under this subsection, shall mean and include all incorporated
293 cities, towns and villages.

294 Monies allocated for distribution and credited to a municipal
295 corporation under this subsection may be pledged as security for
296 any loan received by the municipal corporation for the purpose of
297 capital improvements as authorized under Section 57-1-303, or

298 loans as authorized under Section 57-44-7, or water systems
299 improvements as authorized under Section 41-3-16.

300 In any county having a county seat that is not an
301 incorporated municipality, the distribution provided under this
302 subsection shall be made as though the county seat was an
303 incorporated municipality; however, the distribution to the
304 municipality shall be paid to the county treasury in which the
305 municipality is located, and those funds shall be used for road,
306 bridge and street construction or maintenance in the county.

307 (2) On or before September 15, 1987, and each succeeding
308 month thereafter, from the revenue collected under this chapter
309 during the preceding month One Million One Hundred Twenty-five
310 Thousand Dollars (\$1,125,000.00) shall be allocated for
311 distribution to municipal corporations as defined under subsection
312 (1) of this section in the proportion that the number of gallons
313 of gasoline and diesel fuel sold by distributors to consumers and
314 retailers in each such municipality during the preceding fiscal
315 year bears to the total gallons of gasoline and diesel fuel sold
316 by distributors to consumers and retailers in municipalities
317 statewide during the preceding fiscal year. The State Tax
318 Commission shall require all distributors of gasoline and diesel
319 fuel to report to the commission monthly the total number of
320 gallons of gasoline and diesel fuel sold by them to consumers and
321 retailers in each municipality during the preceding month. The
322 State Tax Commission shall have the authority to promulgate such
323 rules and regulations as is necessary to determine the number of
324 gallons of gasoline and diesel fuel sold by distributors to
325 consumers and retailers in each municipality. In determining the
326 percentage allocation of funds under this subsection for the
327 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
328 State Tax Commission may consider gallons of gasoline and diesel
329 fuel sold for a period of less than one (1) fiscal year. For the

purposes of this subsection, the term "fiscal year" means the fiscal year beginning July 1 of a year.

(3) On or before September 15, 1987, and on or before the fifteenth day of each succeeding month, until the date specified in Section 65-39-35, the proceeds derived from contractors' taxes levied under Section 27-65-21 on contracts for the construction or reconstruction of highways designated under the highway program created under Section 65-3-97 shall, except as otherwise provided in Section 31-17-127, be deposited into the State Treasury to the credit of the State Highway Fund to be used to fund that highway program. The Mississippi Department of Transportation shall provide to the State Tax Commission such information as is necessary to determine the amount of proceeds to be distributed under this subsection.

(4) On or before August 15, 1994, and on or before the fifteenth day of each succeeding month through July 15, 1999, from the proceeds of gasoline, diesel fuel or kerosene taxes as provided in Section 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) shall be deposited in the State Treasury to the credit of a special fund designated as the "State Aid Road Fund," created by Section 65-9-17. On or before August 15, 1999, and on or before the fifteenth day of each succeeding month, from the total amount of the proceeds of gasoline, diesel fuel or kerosene taxes apportioned by Section 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) or an amount equal to twenty-three and one-fourth percent (23.25%) of those funds, whichever is the greater amount, shall be deposited in the State Treasury to the credit of the "State Aid Road Fund," created by Section 65-9-17. Those funds shall be pledged to pay the principal of and interest on state aid road bonds heretofore issued under Sections 19-9-51 through 19-9-77, in lieu of and in substitution for the funds previously allocated to counties under this section. Those funds may not be pledged for the payment of any state aid road bonds

issued after April 1, 1981; however, this prohibition against the pledging of any such funds for the payment of bonds shall not apply to any bonds for which intent to issue those bonds has been published, for the first time, as provided by law before March 29, 1981. From the amount of taxes paid into the special fund under this subsection and subsection (9) of this section, there shall be first deducted and paid the amount necessary to pay the expenses of the Office of State Aid Road Construction, as authorized by the Legislature for all other general and special fund agencies. The remainder of the fund shall be allocated monthly to the several counties in accordance with the following formula:

(a) One-third (1/3) shall be allocated to all counties in equal shares;

(b) One-third (1/3) shall be allocated to counties based on the proportion that the total number of rural road miles in a county bears to the total number of rural road miles in all counties of the state; and

(c) One-third (1/3) shall be allocated to counties based on the proportion that the rural population of the county bears to the total rural population in all counties of the state, according to the latest federal decennial census.

For the purposes of this subsection, the term "gasoline, diesel fuel or kerosene taxes" means such taxes as defined in paragraph (f) of Section 27-5-101.

The amount of funds allocated to any county under this subsection for any fiscal year after fiscal year 1994 shall not be less than the amount allocated to the county for fiscal year 1994. Monies allocated to a county from the State Aid Road Fund for fiscal year 1995 or any fiscal year thereafter that exceed the amount of funds allocated to that county from the State Aid Road Fund for fiscal year 1994, first must be expended by the county for replacement or rehabilitation of bridges on the state aid road system that have a sufficiency rating of less than twenty-five

396 (25), according to National Bridge Inspection standards before
397 the monies may be approved for expenditure by the State Aid Road
398 Engineer on other projects that qualify for the use of state aid
399 road funds.

400 Any reference in the general laws of this state or the
401 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
402 construed to refer and apply to subsection (4) of Section
403 27-65-75.

404 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
405 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
406 the special fund known as the "State Public School Building Fund"
407 created and existing under the provisions of Sections 37-47-1
408 through 37-47-67. Those payments into that fund are to be made on
409 the last day of each succeeding month hereafter.

410 (6) An amount each month beginning August 15, 1983, through
411 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
412 of 1983, shall be paid into the special fund known as the
413 Correctional Facilities Construction Fund created in Section 6 of
414 Chapter 542, Laws of 1983.

415 (7) On or before August 15, 1992, and each succeeding month
416 thereafter through July 15, 2000, two and two hundred sixty-six
417 one-thousandths percent (2.266%) of the total sales tax revenue
418 collected during the preceding month under the provisions of this
419 chapter, except that collected under the provisions of Section
420 27-65-17(2) shall be deposited by the commission into the School
421 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
422 or before August 15, 2000, and each succeeding month thereafter,
423 two and two hundred sixty-six one-thousandths percent (2.266%) of
424 the total sales tax revenue collected during the preceding month
425 under the provisions of this chapter, except that collected under
426 the provisions of Section 27-65-17(2), shall be deposited into the
427 School Ad Valorem Tax Reduction Fund created under Section
428 37-61-35 until such time that the total amount deposited into the

429 fund during a fiscal year equals Forty-two Million Dollars
430 (\$42,000,000.00). Thereafter, the amounts diverted under this
431 subsection (7) during the fiscal year in excess of Forty-two
432 Million Dollars (\$42,000,000.00) shall be deposited into the
433 Education Enhancement Fund created under Section 37-61-33 for
434 appropriation by the Legislature as other education needs and
435 shall not be subject to the percentage appropriation requirements
436 set forth in Section 37-61-33.

437 (8) On or before August 15, 1992, and each succeeding month
438 thereafter, nine and seventy-three one-thousandths percent
439 (9.073%) of the total sales tax revenue collected during the
440 preceding month under the provisions of this chapter, except that
441 collected under the provisions of Section 27-65-17(2), shall be
442 deposited into the Education Enhancement Fund created under
443 Section 37-61-33.

444 (9) On or before August 15, 1994, and each succeeding month
445 thereafter, from the revenue collected under this chapter during
446 the preceding month, Two Hundred Fifty Thousand Dollars
447 (\$250,000.00) shall be paid into the State Aid Road Fund.

448 (10) On or before August 15, 1994, and each succeeding month
449 thereafter through August 15, 1995, from the revenue collected
450 under this chapter during the preceding month, Two Million Dollars
451 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
452 Valorem Tax Reduction Fund established in Section 27-51-105.

453 (11) Notwithstanding any other provision of this section to
454 the contrary, on or before February 15, 1995, and each succeeding
455 month thereafter, the sales tax revenue collected during the
456 preceding month under the provisions of Section 27-65-17(2) and
457 the corresponding levy in Section 27-65-23 on the rental or lease
458 of private carriers of passengers and light carriers of property
459 as defined in Section 27-51-101 shall be deposited, without
460 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
461 established in Section 27-51-105.

(12) Notwithstanding any other provision of this section to the contrary, on or before August 15, 1995, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1) on retail sales of private carriers of passengers and light carriers of property, as defined in Section 27-51-101 and the corresponding levy in Section 27-65-23 on the rental or lease of these vehicles, shall be deposited, after diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.

(13) On or before July 15, 1994, and on or before the fifteenth day of each succeeding month thereafter, that portion of the avails of the tax imposed in Section 27-65-22 that is derived from activities held on the Mississippi state fairgrounds complex, shall be paid into a special fund that is created in the State Treasury and shall be expended upon legislative appropriation solely to defray the costs of repairs and renovation at the Trade Mart and Coliseum.

(14) On or before August 15, 1998, and each succeeding month thereafter through July 15, 2005, that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund, shall be deposited in an amount not to exceed Two Million Dollars (\$2,000,000.00) into the special fund created under Section 69-37-39.

(15) Notwithstanding any other provision of this section to the contrary, on or before September 15, 2000, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-19(1)(f) and (g)(i)2, shall be deposited, without diversion, into the Telecommunications Ad Valorem Tax Reduction Fund established in Section 27-38-7.

(16) On or before August 15, 2000, and each succeeding month thereafter, the sales tax revenue collected during the preceding

495 month under the provisions of this chapter on the gross proceeds
496 of sales of a project as defined in Section 57-30-1 shall be
497 deposited, after all diversions except the diversion provided for
498 in subsection (1) of this section, into the Sales Tax Incentive
499 Fund created in Section 57-30-3.

500 (17) Notwithstanding any other provision of this section to
501 the contrary, on or before April 15, 2002, and each succeeding
502 month thereafter, the sales tax revenue collected during the
503 preceding month under Section 27-65-23 on sales of parking
504 services of parking garages and lots at airports shall be
505 deposited, without diversion, into the special fund created under
506 Section 27-5-101(d).

507 (18) On or before August 15, 2005, and each succeeding month
508 thereafter through July 15, 2006, from the sales tax revenue
509 collected during the preceding month under the provisions of this
510 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
511 shall be deposited into the Special Funds Transfer Fund created in
512 Section 4 of Chapter 556, Laws of 2003.

513 (19) On or before August 15, 2005, and each succeeding month
514 thereafter, the sales tax revenue collected during the preceding
515 month under the provisions of this chapter on the gross proceeds
516 of sales of a project as defined in Section 1 of House Bill No.
517 1025, 2005 Regular Session, shall be deposited, after all
518 diversions except the diversion provided for in subsection (1) of
519 this section, into the Tourism Sales Tax Incentive Fund created in
520 Section 2 of House Bill No. 1025, 2005 Regular Session.

521 (20) The remainder of the amounts collected under the
522 provisions of this chapter shall be paid into the State Treasury
523 to the credit of the General Fund.

524 (21) It shall be the duty of the municipal officials of any
525 municipality that expands its limits, or of any community that
526 incorporates as a municipality, to notify the commissioner of
527 that action thirty (30) days before the effective date. Failure

528 to so notify the commissioner shall cause the municipality to
529 forfeit the revenue that it would have been entitled to receive
530 during this period of time when the commissioner had no knowledge
531 of the action. If any funds have been erroneously disbursed to
532 any municipality or any overpayment of tax is recovered by the
533 taxpayer, the commissioner may make correction and adjust the
534 error or overpayment with the municipality by withholding the
535 necessary funds from any later payment to be made to the
536 municipality.

537 **SECTION 4.** Section 57-30-5, Mississippi Code of 1972, is
538 amended as follows:

539 57-30-5. (1) The MDA shall develop, implement and
540 administer the incentive program authorized in this chapter and
541 shall promulgate rules and regulations necessary for the
542 development, implementation and administration of such program.

543 (2) A person, corporation or other entity desiring to
544 participate in the incentive payment program authorized in this
545 chapter must submit an application to the MDA. Such application
546 must contain (a) plans for the proposed project; (b) a detailed
547 description of the proposed project; (c) the method of financing
548 the proposed project and the terms of such financing; and (d) any
549 other information required by the MDA. The Executive Director of
550 the MDA shall review the application and determine whether it
551 qualifies as a project. If the executive director determines the
552 proposed project qualifies as a project, he shall issue a
553 certificate to the person, corporation or other entity designating
554 such person, corporation or other entity as an approved
555 participant and authorizing the approved participant to
556 participate in the incentive payment program provided for in this
557 chapter; however, no certificates shall be issued after July 1,
558 2004, for projects that pertain to facilities whose primary
559 purpose is the retail sale of tangible personal property. No

560 certificates shall be issued for any project under this section
561 after July 1, 2005.

562 (3) This section shall stand repealed from and after July 1,
563 2006.

564 **SECTION 5.** This act shall take effect and be in force from
565 and after July 1, 2005.