

By: Representatives Watson, Gadd, Peranich

To: Ways and Means

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1024

1 AN ACT TO AMEND SECTION 57-80-9, MISSISSIPPI CODE OF 1972, TO  
2 AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO EXTEND THE  
3 STATE TAX EXEMPTIONS UNDER THE GROWTH AND PROSPERITY ACT FOR NOT  
4 MORE THAN TWO YEARS FOR BUSINESS ENTERPRISES THAT ARE UNABLE TO  
5 UTILIZE THE TAX EXEMPTIONS AS A DIRECT RESULT OF CERTAIN  
6 DISASTERS; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 57-80-9, Mississippi Code of 1972, is  
9 amended as follows:

10 57-80-9. (1) Upon the issuance by the MDA of its  
11 certificate of public convenience and necessity, designating  
12 certain counties as growth and prosperity counties, any approved  
13 business enterprise in any such a growth and prosperity county or  
14 any approved business enterprise located within an eligible  
15 supervisors district within eight (8) miles of the boundary of the  
16 county that meets the criteria of Section 57-80-7(1)(b) shall be  
17 exempt from all local taxes levied by the county and all state  
18 taxes for a period of ten (10) years or until December 31, 2020,  
19 whichever occurs first, and upon consent of any municipality  
20 within such county or within such supervisors district and not  
21 more than eight (8) miles from the boundary of the county that  
22 meets the criteria of Section 57-80-7(1)(b), shall be exempt from  
23 all local taxes levied by such municipality for a period of ten  
24 (10) years or until December 31, 2020, whichever occurs first;  
25 however, if the business enterprise is located in an area that has  
26 been declared by the Governor to be a disaster area and as a  
27 direct result of the disaster the business enterprise is unable to  
28 utilize the exemption from state taxes, the MDA may extend the  
29 duration of the exemption from state taxes for not more than two

30 (2) years or until December 31, 2020, whichever occurs first. Any  
31 business enterprise that has property or equipment purchased  
32 utilizing the state tax exemption that is damaged or destroyed as  
33 a result of the disaster may purchase replacement equipment and  
34 component building materials exempt from sales and use tax.

35 (2) The following conditions, along with any other  
36 conditions the MDA shall promulgate from time to time by rule or  
37 regulation, shall apply to such exemptions: (a) any exemption  
38 provided under this chapter is nontransferable and cannot be  
39 applied, used or assigned to any other person or business or tax  
40 account; (b) no approved business enterprise may claim or use the  
41 exemption granted under this chapter unless that enterprise is in  
42 full compliance with all state and local tax laws, and related  
43 ordinances and resolutions; and (c) the approved business  
44 enterprise must enter into an agreement with the MDA which sets  
45 out, at a minimum the performance requirements of the approved  
46 business enterprise during the term of the exemption and  
47 provisions for the recapture of all or a portion of the taxes  
48 exempted if the performance requirements of the approved business  
49 enterprise are not met.

50 (3) Upon entering into such an agreement, the MDA shall  
51 forward such agreement to the State Tax Commission and the  
52 affected local taxing authorities so that the exemption can be  
53 implemented. The State Tax Commission shall promulgate rules and  
54 regulations, in accordance with the Mississippi Administrative  
55 Procedures Law, for the implementation of both local and state  
56 exemptions granted under this chapter.

57 (4) Any business enterprise that relocates its present  
58 operation and jobs to a growth and prosperity county or an  
59 eligible supervisors district and not more than eight (8) miles  
60 from the boundary of the county that meets the criteria of Section  
61 57-80-7(1)(b) from another county in the state shall not receive  
62 any of the exemptions granted in this chapter.

63           (5) If the annualized unemployment rate in a growth and  
64 prosperity county falls below one hundred fifty percent (150%) of  
65 the state's annualized unemployment rate for three (3) consecutive  
66 calendar years, the tax exemptions authorized under Sections  
67 57-62-5 through 57-62-15 may not be granted to additional business  
68 enterprises.

69           **SECTION 2.** This act shall take effect and be in force from  
70 and after July 1, 2007.