

By: Representatives Peranich, Guice

To: Tourism; Ways and Means

HOUSE BILL NO. 1142

1 AN ACT TO CREATE AN INCENTIVE FOR PERSONS, CORPORATIONS OR
2 OTHER ENTITIES TO LOCATE CERTAIN TOURISM PROJECTS IN THIS STATE;
3 TO CREATE THE TOURISM PROJECT SALES TAX INCENTIVE FUND; TO
4 AUTHORIZE CERTAIN INCENTIVE PAYMENTS FROM SUCH FUND TO PERSONS,
5 CORPORATIONS OR OTHER ENTITIES THAT MAKE CAPITAL INVESTMENTS IN
6 SUCH TOURISM PROJECTS; TO PROVIDE THAT INCENTIVE PAYMENTS SHALL
7 CEASE ON THE OCCURRENCE OF THE EARLIER OF THE DATE THAT AN
8 AGGREGATE AMOUNT OF 30% OF THE APPROVED PROJECT COSTS INCURRED BY
9 THE APPROVED PARTICIPANT FOR THE TOURISM PROJECT HAS BEEN PAID TO
10 THE APPROVED PARTICIPANT OR 10 YEARS AFTER THE DATE THE TOURISM
11 PROJECT OPENS FOR COMMERCIAL OPERATION; TO REQUIRE THE MISSISSIPPI
12 DEVELOPMENT AUTHORITY TO ADMINISTER THE PROGRAM; TO AMEND SECTION
13 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT 80% OF THE
14 SALES TAX REVENUE COLLECTED FROM THE OPERATION OF A TOURISM
15 PROJECT UNDER THE PROVISIONS OF THIS ACT SHALL BE DEPOSITED, AFTER
16 CERTAIN DIVERSIONS, INTO THE TOURISM PROJECT SALES TAX INCENTIVE
17 FUND; AND FOR RELATED PURPOSES.

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

19 **SECTION 1.** As used in Sections 1 through 3 of this act, the
20 following terms and phrases shall have the meanings ascribed in
21 this section unless the context clearly indicates otherwise:

22 (a) "Approved project costs" means actual costs
23 incurred by an approved participant for land acquisition,
24 construction, engineering, design and other costs approved by the
25 Mississippi Development Authority relating to a tourism project.
26 All costs must be verified by an independent third party approved
27 by the MDA. An approved participant shall pay the costs for the
28 third party verification of costs. Approved project costs may not
29 increase regardless of the actual costs incurred by the project.

30 (b) "Approved participant" means a person, corporation
31 or other entity issued a certificate by the Mississippi
32 Development Authority under Section 3 of this act.

33 (c) "MDA" means the Mississippi Development Authority.

34 (d) "Tourism project" shall include any of the
35 following as may be approved by the MDA:

36 (i) Theme parks, water parks, entertainment parks
37 or outdoor adventure parks, cultural or historical interpretive
38 educational centers or museums, race tracks, indoor or outdoor
39 entertainment centers or complexes, attractions created around a
40 natural phenomenon or scenic landscape and marinas open to the
41 public with a minimum private investment of not less than
42 Twenty-five Million Dollars (\$25,000,000.00) if located in county
43 in a Tier One area as designated under Section 57-73-21, with a
44 minimum private investment of not less than Twenty Million Dollars
45 (\$20,000,000.00) if located in a county in a Tier Two area as
46 designated under Section 57-73-21, or with a minimum private
47 investment of not less than Fifteen Million Dollars
48 (\$15,000,000.00) if located in a county in a Tier Three area as
49 designated under Section 57-73-21. Whether a county is in a Tier
50 One area, Tier Two area or Tier Three area shall be determined by
51 the classification of the area at the time the application is
52 approved;

53 (ii) A hotel with a minimum private investment of
54 Forty Million Dollars (\$40,000,000.00) in land, buildings,
55 architecture, engineering, fixtures, equipment, furnishings,
56 amenities and other related soft costs approved by the Mississippi
57 Development Authority, and having a minimum private investment of
58 One Hundred Fifty Thousand Dollars (\$150,000.00) per guest room
59 which amount shall be included within the minimum private
60 investment of Forty Million Dollars (\$40,000,000.00);

61 (iii) A public golf course with a minimum private
62 investment of Ten Million Dollars (\$10,000,000.00).

63 The term "tourism project" does not include any business,
64 corporation or entity having a gaming license issued under Section
65 75-76-1 et seq., but may include an entertainment enterprise owned
66 by such a business, corporation or entity that is in excess of

67 development that the State Gaming Commission requires for the
68 issuance or renewal or a gaming license.

69 The term "tourism project" does not include any facility
70 whose primary business is retail sales or any expansions of
71 existing projects.

72 (e) "State" means the State of Mississippi.

73 **SECTION 2.** (1) (a) There is created in the State Treasury
74 a special fund to be known as the "Tourism Project Sales Tax
75 Incentive Fund," into which shall be deposited such money as
76 provided in Section 27-65-75(16). The monies in the fund shall be
77 used for the purpose of making the incentive payments authorized
78 in this section. The fund shall be administered by the MDA.
79 Unexpended amounts remaining in the fund at the end of a fiscal
80 year shall not lapse into the State General Fund, and any interest
81 earned on or investment earnings on the amounts in the fund shall
82 be deposited to the credit of the fund. The MDA may use not more
83 than one percent (1%) of interest earned or investment earnings,
84 or both, on amounts in the fund for administration and management
85 of the incentive program authorized under Sections 1 through 3 of
86 this act.

87 (b) Subject to the provisions of this section,
88 incentive payments may be made by the MDA to an approved
89 participant that incurs approved project costs to locate a tourism
90 project in the state. The payments to an approved participant
91 shall be for eighty percent (80%) of the amount of sales tax
92 revenue collected from the operation of the tourism project, after
93 making the diversions required in Section 27-65-75(7) and (8).
94 The MDA shall make payments to an approved participant on a
95 semiannual basis with payments being made in the months of January
96 and July. The aggregate amount of incentive payments that an
97 approved participant may receive shall not exceed thirty percent
98 (30%) of the approved project costs incurred by the approved
99 participant for the tourism project. Expansions, enlargements or

100 additional investments made by an approved participant will not
101 increase authorized incentive payments certified by the MDA. The
102 MDA shall make the calculations necessary to make the payments
103 provided for in this section. The MDA shall cease making
104 incentive payments to an approved participant on the occurrence of
105 the earlier of:

106 (i) The date that an aggregate amount of thirty
107 percent (30%) of the approved project costs incurred by the
108 approved participant for the tourism project has been paid to the
109 approved participant; or

110 (ii) Ten (10) years after the date the tourism
111 project opens for commercial operation.

112 (2) At such time as incentive payments are no longer
113 required to be made to an approved participant, the MDA shall
114 notify the State Tax Commission and the sales tax revenue
115 collected from the tourism project shall no longer be deposited
116 into the Tourism Project Sales Tax Incentive Fund. Any amounts
117 remaining in the fund that were collected from such project shall
118 be transferred to the State General Fund.

119 **SECTION 3.** (1) The MDA shall develop, implement and
120 administer the incentive program authorized in Sections 1 through
121 3 of this act and shall promulgate rules and regulations necessary
122 for the development, implementation and administration of such
123 program.

124 (2) A person, corporation or other entity desiring to
125 participate in the incentive program authorized in Sections 1
126 through 3 of this act must submit an application and an
127 application fee in the amount of Five Thousand Dollars (\$5,000.00)
128 to the MDA. Such application must contain (a) plans for the
129 proposed tourism project; (b) a detailed description of the
130 proposed tourism project; (c) the method of financing the proposed
131 tourism project and the terms of such financing; (d) an
132 independent study that identifies the number of out-of-state

133 visitors anticipated to visit the project and the ratio of
134 out-of-state visitors to in-state visitors; and (e) any other
135 information required by the MDA. The Executive Director of the
136 MDA shall review the application and determine if it qualifies as
137 a tourism project. If the executive director determines the
138 proposed tourism project qualifies as a tourism project, he shall
139 issue a certificate to the person, corporation or other entity
140 designating such person, corporation or other entity as an
141 approved participant and authorizing the approved participant to
142 participate in the incentive program provided for in Sections 1
143 through 3 of this act.

144 (3) The MDA shall cause a cost benefit analysis of the
145 tourism project to be performed by a state institution of higher
146 learning, the university research center or some other entity
147 approved by the MDA.

148 **SECTION 4.** Section 27-65-75, Mississippi Code of 1972, is
149 amended as follows:

150 27-65-75. On or before the fifteenth day of each month, the
151 revenue collected under the provisions of this chapter during the
152 preceding month shall be paid and distributed as follows:

153 (1) (a) On or before August 15, 1992, and each succeeding
154 month thereafter through July 15, 1993, eighteen percent (18%) of
155 the total sales tax revenue collected during the preceding month
156 under the provisions of this chapter, except that collected under
157 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
158 business activities within a municipal corporation shall be
159 allocated for distribution to the municipality and paid to the
160 municipal corporation. On or before August 15, 1993, and each
161 succeeding month thereafter, eighteen and one-half percent
162 (18-1/2%) of the total sales tax revenue collected during the
163 preceding month under the provisions of this chapter, except that
164 collected under the provisions of Sections 27-65-15, 27-65-19(3)
165 and 27-65-21, on business activities within a municipal

166 corporation shall be allocated for distribution to the
167 municipality and paid to the municipal corporation.

168 A municipal corporation, for the purpose of distributing the
169 tax under this subsection, shall mean and include all incorporated
170 cities, towns and villages.

171 Monies allocated for distribution and credited to a municipal
172 corporation under this subsection may be pledged as security for a
173 loan if the distribution received by the municipal corporation is
174 otherwise authorized or required by law to be pledged as security
175 for such a loan.

176 In any county having a county seat that is not an
177 incorporated municipality, the distribution provided under this
178 subsection shall be made as though the county seat was an
179 incorporated municipality; however, the distribution to the
180 municipality shall be paid to the county treasury in which the
181 municipality is located, and those funds shall be used for road,
182 bridge and street construction or maintenance in the county.

183 (b) On or before August 15, 2006, and each succeeding
184 month thereafter, eighteen and one-half percent (18-1/2%) of the
185 total sales tax revenue collected during the preceding month under
186 the provisions of this chapter, except that collected under the
187 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
188 business activities on the campus of a state institution of higher
189 learning or community or junior college whose campus is not
190 located within the corporate limits of a municipality, shall be
191 allocated for distribution to the state institution of higher
192 learning or community or junior college and paid to the state
193 institution of higher learning or community or junior college.

194 (2) On or before September 15, 1987, and each succeeding
195 month thereafter, from the revenue collected under this chapter
196 during the preceding month, One Million One Hundred Twenty-five
197 Thousand Dollars (\$1,125,000.00) shall be allocated for
198 distribution to municipal corporations as defined under subsection

199 (1) of this section in the proportion that the number of gallons
200 of gasoline and diesel fuel sold by distributors to consumers and
201 retailers in each such municipality during the preceding fiscal
202 year bears to the total gallons of gasoline and diesel fuel sold
203 by distributors to consumers and retailers in municipalities
204 statewide during the preceding fiscal year. The State Tax
205 Commission shall require all distributors of gasoline and diesel
206 fuel to report to the commission monthly the total number of
207 gallons of gasoline and diesel fuel sold by them to consumers and
208 retailers in each municipality during the preceding month. The
209 State Tax Commission shall have the authority to promulgate such
210 rules and regulations as is necessary to determine the number of
211 gallons of gasoline and diesel fuel sold by distributors to
212 consumers and retailers in each municipality. In determining the
213 percentage allocation of funds under this subsection for the
214 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
215 State Tax Commission may consider gallons of gasoline and diesel
216 fuel sold for a period of less than one (1) fiscal year. For the
217 purposes of this subsection, the term "fiscal year" means the
218 fiscal year beginning July 1 of a year.

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

231 (4) On or before August 15, 1994, and on or before the
232 fifteenth day of each succeeding month through July 15, 1999, from
233 the proceeds of gasoline, diesel fuel or kerosene taxes as
234 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
235 (\$4,000,000.00) shall be deposited in the State Treasury to the
236 credit of a special fund designated as the "State Aid Road Fund,"
237 created by Section 65-9-17. On or before August 15, 1999, and on
238 or before the fifteenth day of each succeeding month, from the
239 total amount of the proceeds of gasoline, diesel fuel or kerosene
240 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
241 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
242 one-fourth percent (23-1/4%) of those funds, whichever is the
243 greater amount, shall be deposited in the State Treasury to the
244 credit of the "State Aid Road Fund," created by Section 65-9-17.
245 Those funds shall be pledged to pay the principal of and interest
246 on state aid road bonds heretofore issued under Sections 19-9-51
247 through 19-9-77, in lieu of and in substitution for the funds
248 previously allocated to counties under this section. Those funds
249 may not be pledged for the payment of any state aid road bonds
250 issued after April 1, 1981; however, this prohibition against the
251 pledging of any such funds for the payment of bonds shall not
252 apply to any bonds for which intent to issue those bonds has been
253 published, for the first time, as provided by law before March 29,
254 1981. From the amount of taxes paid into the special fund under
255 this subsection and subsection (9) of this section, there shall be
256 first deducted and paid the amount necessary to pay the expenses
257 of the Office of State Aid Road Construction, as authorized by the
258 Legislature for all other general and special fund agencies. The
259 remainder of the fund shall be allocated monthly to the several
260 counties in accordance with the following formula:

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

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

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

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

274 The amount of funds allocated to any county under this
275 subsection for any fiscal year after fiscal year 1994 shall not be
276 less than the amount allocated to the county for fiscal year 1994.

277 Any reference in the general laws of this state or the
278 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
279 construed to refer and apply to subsection (4) of Section
280 27-65-75.

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

287 (6) An amount each month beginning August 15, 1983, through
288 November 15, 1986, as specified in Section 6 of Chapter 542, Laws
289 of 1983, shall be paid into the special fund known as the
290 Correctional Facilities Construction Fund created in Section 6 of
291 Chapter 542, Laws of 1983.

292 (7) On or before August 15, 1992, and each succeeding month
293 thereafter through July 15, 2000, two and two hundred sixty-six
294 one-thousandths percent (2.266%) of the total sales tax revenue
295 collected during the preceding month under the provisions of this

296 chapter, except that collected under the provisions of Section
297 27-65-17(2) shall be deposited by the commission into the School
298 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
299 or before August 15, 2000, and each succeeding month thereafter,
300 two and two hundred sixty-six one-thousandths percent (2.266%) of
301 the total sales tax revenue collected during the preceding month
302 under the provisions of this chapter, except that collected under
303 the provisions of Section 27-65-17(2), shall be deposited into the
304 School Ad Valorem Tax Reduction Fund created under Section
305 37-61-35 until such time that the total amount deposited into the
306 fund during a fiscal year equals Forty-two Million Dollars
307 (\$42,000,000.00). Thereafter, the amounts diverted under this
308 subsection (7) during the fiscal year in excess of Forty-two
309 Million Dollars (\$42,000,000.00) shall be deposited into the
310 Education Enhancement Fund created under Section 37-61-33 for
311 appropriation by the Legislature as other education needs and
312 shall not be subject to the percentage appropriation requirements
313 set forth in Section 37-61-33.

314 (8) On or before August 15, 1992, and each succeeding month
315 thereafter, nine and seventy-three one-thousandths percent
316 (9.073%) of the total sales tax revenue collected during the
317 preceding month under the provisions of this chapter, except that
318 collected under the provisions of Section 27-65-17(2), shall be
319 deposited into the Education Enhancement Fund created under
320 Section 37-61-33.

321 (9) On or before August 15, 1994, and each succeeding month
322 thereafter, from the revenue collected under this chapter during
323 the preceding month, Two Hundred Fifty Thousand Dollars
324 (\$250,000.00) shall be paid into the State Aid Road Fund.

325 (10) On or before August 15, 1994, and each succeeding month
326 thereafter through August 15, 1995, from the revenue collected
327 under this chapter during the preceding month, Two Million Dollars

328 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
329 Valorem Tax Reduction Fund established in Section 27-51-105.

330 (11) Notwithstanding any other provision of this section to
331 the contrary, on or before February 15, 1995, and each succeeding
332 month thereafter, the sales tax revenue collected during the
333 preceding month under the provisions of Section 27-65-17(2) and
334 the corresponding levy in Section 27-65-23 on the rental or lease
335 of private carriers of passengers and light carriers of property
336 as defined in Section 27-51-101 shall be deposited, without
337 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
338 established in Section 27-51-105.

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

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

356 (14) On or before August 15, 1998, and each succeeding month
357 thereafter through July 15, 2005, that portion of the avails of
358 the tax imposed in Section 27-65-23 that is derived from sales by
359 cotton compresses or cotton warehouses and that would otherwise be
360 paid into the General Fund, shall be deposited in an amount not to

361 exceed Two Million Dollars (\$2,000,000.00) into the special fund
362 created under Section 69-37-39.

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

370 (16) (a) On or before August 15, 2000, and each succeeding
371 month thereafter, the sales tax revenue collected during the
372 preceding month under the provisions of this chapter on the gross
373 proceeds of sales of a project as defined in Section 57-30-1 shall
374 be deposited, after all diversions except the diversion provided
375 for in subsection (1) of this section, into the Sales Tax
376 Incentive Fund created in Section 57-30-3.

377 (b) On or before August 15, 2007, and each succeeding
378 month thereafter, eighty percent (80%) of the sales tax revenue
379 collected during the preceding month under the provisions of this
380 chapter from the operation of a tourism project under the
381 provisions of Sections 1 through 3 of House Bill No. 1142, 2007
382 Regular Session, shall be deposited, after the diversions required
383 in subsections (7) and (8) of this section, into the Tourism
384 Project Sales Tax Incentive Fund created in Section 2 of House
385 Bill No. 1142, 2007 Regular Session.

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

393 (18) On or before August 15, 2007, and each succeeding month
394 thereafter through July 15, 2008, from the sales tax revenue
395 collected during the preceding month under the provisions of this
396 chapter, Two Million Five Hundred Thousand Dollars (\$2,500,000.00)
397 shall be deposited into the Special Funds Transfer Fund created in
398 Section 4 of Chapter 556, Laws of 2003.

399 (19) (a) On or before August 15, 2005, and each succeeding
400 month thereafter, the sales tax revenue collected during the
401 preceding month under the provisions of this chapter on the gross
402 proceeds of sales of a business enterprise located within a
403 redevelopment project area under the provisions of Sections
404 57-91-1 through 57-91-11, and the revenue collected on the gross
405 proceeds of sales from sales made to a business enterprise located
406 in a redevelopment project area under the provisions of Sections
407 57-91-1 through 57-91-11 (provided that such sales made to a
408 business enterprise are made on the premises of the business
409 enterprise), shall, except as otherwise provided in this
410 subsection (19), be deposited, after all diversions, into the
411 Redevelopment Project Incentive Fund as created in Section
412 57-91-9.

413 (b) For a municipality participating in the Economic
414 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
415 the diversion provided for in subsection (1) of this section
416 attributable to the gross proceeds of sales of a business
417 enterprise located within a redevelopment project area under the
418 provisions of Sections 57-91-1 through 57-91-11, and attributable
419 to the gross proceeds of sales from sales made to a business
420 enterprise located in a redevelopment project area under the
421 provisions of Sections 57-91-1 through 57-91-11 (provided that
422 such sales made to a business enterprise are made on the premises
423 of the business enterprise), shall be deposited into the
424 Redevelopment Project Incentive Fund as created in Section
425 57-91-9, as follows:

426 (i) For the first six (6) years in which payments
427 are made to a developer from the Redevelopment Project Incentive
428 Fund, one hundred percent (100%) of the diversion shall be
429 deposited into the fund;

430 (ii) For the seventh year in which such payments
431 are made to a developer from the Redevelopment Project Incentive
432 Fund, eighty percent (80%) of the diversion shall be deposited
433 into the fund;

434 (iii) For the eighth year in which such payments
435 are made to a developer from the Redevelopment Project Incentive
436 Fund, seventy percent (70%) of the diversion shall be deposited
437 into the fund;

438 (iv) For the ninth year in which such payments are
439 made to a developer from the Redevelopment Project Incentive Fund,
440 sixty percent (60%) of the diversion shall be deposited into the
441 fund; and

442 (v) For the tenth year in which such payments are
443 made to a developer from the Redevelopment Project Incentive Fund,
444 fifty percent (50%) of the funds shall be deposited into the fund.

445 (20) On or before January 15, 2007, and each succeeding
446 month thereafter, eighty percent (80%) of the sales tax revenue
447 collected during the preceding month under the provisions of this
448 chapter from the operation of a tourism project under the
449 provisions of Sections 57-28-1 through 57-28-5, shall be
450 deposited, after the diversions required in subsections (7) and
451 (8) of this section, into the Tourism Sales Tax Incentive Fund
452 created in Section 57-28-3.

453 (21) The remainder of the amounts collected under the
454 provisions of this chapter shall be paid into the State Treasury
455 to the credit of the General Fund.

456 (22) It shall be the duty of the municipal officials of any
457 municipality that expands its limits, or of any community that
458 incorporates as a municipality, to notify the commissioner of that

459 action thirty (30) days before the effective date. Failure to so
460 notify the commissioner shall cause the municipality to forfeit
461 the revenue that it would have been entitled to receive during
462 this period of time when the commissioner had no knowledge of the
463 action. If any funds have been erroneously disbursed to any
464 municipality or any overpayment of tax is recovered by the
465 taxpayer, the commissioner may make correction and adjust the
466 error or overpayment with the municipality by withholding the
467 necessary funds from any later payment to be made to the
468 municipality.

469 **SECTION 5.** This act shall take effect and be in force from
470 and after July 1, 2007.