

By: Representatives Peranich, Guice

To: Tourism; Ways and Means

HOUSE BILL NO. 1142
(As Passed the House)

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, motor speedways, 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 within the project whose primary business is retail sales or any
71 expansions of existing projects; however, pro shops, souvenir
72 shops, gift shops, concessions and similar retail activities may
73 be included within the definition of the term "tourism project."

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

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

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



100 (30%) of the approved project costs incurred by the approved
101 participant for the tourism project. Expansions, enlargements or
102 additional investments made by an approved participant will not
103 increase authorized incentive payments certified by the MDA. The
104 MDA shall make the calculations necessary to make the payments
105 provided for in this section. The MDA shall cease making
106 incentive payments to an approved participant on the occurrence of
107 the earlier of:

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

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

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

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

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



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

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

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

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

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



166 collected under the provisions of Sections 27-65-15, 27-65-19(3)
167 and 27-65-21, on business activities within a municipal
168 corporation shall be allocated for distribution to the
169 municipality and paid to the municipal corporation.

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

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

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

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

196 (2) On or before September 15, 1987, and each succeeding
197 month thereafter, from the revenue collected under this chapter
198 during the preceding month, One Million One Hundred Twenty-five



199 Thousand Dollars (\$1,125,000.00) shall be allocated for
200 distribution to municipal corporations as defined under subsection
201 (1) of this section in the proportion that the number of gallons
202 of gasoline and diesel fuel sold by distributors to consumers and
203 retailers in each such municipality during the preceding fiscal
204 year bears to the total gallons of gasoline and diesel fuel sold
205 by distributors to consumers and retailers in municipalities
206 statewide during the preceding fiscal year. The State Tax
207 Commission shall require all distributors of gasoline and diesel
208 fuel to report to the commission monthly the total number of
209 gallons of gasoline and diesel fuel sold by them to consumers and
210 retailers in each municipality during the preceding month. The
211 State Tax Commission shall have the authority to promulgate such
212 rules and regulations as is necessary to determine the number of
213 gallons of gasoline and diesel fuel sold by distributors to
214 consumers and retailers in each municipality. In determining the
215 percentage allocation of funds under this subsection for the
216 fiscal year beginning July 1, 1987, and ending June 30, 1988, the
217 State Tax Commission may consider gallons of gasoline and diesel
218 fuel sold for a period of less than one (1) fiscal year. For the
219 purposes of this subsection, the term "fiscal year" means the
220 fiscal year beginning July 1 of a year.

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



231 necessary to determine the amount of proceeds to be distributed
232 under this subsection.

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



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

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

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

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

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

279 Any reference in the general laws of this state or the
280 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
281 construed to refer and apply to subsection (4) of Section
282 27-65-75.

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

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

294 (7) On or before August 15, 1992, and each succeeding month
295 thereafter through July 15, 2000, two and two hundred sixty-six



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

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

323 (9) On or before August 15, 1994, and each succeeding month
324 thereafter, from the revenue collected under this chapter during
325 the preceding month, Two Hundred Fifty Thousand Dollars
326 (\$250,000.00) shall be paid into the State Aid Road Fund.

327 (10) On or before August 15, 1994, and each succeeding month
328 thereafter through August 15, 1995, from the revenue collected



329 under this chapter during the preceding month, Two Million Dollars
330 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
331 Valorem Tax Reduction Fund established in Section 27-51-105.

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

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

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

358 (14) On or before August 15, 1998, and each succeeding month
359 thereafter through July 15, 2005, that portion of the avails of
360 the tax imposed in Section 27-65-23 that is derived from sales by
361 cotton compresses or cotton warehouses and that would otherwise be



362 paid into the General Fund, shall be deposited in an amount not to
363 exceed Two Million Dollars (\$2,000,000.00) into the special fund
364 created under Section 69-37-39.

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

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

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

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



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

401 (19) (a) On or before August 15, 2005, and each succeeding
402 month thereafter, the sales tax revenue collected during the
403 preceding month under the provisions of this chapter on the gross
404 proceeds of sales of a business enterprise located within a
405 redevelopment project area under the provisions of Sections
406 57-91-1 through 57-91-11, and the revenue collected on the gross
407 proceeds of sales from sales made to a business enterprise located
408 in a redevelopment project area under the provisions of Sections
409 57-91-1 through 57-91-11 (provided that such sales made to a
410 business enterprise are made on the premises of the business
411 enterprise), shall, except as otherwise provided in this
412 subsection (19), be deposited, after all diversions, into the
413 Redevelopment Project Incentive Fund as created in Section
414 57-91-9.

415 (b) For a municipality participating in the Economic
416 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
417 the diversion provided for in subsection (1) of this section
418 attributable to the gross proceeds of sales of a business
419 enterprise located within a redevelopment project area under the
420 provisions of Sections 57-91-1 through 57-91-11, and attributable
421 to the gross proceeds of sales from sales made to a business
422 enterprise located in a redevelopment project area under the
423 provisions of Sections 57-91-1 through 57-91-11 (provided that
424 such sales made to a business enterprise are made on the premises
425 of the business enterprise), shall be deposited into the
426 Redevelopment Project Incentive Fund as created in Section
427 57-91-9, as follows:



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

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

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

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

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

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

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

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



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

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

