

By: Representatives McCoy, Burnett, Hines,
Mayo, Perkins

To: Ways and Means

HOUSE BILL NO. 1489

1 AN ACT TO CREATE AN ECONOMIC INCENTIVE ZONE TO BE KNOWN AS
2 THE "DELTA REVITALIZATION ZONE"; TO CREATE THE DELTA
3 REVITALIZATION ZONE AUTHORITY, WHICH SHALL BE THE GOVERNING BODY
4 RESPONSIBLE FOR THE ADMINISTRATION OF INCENTIVES AND PROGRAMS
5 AVAILABLE UNDER THE DELTA REVITALIZATION ZONE (DRZ); TO PRESCRIBE
6 THE DUTIES OF THE DRZ AUTHORITY AND SPECIFIC INCENTIVES TO BE
7 IMPLEMENTED; TO ESTABLISH A SALES TAX CREDIT FOR PURCHASES OF
8 BUILDING MATERIALS USED TO REHABILITATE BUSINESS PROPERTY IN THE
9 DRZ; TO ESTABLISH SALES TAX CREDIT FOR WAGES PAID BY BUSINESSES TO
10 NEW EMPLOYEES; TO ESTABLISH VARIOUS INCOME TAX CREDITS AVAILABLE
11 TO BUSINESSES IN THE DRZ; TO PROVIDE THAT THE LEGISLATURE SHALL
12 APPROPRIATE AN ADDITIONAL FIVE PERCENT OF STATE WORKFORCE
13 DEVELOPMENT FUNDS TO THE DRZ EACH YEAR; TO ESTABLISH
14 QUALIFICATIONS FOR BUSINESSES, PUBLIC SCHOOLS AND INDIVIDUALS
15 SEEKING TO UTILIZE THE INCENTIVES AVAILABLE IN THE DRZ; AND FOR
16 RELATED PURPOSES.

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

18 **SECTION 1.** (1) The Legislature finds that the Delta region
19 is one (1) of the most economically depressed areas of the state,
20 as evidenced by persistently high unemployment, a low workforce
21 participation rate and high poverty rate. The Legislature further
22 finds that the Delta region needs and is desirous of the specific
23 aid of state government in order to attract private business
24 investment, help existing businesses reinvest and grow, help
25 communities and schools improve services and performance, and
26 improve the economic chance for individuals to earn a decent
27 living.

28 (2) The purposes of this act are to stimulate economic
29 growth and to promote regional revitalization through the creation
30 of an economic incentive zone for the Delta region.

31 **SECTION 2.** As used in this act, the following words and
32 phrases have the meanings ascribed in this section unless the
33 context clearly indicates otherwise:

34 (a) "Authority" or "DRZ Authority" means the Delta
35 Revitalization Zone Authority.

36 (b) "Delta Revitalization Zone" or "DRZ" means an economic
37 incentive zone that is comprised of the area encompassing the
38 Mississippi Delta region.

39 (c) "Mississippi Delta region," "Delta region" or "region"
40 means the western section of the State of Mississippi that lies
41 between the Mississippi and Yazoo Rivers, encompassing in part or
42 whole the counties of Bolivar, Carroll, Claiborne, Coahoma,
43 Holmes, Humphreys, Issaquena, Jefferson, Leflore, Panola, Quitman,
44 Sharkey, Sunflower, Tallahatchie, Tunica, Warren, Washington and
45 Yazoo.

46 **SECTION 3.** (1) There is created the Delta Revitalization
47 Zone (DRZ). The DRZ shall be governed by a Delta Revitalization
48 Zone Authority, which shall be composed of a representative of
49 each county in the region and each municipality in the region
50 which has a population greater than ten thousand (10,000)
51 according to the latest federal decennial census. The
52 representatives of the counties and those municipalities entitled
53 to representation on the DRZ Authority will be appointed by the
54 governing authorities of the respective counties and
55 municipalities. Appointments must be made within sixty (60) days
56 after the effective date of this act. Members will be appointed
57 to the DRZ Authority for a term of four (4) years. A chairman
58 must be elected from among the membership of the DRZ Authority.

59 (2) A majority of the members of the DRZ Authority shall
60 constitute a quorum for the transacting of business and the
61 carrying out of the duties of the authority. Members of the DRZ
62 Authority may not receive a salary but, subject to the
63 availability of funding, may be reimbursed for expenses in the
64 manner provided in Section 25-3-41. The DRZ Authority will meet
65 on the call of the chairman or at the request of a majority of its
66 members.

67 (3) The Delta Revitalization Zone Authority shall adopt
68 rules and regulations for the implementation and administration of
69 the programs provided for under this act. The DRZ Authority shall
70 maintain an office and staff at a location within the DRZ region,
71 as determined by a majority of the members of the authority.

72 **SECTION 4.** The following are the duties of the Delta
73 Revitalization Zone Authority:

74 (a) To conduct an ongoing extensive marketing program
75 to promote incentives within the zone available to workers and
76 businesses and to prospective businesses outside the DRZ;

77 (b) To convene, on a quarterly basis, a meeting of
78 representatives of each state and federal agency and major
79 foundation that has programs and efforts in progress in the DRZ
80 for the purpose of furthering coordination and collaboration of
81 all work efforts;

82 (c) To work with all state and federal agencies and
83 private entities to enhance its Delta Region Resource Directory
84 and website in order to provide the most complete and current
85 information on state programs and resources. The Web site must be
86 designed to incorporate an electronic mailing list that local
87 officials may use to request information and assistance. The DRZ
88 Authority will enter into agreements with state, federal and
89 private entities to market the Web site in order to bring
90 awareness of the Web site and the programs of participating
91 entities to local government representatives;

92 (d) To develop an economic distress index calculated
93 according to the following formula: the most recent county
94 unemployment rate divided by the same time period state
95 unemployment rate; plus the most recent family below poverty rate
96 divided by the same time period state family below poverty rate;
97 plus the most recent county median family income divided by the
98 same time period state median family income; plus the most recent
99 substandard housing rate divided by the same time period state

100 substandard housing rate. Those counties having the higher total
101 index must be deemed to have a greater level of economic distress,
102 and more emphasis must be given to the county with the highest
103 economic distress index number;

104 (e) To establish an Early Learning Mentoring Program in
105 each school district in the DRZ;

106 (f) To provide for the employment of a high school
107 dropout prevention coordinator in each public high school in the
108 DRZ and, in conjunction with the State Department of Education, to
109 develop a comprehensive dropout prevention strategy for
110 implementation by the coordinators in the DRZ public high schools;

111 (g) To provide for an educational cash incentive in the
112 amount of Five Hundred Dollars (\$500.00) for each adult over
113 twenty-four (24) years of age who does not have a high school
114 diploma, payable to the recipient upon his attaining a General
115 Equivalency Diploma (GED);

116 (h) To provide a DRZ Nursing scholarship for the total
117 tuition and required fees to any DRZ resident who agrees to
118 practice nursing in the DRZ for no less than five (5) years after
119 graduation from an accredited nursing program within the state;

120 (i) To establish a DRZ nursing shortage coordinator to
121 work with health and teaching facilities and Delta residents in
122 order to implement a comprehensive program to eliminate the
123 shortage of nurses in the DRZ; and

124 (j) To establish a state match program to be known as
125 the "Help the Delta Help Itself" through which the state will
126 match city or county funds that are dedicated to community
127 improvement projects.

128 **SECTION 5.** (1) With respect to sales tax paid on the
129 purchase of building materials, every person owning or leasing
130 real property that is located in the DRZ and used exclusively for
131 business purposes who purchases building materials in the DRZ for
132 the purposes of rehabilitating the business property is entitled

133 to a refund from the State of Mississippi in an amount equal to
134 the sales tax collected on behalf of the state on the sale of the
135 building materials.

136 (2) To qualify for a refund of sales tax under this section,
137 the person applying for the refund must meet all eligibility
138 requirements prescribed by the DRZ Authority. The State Tax
139 Commission, in consultation with the DRZ Authority, shall
140 prescribe rules and regulations setting forth the requirements for
141 eligibility and the process by which persons eligible for the tax
142 refund authorized under this section may apply for the refund.
143 The rules and regulations must require, at a minimum, the
144 submission of written documentation evidencing the sales tax paid
145 for building materials and proof that the building materials were
146 used for the actual rehabilitation of business property situated
147 in the DRZ.

148 **SECTION 6.** (1) Every business located in the DRZ which
149 collects and remits state sales tax to the State Tax Commission is
150 entitled to a sales tax credit from the State of Mississippi in an
151 amount equal to seven percent (7%) of the wages paid by the
152 business to each new employee who has been employed by the
153 business for no less than six (6) months, not to exceed, in the
154 aggregate for all new employees, the tax liability of the business
155 for the applicable month. If the tax credit exceeds the average
156 monthly sales tax liability for a business, the amount of the
157 excess that is not used may be carried forward to the next
158 succeeding month. The credit authorized under this section may be
159 claimed after a new employee has been employed by the business
160 continuously for six (6) consecutive months and may continue for
161 the duration of the employment of the new employee until that
162 employee has been employed continuously by the business for
163 thirty-six (36) months.

164 (2) To qualify for a sales tax credit under this section,
165 the business applying for the credit must meet all eligibility

166 requirements prescribed by the DRZ Authority. The State Tax
167 Commission, in consultation with the DRZ Authority, shall
168 prescribe rules and regulations setting forth the requirements for
169 eligibility and the process by which businesses eligible for the
170 sales tax credit authorized under this section may apply the
171 credit when submitting returns and payments under Section
172 27-65-33. The rules and regulations must require, at a minimum,
173 the submission of written documentation evidencing the sales tax
174 collected by the business and wages paid to new employees who
175 qualify the business for the sales tax credit.

176 **SECTION 7.** (1) Every business located in the DRZ which
177 pays state income tax is entitled to the following income tax
178 credits from the State of Mississippi:

179 (a) A credit in an amount equal to five percent (5%) of
180 the wages paid by the business to each new employee who has been
181 employed by the business for no less than six (6) months, not to
182 exceed, in the aggregate for all new employees, the tax liability
183 of the business for the applicable year. The credit authorized
184 under this section may be claimed after a new employee has been
185 employed by a business continuously for six (6) consecutive months
186 and may continue for the duration of the employment of the new
187 employee until that employee has been continuously employed by the
188 business for thirty-six (36) months.

189 (b) A credit to a new or expanded DRZ business, as
190 defined under rules and regulations prescribed pursuant to
191 subsection (2) of this section, in an amount equal to seventy-five
192 percent (75%) of any ad valorem taxes paid on new or improved
193 business property.

194 (c) A credit in an amount equal to fifty percent (50%)
195 of business donations made by the taxpayer to an approved DRZ
196 community development project.

197 (d) A credit in an amount equal to ten percent (10%) of
198 any direct job training costs paid to train workers at any
199 qualified training school located within the State of Mississippi.

200 (2) If the income tax credit or credits authorized under
201 this section exceed the tax liability for a business, the amount
202 of the excess may be carried forward to the next taxable year. To
203 qualify for any income tax credit under this section, the business
204 must meet all eligibility requirements prescribed by the DRZ
205 Authority. The State Tax Commission, in consultation with the DRZ
206 Authority, shall prescribe rules and regulations setting forth the
207 requirements for eligibility and the process by which businesses
208 may document eligibility.

209 **SECTION 8.** Beginning in the 2008 fiscal year, the
210 Legislature shall provide an additional state workforce
211 development grant each year to counties in the Delta region. The
212 additional grant shall be equal to five percent (5%) of the total
213 state workforce development funds allocated throughout the state,
214 and such funds shall be in addition to any workforce development
215 funds allocated to the DRZ counties.

216 **SECTION 9.** (1) In order to qualify for DRZ business
217 incentives provided under this act, a business must be located in
218 the DRZ and must meet any eligibility requirements prescribed by
219 rules and regulations adopted by the DRZ or any other
220 administering agency for the specific business incentive.

221 (2) In order to qualify for a DRZ community incentive
222 provided under this act, a community located in the DRZ must
223 demonstrate economic distress and must meet any eligibility
224 requirements prescribed by rules and regulations adopted by the
225 DRZ or any other administering agency for the specific community
226 incentive.

227 (3) In order to qualify for a DRZ education incentive
228 provided under this act, a public school must be located in the
229 DRZ and must meet any eligibility requirements prescribed by rules

230 and regulations adopted by the DRZ or any other administering
231 agency for the specific public school incentive.

232 (4) In order to qualify for a DRZ individual employee
233 incentive provided under this act, the individual must:

234 (a) Be a Mississippi resident and receive wages from an
235 employer in the DRZ; and

236 (b)(i) Be eligible for benefits under the Workforce
237 Investment Act as a dislocated worker or a low-income individual;

238 (ii) Have received public assistance benefits,
239 such as cash payments including TANF, Safety Net, Medicaid, Food
240 Stamps, anytime within the previous two (2) years (e.g. cash
241 payments including TANF, Safety Net, Medicaid, Food Stamps);

242 (iii) Have income below the United States Commerce
243 Department's established poverty level;

244 (iv) Be a member of a family whose income is below
245 poverty level; or

246 (v) Be an honorably discharged veteran from any
247 branch of the United States Armed Forces.

248 **SECTION 10.** Nothing in this act shall affect or defeat any
249 claim, assessment, appeal, suit, right or cause of action for
250 taxes due or accrued under the sales tax or income tax laws before
251 the date on which this act becomes effective, whether such claims,
252 assessments, appeals, suits or actions have been begun before the
253 date on which this act becomes effective or are begun thereafter;
254 and the provisions of the sales tax and income tax laws are
255 expressly continued in full force, effect and operation for the
256 purpose of the assessment, collection and enrollment of liens for
257 any taxes due or accrued and the execution of any warrant under
258 such laws before the date on which this act becomes effective, and
259 for the imposition of any penalties, forfeitures or claims for
260 failure to comply with such laws.

261 **SECTION 11.** This act shall take effect and be in force from
262 and after July 1, 2007.