

By: Senator(s) Jordan, Jackson (11th),  
Thomas, Clarke, Simmons, Walls

To: Economic Development and  
Tourism; Finance

SENATE BILL NO. 3040

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 of the most economically depressed areas of the state, as  
20 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 pays  
177 state income tax is entitled to the following income tax credits  
178 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.