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Chapter No. 479  
11/HR40/R1058SG  
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***HOUSE BILL NO. 1107***

Originated in House Don Richardson Clerk

HOUSE BILL NO. 1107

AN ACT TO AMEND SECTION 57-26-1, MISSISSIPPI CODE OF 1972, TO REVISE THE DEFINITION OF THE TERM "TOURISM PROJECT" FOR PURPOSES OF THE TOURISM PROJECT SALES TAX INCENTIVE PROGRAM TO INCLUDE HOTELS HAVING A MINIMUM OF 25 GUEST ROOMS OR SUITES, A MINIMUM PRIVATE INVESTMENT OF \$15,000,000.00 AND \$200,000.00 PER GUEST ROOM OR SUITE AND HAVING RESTAURANTS, SPAS AND OTHER AMENITIES AS DETERMINED BY THE MISSISSIPPI DEVELOPMENT AUTHORITY, AND TO INCLUDE CERTAIN TOURISM ATTRACTIONS LOCATED WITHIN ENTERTAINMENT DISTRICTS; TO AMEND SECTION 57-26-5, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT CERTIFICATES DESIGNATING AN ENTITY AS AN APPROVED PARTICIPANT IN THE SALES TAX INCENTIVE PROGRAM AND AUTHORIZING THE APPROVED PARTICIPANT TO PARTICIPATE IN THE SALES TAX INCENTIVE PROGRAM SHALL NOT BE ISSUED AFTER JULY 1, 2014; AND FOR RELATED PURPOSES.

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

**SECTION 1.** Section 57-26-1, Mississippi Code of 1972, is amended as follows:

57-26-1. As used in Sections 57-26-1 through 57-26-5, the following terms and phrases shall have the meanings ascribed in this section unless the context clearly indicates otherwise:

(a) "Approved project costs" means actual costs incurred by an approved participant for land acquisition, construction, engineering, design and other costs approved by the Mississippi Development Authority relating to a tourism project; however, for the purposes of a tourism project described in paragraph (d)(iv) of this section, such costs include only those incurred after January 1, 2011, relating to the hotel portion of the project consisting of facilities used for lodging and common areas in that portion of the project. All costs must be verified by an independent third party approved by the MDA. An approved participant shall pay the costs for the third-party verification

of costs. Approved project costs may not increase regardless of the actual costs incurred by the project.

(b) "Approved participant" means a person, corporation or other entity issued a certificate by the Mississippi Development Authority under Section 57-26-5.

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

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

(i) Theme parks, water parks, entertainment parks or outdoor adventure parks, cultural or historical interpretive educational centers or museums, motor speedways, indoor or outdoor entertainment centers or complexes, convention centers, professional sports facilities, spas, attractions created around a natural phenomenon or scenic landscape and marinas open to the public with a minimum private investment of not less than Ten Million Dollars (\$10,000,000.00);

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

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

(iv) A full service hotel with a minimum private investment of Fifteen Million Dollars (\$15,000,000.00) in land, buildings, architecture, engineering, fixtures, equipment, furnishings, amenities and other related soft costs approved by the Mississippi Development Authority, and having a minimum private investment of Two Hundred Thousand Dollars (\$200,000.00) per guest room or suite which amount shall be included within the

minimum private investment of Fifteen Million Dollars (\$15,000,000.00), a minimum of twenty-five (25) guest rooms or suites, and guest amenities such as restaurants, spas and other amenities as determined by the Mississippi Development Authority;

(v) A tourism attraction located within an "entertainment district" as defined in Section 17-29-3 that is open to the public, has seating to accommodate at least forty (40) persons, is open at least five (5) days per week from at least 6:00 p.m. until midnight, serves food and beverages, and provides live entertainment at least three (3) nights per week.

The term "tourism project" does not include any licensed gaming establishment owned, leased or controlled by a business, corporation or entity having a gaming license issued under Section 75-76-1 et seq.; however, the term "tourism project" may include a project described in this paragraph (d) that is owned, leased or controlled by such a business, corporation or entity or in which the business, corporation or entity has a direct or indirect financial interest if the project is in excess of development that the State Gaming Commission requires for the issuance or renewal of a gaming license and is not part of a licensed gaming establishment in which gaming activities are conducted.

The term "tourism project" does not include any facility within the project whose primary business is retail sales or any expansions of existing projects; however, pro shops, souvenir shops, gift shops, concessions and similar retail activities may be included within the definition of the term "tourism project." In addition, retail activities, regardless of whether the primary business is retail sales, that are part of a resort development may be included within the definition of "tourism project."

(e) "Resort development" means a travel destination development with a minimum private investment of One Hundred Million Dollars (\$100,000,000.00) and which consists of (a) a hotel with a minimum of two hundred (200) guest rooms or suites

and having a minimum private investment of Two Hundred Thousand Dollars (\$200,000.00) per guest room or suite, and (b) guest amenities such as restaurants, golf courses, spas, fitness facilities, entertainment activities and other amenities as determined by the MDA. Not more than an amount equal to forty percent (40%) of the private investment required by this paragraph may be expended on facilities to house retail activity.

(f) "Retail activity" means businesses whose inventory consists primarily of upscale name brands or their equivalent as determined by the MDA.

(g) "State" means the State of Mississippi.

**SECTION 2.** Section 57-26-5, Mississippi Code of 1972, is amended as follows:

57-26-5. (1) The MDA shall develop, implement and administer the incentive program authorized in Sections 57-26-1 through 57-26-5 and shall promulgate rules and regulations necessary for the development, implementation and administration of such program.

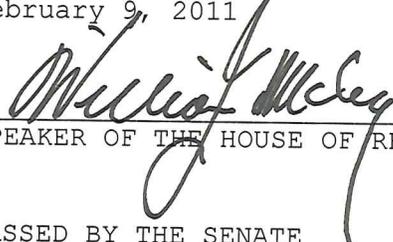
(2) A person, corporation or other entity desiring to participate in the incentive program authorized in Sections 57-26-1 through 57-26-5 must submit an application and an application fee in the amount of Five Thousand Dollars (\$5,000.00) to the MDA. Such application must contain (a) plans for the proposed tourism project; (b) a detailed description of the proposed tourism project; (c) the method of financing the proposed tourism project and the terms of such financing; (d) an independent study that identifies the number of out-of-state visitors anticipated to visit the project and the ratio of out-of-state visitors to in-state visitors; and (e) any other information required by the MDA. The Executive Director of the MDA shall review the application and determine if it qualifies as a tourism project under this section and under the rules and regulations promulgated pursuant to this section. If the

executive director determines the proposed tourism project qualifies as a tourism project under this section and under the rules and regulations promulgated pursuant to this section, he shall issue a certificate to the person, corporation or other entity designating such person, corporation or other entity as an approved participant and authorizing the approved participant to participate in the incentive program provided for in Sections 57-26-1 through 57-26-5. No certificate designating an entity as an approved participant and authorizing the approved participant to participate in the incentive program shall be issued from and after July 1, 2014.

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

**SECTION 3.** This act shall take effect and be in force from and after its passage.

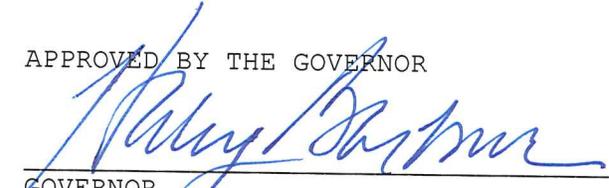
PASSED BY THE HOUSE OF REPRESENTATIVES  
February 9, 2011

  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE  
March 8, 2011

  
PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR

  
GOVERNOR

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