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Chapter No. 558  
13/SS26/R950SG  
CR2/PTST

***SENATE BILL NO. 2463***

Originated in Senate *Liz Wilk* Secretary

SENATE BILL NO. 2463

AN ACT TO AMEND SECTION 57-26-3, MISSISSIPPI CODE OF 1972, TO INCREASE TO 15 YEARS THE MAXIMUM PERIOD OF TIME THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY MAY MAKE PAYMENTS FROM THE TOURISM PROJECT SALES TAX INCENTIVE FUND TO AN APPROVED PARTICIPANT IN THE TOURISM PROJECT SALES TAX INCENTIVE PROGRAM; TO AMEND SECTION 57-26-1, MISSISSIPPI CODE OF 1972, AS AMENDED BY SENATE BILL NO. 2806, 2012 REGULAR SESSION, TO REVISE THE DEFINITION OF THE TERM "TOURISM PROJECT" FOR PURPOSES OF THE TOURISM PROJECT SALES TAX INCENTIVE PROGRAM TO INCLUDE CERTAIN TOURISM ATTRACTIONS LOCATED WITHIN HISTORIC DISTRICTS; AND FOR RELATED PURPOSES.

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

**SECTION 1.** Section 57-26-3, Mississippi Code of 1972, is amended as follows:

57-26-3. (1) (a) There is created in the State Treasury a special fund to be known as the "Tourism Project Sales Tax Incentive Fund," into which shall be deposited such money as provided in Section 27-65-75(16). The monies in the fund shall be used for the purpose of making the incentive payments authorized in this section. The fund shall be administered by the MDA. Unexpended amounts remaining in the fund at the end of a fiscal

year shall not lapse into the State General Fund, and any interest earned on or investment earnings on the amounts in the fund shall be deposited to the credit of the fund. The MDA may use not more than one percent (1%) of interest earned or investment earnings, or both, on amounts in the fund for administration and management of the incentive program authorized under Sections 57-26-1 through 57-26-5.

(b) Subject to the provisions of this section, incentive payments may be made by the MDA to an approved participant that incurs approved project costs to locate a tourism project in the state. The payments to an approved participant shall be for eighty percent (80%) of the amount of sales tax revenue collected from the operation of the tourism project, after making the diversions required in Section 27-65-75(7) and (8). The MDA shall make payments to an approved participant on a semiannual basis with payments being made in the months of January and July. The aggregate amount of incentive payments that an approved participant may receive shall not exceed thirty percent (30%) of the approved project costs incurred by the approved participant for the tourism project. Expansions, enlargements or additional investments made by an approved participant will not increase authorized incentive payments certified by the MDA. The MDA shall make the calculations necessary to make the payments provided for in this section. The MDA shall cease making

incentive payments to an approved participant on the occurrence of the earlier of:

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

(ii) \* \* \* Fifteen (15) years after the date the tourism project opens for commercial operation.

(2) At such time as incentive payments are no longer required to be made to an approved participant, the MDA shall notify the \* \* \* Department of Revenue and the sales tax revenue collected from the tourism project shall no longer be deposited into the Tourism Project Sales Tax Incentive Fund. Any amounts remaining in the fund that were collected from such project shall be transferred to the State General Fund.

**SECTION 2.** Section 57-26-1, Mississippi Code of 1972, as amended by Senate Bill No. 2806, 2013 Regular Session, 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;

(vi) A cultural retail attraction \* \* \*;

(vii) A tourism attraction located within a historic district where the district is listed in the National Register of Historic Places, where the tourism attraction 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, and cultural retail attractions 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 ( \* \* \*i) 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 ( \* \* \*ii) 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) "Cultural retail attraction" means a project which combines destination shopping with cultural or historical interpretive elements specific to Mississippi with a minimum private investment of Fifty Million Dollars (\$50,000,000.00) in land, buildings, architecture, engineering, fixtures, equipment, furnishings, amenities and other related soft costs approved by the Mississippi Development Authority and which:

(i) Is located in a qualified resort area as defined in Section 67-1-5;

(ii) Is a part of a master-planned development with a total investment of not less than One Hundred Million

Dollars (\$100,000,000.00) in land, buildings, architecture, engineering, fixtures, equipment, furnishings, amenities and other related soft costs approved by the Mississippi Development Authority;

(iii) Has a minimum of fifty (50) retail tenants with a minimum of three hundred thousand (300,000) square feet of heated and cooled space; and

(iv) Has a minimum investment of One Million Dollars (\$1,000,000.00) in one or more of the following:

1. Art created by Mississippi artists or portraying themes specific to Mississippi;

2. Memorabilia, signage or historical markers which serve to promote the State of Mississippi;

3. Audio/visual equipment used to showcase Mississippi artists;

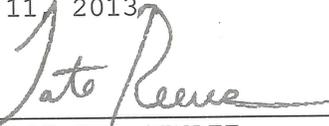
4. A minimum of one thousand two hundred and fifty (1,250) square feet of heated and cooled space available to the Mississippi Development Authority or its assignee for a period of not less than ten (10) years.

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

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

**SECTION 3.** This act shall take effect and be in force from and after July 1, 2013.

PASSED BY THE SENATE  
February 11, 2013



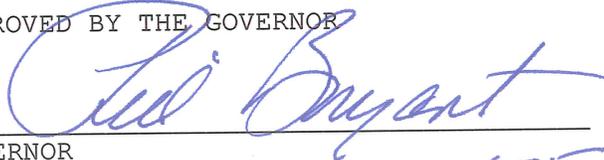
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PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES  
March 12, 2013



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SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



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GOVERNOR

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