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Chapter No. 304
13/SS26/R429
CRL 17B/CRL

SENATE BILL NO. 2806

Originated in Senate *Liz Welch* Secretary

SENATE BILL NO. 2806

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 CULTURAL RETAIL ATTRACTIONS; TO DEFINE THE TERM "CULTURAL RETAIL ATTRACTION"; 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 * * *;

(vi) A cultural retail attraction.

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 (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) "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;

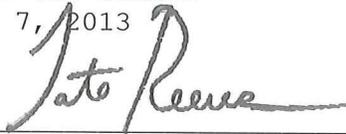
4. A minimum of one thousand two hundred and fifty (1,250) square feet of heated and cooled space available to the Mississippi Development Authority or its assignee for a period of not less than ten (10) years.

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

PASSED BY THE SENATE
February 7, 2013



PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
February 18, 2013



SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



GOVERNOR

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