

CONCLUSION: Under the authority of MISS. CODE ANN. § 57-1-64 (1972), the Mississippi Development Authority (MDA) oversees deposits to and expenditures from the Tourism Advertising Fund. As required by state law, PEER conducted a review to detail how funds were spent and deposited in FY 2025. In FY 2025, the Tourism Advertising Fund received approximately \$15.1 million in revenues and MDA expended approximately \$13.5 million from the fund to promote tourism in Mississippi.



BACKGROUND

Background

MISS CODE ANN. § 27-65-75 (24) (b) (1972) requires the Joint Legislative PEER Committee to provide an annual report to the Legislature reviewing the MDA Tourism Advertising Fund established by MISS CODE ANN. § 57-1-64 (1972) to include the amount of funds and a detail record of how the funds are spent.

MISS. CODE ANN. § 57-1-64 created a special fund in the State Treasury known as the MDA Tourism Advertising Fund (Tourism Advertising Fund).

MDA is authorized to sell advertising and other promotion information and enter into agreement with other tourism associations for the purpose of facilitating revenue to deposit into the Tourism Advertising Fund. Additionally, MISS. CODE ANN. § 27-65-75 (24) (a) requires a certain percentage of each month's sales tax collections from restaurants and hotels to be deposited into the Tourism Advertising Fund.

MISS. CODE ANN. § 27-65-75 (24) (a) requires a 3% of each month's sales tax collections from restaurants and hotels to be deposited into the Tourism Advertising Fund.



KEY FINDINGS

- **As provided by MISS. CODE ANN. § 27-65-75 (24) (a) the Tourism Advertising Fund received approximately \$15.1 million in restaurant and hotel sales tax revenue.**

MISS. CODE ANN. § 27-65-75 (24) (a) mandates a 1% increase in the amount of sales tax collections deposited into the fund from FYs 2020 through 2022. The Tourism Advertising Fund received an increase of approximately \$440,000 over FY 2024 collections.

- **In FY 2025, MDA expended approximately \$13.5 million from the Tourism Advertising Fund, primarily on advertisements promoting tourism in Mississippi.**

FY 2025 expenditures decreased by \$700,000 from FY 2024 expenditures. MDA worked with four companies to place advertisements in FY 2025. Local destination marketing organizations utilized MDA's cooperative advertisement program to place advertisements during FY 2025, sharing the cost burden of placing advertisements.

- **MDA establishes spending levels based on the immediate past revenue collected and deposited into the Tourism Advertising Fund.**

During FY 2025, MDA spent an average of \$1.13 million from the Tourism Advertising Fund and received an average of \$1.26 million in sales tax collections per month. Proceeding into FY 2026 and future fiscal years, MDA's goal is to operate the fund at a near net-zero balance.

RECOMMENDATION

The Mississippi Development Authority should ensure that it is planning expenditures around marketing activities that show increased tourism as well as increased restaurant and hotel sales tax revenue collection.