

HOUSE BILL 351

By Hardaway

AN ACT to amend Tennessee Code Annotated, Title 7,
Chapter 53, relative to industrial development
corporations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 53, Part 3, is amended by
adding the following as a new section:

(a) As used in this section:

(1) "Locally-owned business" means a commercial business entity formed or conducting a majority of business operations within the jurisdiction of a local government. A commercial entity does not qualify as a locally-owned business subject to this chapter unless the subject business has conducted a majority of its operations under the jurisdiction of a local government's industrial development corporation for at least five (5) years, unless the business entity was formed contemporaneously with the local industrial development corporation and conducts the majority of its operations under the jurisdiction of such corporation;

(2) "Neighborhood advisory committee" means a committee appointed by an industrial development board to act in an advisory capacity to make recommendations and provide feedback to the industrial development corporation's board of directors for a particular local government's industrial development corporation jurisdiction as it relates to a particular neighborhood or community of focus as defined by the governing body of the local government in which the industrial development corporation is located;

(3) "Small business" means a business that has fifty (50) or fewer employees and that has annual gross revenues of five million dollars (\$5,000,000) or less; and

(4) "Women-owned business" means a commercial business entity for which fifty-one percent (51%) of the ownership interest is owned or held by women.

(b) Industrial development corporations may be established and operated solely to assist and benefit minority-owned businesses, locally-owned businesses, small businesses, and women-owned businesses.

(c) All industrial development corporations established under this section must have neighborhood advisory committees to assist their boards of directors in promoting, funding, and cultivating minority-owned businesses, locally-owned businesses, small businesses, and women-owned businesses.

(d)

(1) One hundred percent (100%) of all reasonable costs related to the creation of industrial development corporations established under this section and consistent with the intent of subsection (b) must be funded by the department of economic and community development for a period not to exceed five (5) years.

(2) All reasonable operating costs related to staffing and operational expenditures must be fully reimbursed by the department of economic and community development or the governing body of the local government within which the corporation operates for a period not to exceed four (4) years.

Following such time, the department and local governments are encouraged to financially assist and support industrial development corporations established

under this section and shall provide financial support as directed by the general assembly.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.