

HOUSE BILL 1449

By Faison

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 3, Part 7; Title 57 and Title 67, Chapter 6, relative to election of Pigeon River economic recovery district status.

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

SECTION 1. This act is known and may be cited as the "Pigeon River Economic Recovery District Act".

SECTION 2. Tennessee Code Annotated, Section 67-6-103(a)(3), is amended by adding the following new subdivision:

(G)

(i) A county bordering on, or crossed by, the Pigeon River upstream from the point that it joins the French Broad River, may elect to be a "Pigeon River economic recovery district" for purposes of this chapter. A municipality within the county may also elect to be a "Pigeon River economic recovery district" for purposes of this chapter. Notwithstanding another law to the contrary, as an alternative to and in lieu of the allocation prescribed in subdivision (a)(3)(A), a Pigeon River economic recovery district shall receive four and six thousand thirty ten-thousandths percent (4.6030%) of the tax actually collected and remitted by dealers within the boundaries of the district. A distribution made to a Pigeon River economic recovery district pursuant to that election must be earmarked and paid from the general fund. If a payment is made to a Pigeon River economic recovery district pursuant to the election, then the amount which would have

been received by the district had the district not exercised the election must be earmarked and allocated to the general fund;

(ii) Subject to subdivision (a)(3)(G)(iv), a county, or municipality within a county, described in subdivision (a)(3)(G)(i) may elect Pigeon River economic recovery district status by adopting a resolution or ordinance approved by a two-thirds (2/3) vote of the legislative body of the jurisdiction. Its approval or nonapproval must be proclaimed by the presiding officer of the jurisdiction. Within thirty (30) days of adopting the resolution or ordinance, the presiding officer of the jurisdiction shall send a certified copy of the ordinance or resolution to the secretary of state and the commissioner of revenue;

(iii) Notwithstanding another law to the contrary, the revenue retained pursuant to an election under subdivision (a)(3)(G)(i), less the amount which would have been received by the district had the district not exercised the election, must be used solely for:

(a) Capital projects;

(b) Infrastructure;

(c) Economic development;

(d) Promotion and support of tourism in the jurisdiction;

(e) Promotion and support of tourism in conjunction with other jurisdictions so electing Pigeon River economic recovery district status;
and

(f) Debt service, including principal and interest, related to the financing of capital projects or infrastructure, that is incurred within five (5) years following the date of election by an electing county or municipality.

Such indebtedness must not be issued for a term longer than twenty (20) years;

(iv) Pigeon River economic recovery district status may be elected by both a county and a municipality within the county, subject to the following:

(a) If election occurs between January 1, 2024, and June 30, 2024, a municipality electing that status is entitled to the authorized percentage of tax actually collected and remitted by dealers, less a portion normally otherwise allocated to education, within the boundaries of the municipality only. A county electing that status is entitled to the authorized percentage of tax actually collected and remitted by dealers within the boundaries of the county, including a portion otherwise normally allocated to education. The county is only entitled to receive such tax revenue outside the jurisdiction of a municipality electing Pigeon River economic recovery district status located in the county; except, that the county is entitled to receive a portion normally otherwise allocated to education within that municipality; and

(b) If election occurs on or after July 1, 2024, a county electing Pigeon River economic recovery district status prior to a nonelecting municipality is entitled to the authorized percentage of tax actually collected and remitted by dealers within the boundaries of the county and within the boundaries of nonelecting municipalities, including a portion normally otherwise allocated to education within the county and municipality. A nonelecting municipality is not eligible to elect Pigeon River economic recovery district status after the election of that status by the county. A nonelecting municipality may elect that status prior to

election of that status by the county, and in that event, tax collections must be distributed in accordance with subdivision (a)(3)(G)(iv)(a);

(v) This subdivision (a)(3)(G) does not supersede tax increment financing agreements applicable to properties within a Pigeon River economic recovery district;

(vi) The commissioner of revenue may promulgate rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, to implement this subdivision (a)(3)(G);

(vii) This subdivision (a)(3)(G) is repealed on July 1, 2048;

SECTION 3. Tennessee Code Annotated, Section 57-4-101(a), is amended by adding the following as a new, appropriately designated subdivision:

() Pigeon River economic recovery district as defined in § 57-4-102, subject to the further provisions of this chapter other than § 57-4-103;

SECTION 4. Tennessee Code Annotated, Section 57-4-102, is amended by adding the following as a new, appropriately designated subdivision:

() "Pigeon River economic recovery district" means a commercial enterprise located within a jurisdiction that has elected Pigeon River economic recovery district status pursuant to § 67-6-103(a)(3)(G).

SECTION 5. The Executive Director of the Alcoholic Beverage Commission may promulgate rules to effectuate Sections 3 and 4 of this act. Such rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 6. For the purpose of promulgating rules, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect January 1, 2024, the public welfare requiring it.