

SENATE BILL 316

By Watson

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 40 and Title 7, Chapter 41, relative to the development of retail and other public tourism facilities.

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

SECTION 1. Tennessee Code Annotated, Section 7-40-103(5), is amended by deleting the language "including, but not limited to," and substituting instead the language "which is limited to"; and by deleting the language ", including funds for location assistance".

SECTION 2. Tennessee Code Annotated, Section 7-40-103(5), is amended by designating the language as subdivision (A) and adding the following new subdivision (B):

(B) "Cost" does not include:

(i) Management fees, overhead expenses, or other costs with respect to the operation or management of a property after the property has been approved for occupancy;

(ii) Commissions, fees, or other costs paid to or received from an affiliated entity that otherwise receives an incentive under this chapter. For purposes of this subdivision (5)(B)(ii), "affiliated" means that one entity has a direct or indirect ownership interest in the other entity, or the two (2) entities share one (1) or more common owners; or

(iii) Fees or other costs paid to terminate an existing lease for a business located outside the district that is relocating to a new facility located in the district;

SECTION 3. Tennessee Code Annotated, Section 7-40-103(6), is amended by deleting the language "including, but not limited to," and substituting instead the language ", which is

limited to"; and is further amended by deleting the language ", including funds for location assistance" immediately after the language "direct or indirect financial assistance"; and is further amended by deleting the language "location assistance," immediately after the language "cost of land, buildings,".

SECTION 4. Tennessee Code Annotated, Section 7-40-103, is amended by adding the following as a new, appropriately designated subdivision:

() "Direct or indirect assistance":

(A) Means discounts on rent that:

(i) Are provided to a tenant pursuant to a lease agreement that was executed before July 1, 2022;

(ii) Accrue annually based on the amount of rent discounted during the year; and

(iii) Subject to approval by the commissioner of revenue, equal the difference between the actual rent paid and the fair market value of rent at the time the lease was executed; and

(B) Does not include discounts on rent that accrue on or after July 1, 2027, or after the termination of the original lease, whichever occurs first;

SECTION 5. Tennessee Code Annotated, Section 7-41-103(4), is amended by deleting the language "including, but not limited to," and substituting instead the language "which is limited to"; and by deleting the language ", including funds for location assistance".

SECTION 6. Tennessee Code Annotated, Section 7-41-103(4), is amended by designating the language as subdivision (A) and adding the following new subdivision (B):

(B) "Cost" does not include:

(i) Management fees, overhead expenses, or other costs with respect to the operation or management of a property after the property has been approved for occupancy;

(ii) Commissions, fees, or other costs paid to or received from an affiliated entity that otherwise receives an incentive under this chapter. For purposes of this subdivision (4)(B)(ii), "affiliated" means that one entity has a direct or indirect ownership interest in the other entity, or the two (2) entities share one (1) or more common owners; or

(iii) Fees or other costs paid to terminate an existing lease for a business located outside the district that is relocating to a new facility located in the district;

SECTION 7. Tennessee Code Annotated, Section 7-41-103(5), is amended by deleting the language "including, but not limited to," and substituting instead the language ", which is limited to"; and is further amended by deleting the language ", including funds for location assistance" immediately after the language "direct or indirect financial assistance"; and is further amended by deleting the language "location assistance," immediately after the language "cost of land, buildings,".

SECTION 8. Tennessee Code Annotated, Section 7-41-103, is amended by adding the following as a new, appropriately designated subdivision:

() "Direct or indirect assistance":

(A) Means discounts on rent that:

(i) Are provided to a tenant pursuant to a lease agreement that was executed before July 1, 2022;

(ii) Accrue annually based on the amount of rent discounted during the year; and

(iii) Subject to approval by the commissioner of revenue, equal the difference between the actual rent paid and the fair market value of rent at the time the lease was executed; and

(B) Does not include discounts on rent that accrue on or after July 1, 2027, or after the termination of the original lease, whichever occurs first;

SECTION 9. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are severable.

SECTION 10. This act takes effect upon becoming a law, the public welfare requiring it, and applies to all costs submitted for reimbursement on or after July 1, 2011.