



# State of Tennessee

## PUBLIC CHAPTER NO. 752

SENATE BILL NO. 2826

By Akbari

Substituted for: House Bill No. 2111

By White, Hardaway

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 88, Part 1 and Title 67, Chapter 4, Part 30, relative to the Local Tourism Development Zone Business Tax Act.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-3002, is amended by deleting subdivision (7) and substituting instead the following:

(7) "Qualified public use facility" or "public use facility" means:

(A) A building, complex, center, or facility described by § 7-88-103;

(B) A full-service hotel with not less than two hundred fifty (250) rooms and related retail, commercial, and parking space that is located in a tourism development zone; or

(C) A mixed-use development, including a full-service hotel with not less than one hundred fifty (150) rooms and including any retail, office, apartment, condominium, or other commercial or residential uses, that is located in a tourism development zone;

SECTION 2. Tennessee Code Annotated, Section 67-4-3003, is amended by deleting subdivision (c)(1)(A) and substituting instead the following:

(A)(i) If such qualified public use facility is described in § 67-4-3002(7)(A), the date on which the cumulative amount, apportioned and distributed to the municipality under §§ 7-88-106(a) and 67-4-3005, equals either the cost of the qualified public use facility, plus any interest on indebtedness of the municipality or public authority related to the cost, or any lesser amount of the cost of the qualified public use facility and interest that may be established in authorizing the levy of the tax; or

(ii) If such qualified public use facility is described in § 67-4-3002(7)(B) or § 67-4-3002(7)(C), the date on which the cumulative amount, apportioned and distributed to the municipality under § 67-4-3005, equals either the cost of the qualified public use facility, plus any interest on indebtedness of the municipality or public authority related to the cost, or any lesser amount of the cost of the qualified public use facility and interest that may be established in authorizing the levy of the tax;

SECTION 3. Tennessee Code Annotated, Section 67-4-3005(a), is amended by deleting the subsection and substituting instead the following:

(a) The portion of the revenue received by the municipality from the tax, as is designated by the resolution of the municipality enacting the levy of tax set forth in this part, shall be deposited into a fund entitled the "qualified public use facility development fund," which shall be used:

(1) As set forth in § 7-88-106, if such qualified public use facility is described in § 67-4-3002(7)(A), for the purpose of paying the cost of the qualified public use

facility and the costs of bonded indebtedness, principal and interest, including expenses of the bond sale or sales, incurred by the municipality or public authority in financing, acquiring, constructing, leasing, equipping, and renovating a qualified public use facility. The remaining revenue shall be deposited in the general fund of the municipality; or

(2) As set forth in this section, if such qualified public use facility is described in § 67-4-3002(7)(B) or (7)(C), for the purpose of paying the cost of the qualified public use facility and the costs of bonded indebtedness, principal and interest, including expenses of the bond sale or sales, incurred by the municipality or public authority in financing, acquiring, constructing, leasing, equipping, and renovating a qualified public use facility. The remaining revenue shall be deposited in the general fund of the municipality.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 2826

PASSED: June 10, 2020

  
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RANDY McNALLY  
SPEAKER OF THE SENATE

  
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CAMERON SEXTON, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 22<sup>nd</sup> day of June 2020

  
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BILL LEE, GOVERNOR