

Amendment No. 1 to SB0648

Briggs
Signature of Sponsor

AMEND Senate Bill No. 648*

House Bill No. 1279

by deleting all language after the enacting clause and substituting instead:

SECTION 1. Tennessee Code Annotated, Section 7-89-102, is amended by deleting subsections (a) and (b) and substituting instead the following:

(a) It is found and determined that there is an immediate need to promote and further develop tourism, convention, and employment opportunities in this state, by facilitating the acquisition, construction, and rehabilitation of convention center facilities along with associated hotel accommodations; transportation, safety, and cleanliness operations and infrastructure; tourism, theatre, retail business, and commercial office space facilities; parking facilities; parks; greenways; and open space and any and all facilities related to any of these;

(b) It is the purpose of this chapter to address these findings by providing for the establishment of convention center authorities to plan, promote, finance, construct, acquire, renovate, equip, and enlarge convention center facilities along with associated hotel accommodations; transportation, safety, and cleanliness operations and infrastructure; tourism, theatre, retail business, and commercial office space facilities; parking facilities; parks; greenways; and open space and any and all facilities related to any of these. The primary purpose of these facilities is the conduct and service of conventions, public assemblies, conferences, trade exhibitions, or other business, social, cultural, scientific, and public interest events and related activities; provided, that use of these facilities is not limited to those events.

SECTION 2. Tennessee Code Annotated, Section 7-89-112, is amended by adding the following as a new subsection:

(n)

(1) Notwithstanding another law to the contrary, if an authority created pursuant to this chapter is apportioned state and local sales and use tax revenue pursuant to the Convention Center and Tourism Development Financing Act of 1998, compiled in chapter 88 of this title, as a result of the financing by the authority of a qualified public use facility or qualified associated development, then excess tax revenues and prior accumulated excess tax revenues of the authority shall not be applied to any purpose other than the following, as determined by the board of directors:

(A) The prepayment or defeasance of debt service or other contractual obligations related to the qualified public use facility or qualified associated development;

(B) The payment of capital expenses, including initial acquisition and construction and preliminary expenses, related to the qualified public use facility or qualified associated development and the funding of cash reserves for the expenses; provided, however, that if the aggregate of all capital expenses related to qualified public use facilities and qualified associated developments is budgeted, projected, or expected to exceed twenty-five million dollars (\$25,000,000) in a fiscal year, then the capital expenses must be preapproved by the commissioner of finance and administration; and

(C) If the source of revenues is permitted by applicable law to be applied to the payment of operating expenses, the payment of operating expenses associated with the qualified public use facility or qualified associated development and such other expenses contemplated by § 7-

89-102, including the payment of expenses for cleanliness, safety, and maintenance of the qualified public use facility or qualified associated development, and the funding of cash reserves for the expenses.

(2) As used in this subsection (n):

(A) "Excess tax revenues" means tax revenues of the authority remaining following the satisfaction of its contractual obligations with respect to any indebtedness or other contractual commitments related to the qualified public use facility or qualified associated development;

(B) "Qualified associated development," "qualified public use facility," and "tourism development zone" have the same meanings as defined in § 7-88-103; and

(C) "Tax revenues":

(i) Means revenues derived from taxes, fees, and surcharges that are authorized to be imposed pursuant to law, and that are paid, contributed, or pledged to an authority or to the convention center fund by the state or a municipality pursuant to law, agreement, or otherwise; and

(ii) Includes:

(a) Privilege taxes imposed pursuant to chapter 4 of this title;

(b) Fees imposed pursuant to chapter 88 of this title; and

(c) Taxes and surcharges imposed pursuant to title 67, chapter 4, part 19.

(3) This subsection (n) does not limit or impair existing obligations of contracts to which revenues are pledged or divest vested rights of the beneficiaries of contracts to which revenues are pledged.

(4) During the existence of the tourism development zone, debt must not be issued or refunded under this chapter without express approval of the state funding board.

SECTION 3. Tennessee Code Annotated, Section 7-89-108(a)(1), is amended by deleting the language "The board shall consist of" and substituting instead the language "Except as provided in subdivision (a)(6), the board shall consist of".

SECTION 4. Tennessee Code Annotated, Section 7-89-108(a), is amended by adding the following as a new subdivision:

(6) Notwithstanding this section to the contrary, if an authority created pursuant to this chapter is apportioned state and local sales and use tax revenue pursuant to the Convention Center and Tourism Development Financing Act of 1998, compiled in chapter 88 of this title, as a result of the financing by the authority of a qualified public use facility or qualified associated development, then the comptroller of the treasury, the state treasurer, and the secretary of state, or their designees shall serve as non-voting ex officio members of the board of directors.

SECTION 5. This act takes effect upon becoming a law, the public welfare requiring it.