

HOUSE BILL 507

By Rudd

AN ACT to amend Tennessee Code Annotated, Title 9;  
Title 54 and Title 67, relative to over-collections.

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

SECTION 1. Tennessee Code Annotated, Title 9, Chapter 4, Part 2, is amended by adding the following as a new section:

**9-4-215.**

(a) The infrastructure and building fund is created as a reserve account in the general fund.

(b) The use of the monies available in the infrastructure and building fund and over-collections allocated to the infrastructure and building fund are subject to the approval of the general assembly via the general appropriations act or a separate, supplemental appropriations act. In addition to the caption requirements under § 9-4-5108(d), the caption of a supplemental appropriations act proposing the use of the infrastructure and building fund must include the phrase, "This act authorizes utilization of the infrastructure and building fund." Funds from the infrastructure and building fund may be used only for:

- (1) County road and bridge construction and maintenance;
- (2) State road and bridge construction and maintenance;
- (3) Capital improvement projects; or
- (4) Infrastructure projects.

(c) On or before November 1, 2023, and on or before each November 1 thereafter, the commissioner of finance and administration shall determine the amount of

over-collections, if any, during the prior fiscal year. The commissioner shall report this determination to the governor; the speaker and chief clerk of the senate; the speaker and chief clerk of the house of representatives; the chairs of the finance, ways and means committees; and the office of legislative budget analysis.

(d) On July 1, 2024, and on each July 1 thereafter, ten percent (10%) of the over-collections must be allocated to the infrastructure and building fund.

(e) Monies in the infrastructure and building fund may be invested in a manner consistent with monies held in the reserve for revenue fluctuations.

(f) It is the intent of the general assembly that monies in the infrastructure and building fund only be appropriated to fund uses described in subsection (b) with an estimated cost of five million dollars (\$5,000,000) or more.

(g) For the purposes of this section:

(1) "Infrastructure":

(A) Means the basic network of public utilities and access facilities that support and promote land development; and

(B) Includes water and sewerage system elements, storm drainage systems, roads, streets and highways, public transportation, pedestrian and bicycle facilities, railroads, gas and electric transmission lines, telecommunications networks, solid waste disposal sites, and similar public facilities; and

(2) "Over-collections" means state tax revenue collected for a fiscal year above the authorizations, allocations, and appropriations approved in the general appropriations act and any supplemental appropriations act for that fiscal year.

SECTION 2. Tennessee Code Annotated, Section 9-4-5203(c), is amended by deleting subdivision (2) and substituting instead the following:

(2) For purposes of determining compliance with this section and with the Constitution of Tennessee, Article II, § 24:

(A) The allocation of funds to the reserve for revenue fluctuations or to the infrastructure and building fund is not counted as an appropriation from state tax revenue;

(B) The use of funds from the reserve for revenue fluctuations to offset unexpected shortfalls in state tax revenue in accordance with § 9-4-211(b) is not counted as an appropriation from state tax revenue; and

(C) The appropriation of funds from the infrastructure and building fund is counted as an appropriation from state tax revenue.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.