

HOUSE BILL 951

By Brooks

AN ACT to amend Tennessee Code Annotated, Title 4,
Chapter 3, Part 5 and Title 67, relative to energy.

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

SECTION 1. This act is known and may be cited as the "Clean Energy and Jobs Act".

SECTION 2. Tennessee Code Annotated, Title 4, Chapter 3, Part 5, is amended by adding the following as a new section:

(a) As used in this section:

(1) "Clean energy":

(A) Means energy that is derived from a source known to produce significantly lower carbon emissions than traditional fossil fuels; and

(B) Includes energy generated from solar, wind, geothermal, hydropower, and biomass;

(2) "Department" means the department of environment and conservation;

(3) "Fund" means the clean energy workforce fund; and

(4) "Office" means the department's office of energy programs.

(b)

(1) There is created in the state treasury the clean energy workforce training fund, which is separate and distinct from the general fund and all other reserve funds, to be administered by the office.

(2) The fund consists of moneys appropriated to the fund by the general assembly. Funds appropriated to the fund must only be used to provide grants to clean energy workforce training projects, as described in this section.

(c) The office shall utilize the fund to provide grants to support the development, implementation, and operation of clean energy workforce training programs.

(d) The office shall develop eligibility criteria by rule, and shall create an application with which an individual or entity may request funding.

(e) All grant recipients are subject to audit by the comptroller of the treasury as to the funds received pursuant to this section.

(f)

(1) In addition to appropriations made to the fund, the department may accept other funds, public or private, by way of gift or grant to the fund. Any such gift or grant must be deposited into the fund to be distributed in accordance with this section.

(2) Moneys in the fund may be invested by the state treasurer in accordance with § 9-4-602.

(3) Interest accruing on investments and deposits of the fund must be credited to the fund, do not revert to the general fund, and must be carried forward into the subsequent fiscal year.

(4) Any balance remaining unexpended at the end of a fiscal year in the fund does not revert to the general fund and must be carried forward into the subsequent fiscal year.

SECTION 3. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following as a new section:

(a) As used in this section:

(1) "Renewable energy business":

(A) Means a business entity for which the primary activity or sources of revenue involve the development, manufacture, installation, or

maintenance of goods that generate electricity or heat from renewable sources of energy, including sunlight, wind, water, geothermal heat, or biomass; and

(B) Includes solar panel installation companies, wind farm developers, and hydroelectric power plant operators;

(2) "Small business" means a business entity, including its affiliates, that employs fifty (50) or fewer full-time employees; and

(3) "Sustainable practices":

(A) Means a business practice the primary goal of which is to minimize the environmental impact of the business by reducing waste produced by the business, conserving resources, or reducing the amount of pollution produced by the business; and

(B) Includes practices such as integrating eco-friendly material into the production or manufacturing process of a good, or recycling a material used in the production or manufacturing process of a good, utilizing biodegradable packaging.

(b) There is a tax credit of thirty percent (30%) of the sales and use tax paid with respect to:

(1) A system, method, improvement, structure, device, or appliance primarily used by a renewable energy business to develop, manufacture, install, or maintain a good or system that generates electricity or heat from renewable sources of energy; or

(2) A system, method, improvement, structure, device, or appliance primarily used by a small business to implement or improve the business's sustainable practices.

(c) The department of revenue shall promulgate rules to effectuate this section.

The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 4. For purposes 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, 2026, the public welfare requiring it.