



State of Tennessee

PRIVATE CHAPTER NO. 67

HOUSE BILL NO. 3004

By Representative Vaughan

Substituted for: Senate Bill No. 2987

By Senators Taylor, Akbari

AN ACT to amend Chapter 131 of the Private Acts of 1969; as amended by Chapter 85 of the Private Acts of 1987; Chapter 74 of the Private Acts of 1995; Chapter 57 of the Private Acts of 2001 and Chapter 30 of the Private Acts of 2019; and any other acts amendatory thereto, relative to Shelby County.

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

SECTION 1. Chapter 131 of the Private Acts of 1969, as amended by Chapter 85 of the Private Acts of 1987, Chapter 74 of the Private Acts of 1995, Chapter 57 of the Private Acts of 2001, and Chapter 30 of the Private Acts of 2019, and any other acts amendatory thereto, is amended by deleting subsection (d) in Section 10 and substituting instead:

(1) Through Fiscal Year 2025 ending June 30, 2025, subject to the availability of funds, the Convention and Visitors Bureau or its successor agency (the "CVB") shall receive an amount of three million three hundred thousand dollars (\$3,300,000) for Fiscal Year 1995-1996; provided further, that subject to the availability of funds, the amount of such funding shall increase by five percent (5%) per annum for each fiscal year thereafter until the tax provided for herein shall no longer be levied. Subject to the restrictions and conditions set forth herein, the Memphis City Council and the Board of County Commissioners may appropriate all excess revenues derived from the levy of the tax provided for herein for the funding of the Convention and Visitors Bureau or its successor agency.

(2) Notwithstanding subdivision (d)(1), if the revenues of such tax are not sufficient to generate eleven million four hundred thousand dollars (\$11,400,000) for Fiscal Year 2025 ending June 30, 2025, to cover the County's commitment to fund the required annual debt service for either a new or substantially renovated indoor sports facility owned by a sports authority pursuant to Tennessee Code Annotated, Title 7, Chapter 67, in which a National Basketball Association franchise is a tenant (including any refinancing or additional bonds issued, the "New Arena Bonds") plus the County's requirement to cover capital expenses and a ticket shortfall for the existing FedEx Forum, then the difference between eleven million four hundred thousand dollars (\$11,400,000) and the actual amount the County receives shall be refunded to the County by the CVB.

SECTION 2. Chapter 131 of the Private Acts of 1969, as amended by Chapter 85 of the Private Acts of 1987, Chapter 74 of the Private Acts of 1995, Chapter 57 of the Private Acts of 2001, and Chapter 30 of the Private Acts of 2019, and any other acts amendatory thereto, is amended by deleting subsection (e) in Section 10 and substituting instead:

(1) For Fiscal Year 2026 commencing July 1, 2025, the revenues produced by this tax after subtracting any administrative fee charged by the Shelby County Clerk shall be allocated as provided in subdivision (e)(2). In return for this funding, the CVB will provide two (2) seats on its Board of Directors for individuals nominated by the Shelby County Mayor and approved by the Shelby County Board of Commissioners.

(2) Commencing July 1, 2025, the revenues of the tax shall be allocated annually as follows:

(A) The first thirty-five and three-quarters percent (35.75%) shall be allocated to the CVB.

(B) After the CVB has received its share pursuant to subdivision (e)(2)(A), up to a maximum amount of eleven million four hundred thousand dollars (\$11,400,000), plus an increase based upon the growth of the revenues of the tax, if any, shall be allocated to cover the County's commitment to fund the required annual debt service for the New Arena Bonds plus the County's payment requirements, including, without limitation, capital expenses and ticket shortfall, under that certain Arena Use and Operating Agreement by and among the County, the City of Memphis, the Memphis and Shelby County Sports Authority, Inc., and Hoops, L.P., and that certain Arena Operations Shortfall Agreement by and between the Memphis and Shelby County Sports Authority, Inc., and Memphis Basketball, LLC, including any amendments, supplements, and successor agreement to the foregoing agreements. As an example, if hotel occupancy tax revenues increase in Fiscal Year 2026 by two percent (2%) over the Fiscal Year 2025 revenues, then the County's initial share of the revenues of the tax would be eleven million six hundred twenty-eight thousand dollars (\$11,628,000).

(C) The remainder of the revenues of the tax up to sixty-one and one-quarter percent (61.25%) of the revenues of the tax shall be allocated to the CVB.

(D) Any remaining hotel occupancy taxes shall be allocated to the County for any purpose permitted under this Private Act.

(E) Upon the retirement of the New Arena Bonds, sixty-one and one-quarter percent (61.25%) of the revenues of the tax will be allocated to the CVB and thirty-five and three-quarters percent (35.75%) will be allocated to the County for any purpose permitted under this Private Act.

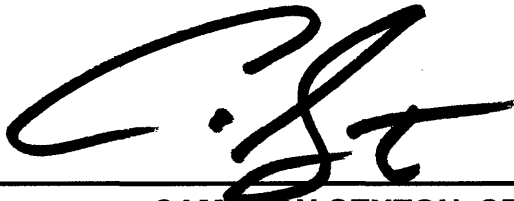
(F) The County and the CVB shall have the authority to enter into any agreements necessary to effectuate the purpose of this section; provided, that such agreements do not conflict with the express provisions provided herein.

SECTION 3. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of Shelby County. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body and certified to the secretary of state.

SECTION 4. For the purpose of approving or rejecting the provisions of this act, it becomes effective upon becoming a law, the public welfare requiring it. For all other purposes, it becomes effective as provided in Section 3.

HOUSE BILL NO. 3004

PASSED: April 22, 2024



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 21st day of May 2024



BILL LEE, GOVERNOR