

HOUSE BILL 3216

By Yokley

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, relative to allocation of sales tax
receipts.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following as a new subsection:

(o)

(1) As used in this subsection (o), unless the context otherwise requires:

(A) "Commercial development zone" means an area in an enhancement county, as defined in § 67-4-2109, designated by resolution of such county in which a mixed-use development is located or planned, and contains not more than one thousand two hundred (1,200) acres;

(B) "Mixed-use development" means an area in an enhancement county, as defined in § 67-4-2109, containing not less than five hundred (500) acres nor more than one thousand two hundred (1,200) acres and includes, but is not limited to, property with commercial uses; and

(C) "Public improvements" means roads, streets, sidewalks, utility services, such as electricity, gas, water and sanitary sewer, and related services, parking facilities, parks, and all other necessary or desirable improvements to be used by the public in connection with a commercial development zone.

(2) Notwithstanding the allocations provided for in subsection (a), if an enhancement county, as defined in § 67-4-2109, reasonably anticipates that a private entity will plan and develop a mixed-use development, then such county may adopt a resolution approved by the county legislative body designating an area as a "commercial development zone"; provided, however, no county may contain more than one (1) commercial development zone. If there is located or planned in an enhancement county such commercial development zone, and if the county or an industrial development board, pursuant to subdivision (o)(3), issues revenue bonds and uses the proceeds to finance any development or public improvements constructed within or adjacent to any development, then an amount shall be apportioned and distributed to such county for the retirement of debt evidenced by such bonds. The amount apportioned and distributed to the county pursuant to this subsection (o) shall be equal to the amount of state tax revenue derived under this chapter from sales of items and services subject to tax pursuant to this chapter, if the sales occur within the commercial development zone. The apportionment and distribution of such revenue shall begin upon the receipt of a certificate of occupancy for the first retail business operating within the commercial development zone and shall continue for a period of thirty (30) years, or until the debt, including any refunding debt, on the commercial development zone is retired, whichever is sooner.

(3) An enhancement county in which the commercial development zone is located is authorized to delegate to any industrial development

corporation incorporated by the county or a municipality within the county the authority to issue revenue bonds to finance development or public improvements within or adjacent to a commercial development zone; provided, that the county shall enter into an agreement with the industrial development corporation in which the county shall agree to promptly pay to the industrial development corporation the tax revenues described in this subsection (o). Upon receipt, such tax revenues shall be held in trust by the county for the benefit of the industrial development corporation.

(4) Notwithstanding any provisions of subdivision (o)(2) to the contrary, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes pursuant to Acts 1992, ch. 529, § 9, and no portion of the revenue derived from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%) contained in Acts 2002, ch. 856, § 4, shall be apportioned and distributed pursuant to this subsection (o). The revenue shall continue to be allocated as provided in Acts 1992, ch. 529 and Acts 2002, ch. 856, respectively.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.