

SENATE BILL 337

By Akbari

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, Part 7, relative to sales and use taxes.

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

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 7, is amended by adding the following as a new section:

67-6-715.

(a) Notwithstanding § 67-6-702(a), a county, by resolution of its county legislative body, is authorized to levy a tax in the same manner and on the same privileges as described in § 67-6-702(a) at a rate of three and three-quarters percent (3.75%).

(b)

(1) Notwithstanding § 67-6-712 or another law to the contrary, all revenue generated from the increase in the county tax rate from two and one-quarter percent (2.25%), and from the rate of two and three-quarters percent (2.75%) in those cities and towns that have that as their operative tax rate on the effective date of this act, to three and three-quarters percent (3.75%) must be used by the county exclusively for the construction of a new county jail or to retire debt, including principal and interest and related expenses, on such construction.

(2) Apportionment and distribution of revenue generated from the increase in the tax rate to three and three-quarters percent (3.75%) must continue as described in subdivision (b)(1) for a period of eight (8) years from the date collections begin in accordance with § 67-6-706(a)(3) or until the first day of

a month occurring at least thirty (30) days after the debt, including principal and interest and related expenses, is retired, whichever is sooner. If the debt is retired prior to the expiration of the eight-year period, then the county shall provide notice to the department of revenue within ten (10) days of the debt being retired.

(3) Notwithstanding this part to the contrary, upon the expiration of the authorized period for the levying of the tax rate at three and three-quarters percent (3.75%) pursuant to subdivision (b)(2), the tax rate within the county and its cities and towns reverts to two and three-quarters percent (2.75%). Notwithstanding § 67-6-703, the levy of the tax by cities and towns that have an operative tax rate of two and three-quarters percent (2.75%) on the effective date of this act precludes and has priority over the county tax rate of two and three-quarters percent (2.75%) resulting from the reversion described in this subdivision (b)(3).

(4) Notwithstanding § 67-6-712 or another law to the contrary, all revenue generated from the increase in the county tax rate from the two and one-quarter percent (2.25%) in effect prior to the effective date of this act to two and three-quarters percent (2.75%) after the reversion described in subdivision (b)(3) must be allocated and distributed by the county to the county sheriff's department for administrative, operational, and capital expenses of the department. Revenue required to be allocated and distributed in accordance with this subdivision (b)(4) must be in addition to other state and local moneys appropriated to the county sheriff's department and the county shall not use the revenue to supplant such moneys.

(c) This section applies in counties having a population of over nine hundred thousand (900,000), according to the 2020 federal census or any subsequent federal census.

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