

SENATE BILL 889

By Reeves

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 7, Part 2, relative to mineral severance
tax.

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

SECTION 1. Tennessee Code Annotated, Section 67-7-203(a), is amended by deleting the subsection and substituting instead:

(a) The rate of the tax must be set by the county legislative body, but must not exceed the following amounts per ton on sand, gravel, sandstone, chert, or limestone severed from the ground in the county:

(1) For a tax period that begins prior to July 1, 2025, fifteen cents (15¢) per ton;

(2) For a tax period that begins on or after July 1, 2025, and prior to July 1, 2030, twenty cents (20¢) per ton;

(3) For a tax period that begins on or after July 1, 2030, and prior to July 1, 2035, twenty-five cents (25¢) per ton; and

(4) For a tax period that begins on or after July 1, 2035, and for subsequent tax periods, thirty cents (30¢) per ton.

SECTION 2. Tennessee Code Annotated, Section 67-7-201, is amended by deleting subsection (b) and redesignating the remaining subsection.

SECTION 3. Tennessee Code Annotated, Section 67-7-207(b), is amended by designating the existing language as subdivision (1) and adding the following new subdivision:

(2) Not less than thirty (30) days after the end of a county's fiscal year, each county that receives revenue from a tax levied pursuant to this part shall provide an

annual written report to the comptroller of the treasury, the commissioner of transportation, the chair of the transportation and safety committee of the senate, and the chair of the committee of the house of representatives having jurisdiction over transportation issues, detailing the amount of revenue deposited into the county road fund during the previous fiscal year, the amount of revenue spent by the county, and how those expenditures have been designated and used for construction, maintenance, and repair of the county system pursuant to subdivision (b)(1).

SECTION 4. Tennessee Code Annotated, Section 67-7-212, is amended by adding the following new subsection:

(d) A county legislative body that has authorized a tax under this part may increase the tax rate in accordance with § 67-7-203(a) by adopting a resolution by a two-thirds (2/3) majority vote. The presiding officer of the county legislative body shall deliver a certified copy of the resolution increasing the tax rate to the department of revenue. The new tax rate must not be collected by the department of revenue pursuant to the county legislative action until the first day of a month occurring at least thirty (30) days after the receipt of a certified copy of such action by the department.

SECTION 5. This act takes effect upon becoming a law, the public welfare requiring it.