

SENATE BILL 1177

By Dickerson

AN ACT to amend Tennessee Code Annotated, Title 5;
Title 6; Title 7; Title 9; Title 54; Title 55 and Title
67, relative to revenue.

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

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

(a) As used in this section:

(1) "Commissioner" means the commissioner of finance and administration;

(2) "Department" means the department of finance and administration;

(3) "Eligible county" means any county within a transportation services district that is engaged in the financing, planning, development, implementation, operation, or maintenance of any transportation services, facilities, or systems provided wholly or partly within the county; and

(4) "Transportation services district" means any area in which existing or future transportation services, facilities, or systems are or will be provided, and which boundaries of the area consists of any county having a metropolitan form of government and having a population of more than five hundred thousand (500,000) and contiguous counties having the following populations, according to the 2010 federal census or any subsequent federal census:

not less than:

nor more than:

39,100

39,200

49,550

49,675

66,200	66,300
113,900	114,000
160,600	160,700
172,300	172,400
183,100	183,200
262,600	262,700

(b) In any fiscal year, if the total state sales and use tax revenue derived from within the boundaries of a transportation services district exceeds the state sales and use tax revenue estimate budgeted for that fiscal year from within the district, then the amount of the surplus revenue shall be apportioned and distributed to any eligible county, upon approval of an application pursuant to this section, in an amount equal to that portion of the surplus revenue derived from the sale of goods, products, and services within that eligible county.

(c) To receive an allocation of state sales and use tax revenue under this section, an eligible county must submit a completed application to the commissioner together with an application fee in an amount established by the department. The application shall be developed by the department, and shall include the following information:

(1) A description of the financing for the transportation services, facilities, or systems to be provided wholly or partly within the county;

(2) The estimated or actual development and construction costs of the transportation services, facilities, or systems to be provided wholly or partly within the county;

(3) A certification from the county that it complies with the criteria required to be eligible;

(4) A resolution from the governing body of the eligible county requesting approval of the application and acknowledging that the surplus revenue will be

applied as payments on the indebtedness related to financing the transportation services, facilities, or systems;

(5) An affidavit, on a form provided by the department, signed by the applicant certifying that the proposed financing, planning, development, implementation, operation, or maintenance of the transportation services, facilities, or systems cannot proceed or be completed without the availability of financing under this section along with supporting documentation establishing the need for and the amount of the financing; and

(6) Such financial and other information as may be necessary for the commissioner to evaluate the application.

(d) No action shall be taken with respect to an application until the commissioner determines that the commissioner has received all information that may be relevant or necessary in determining the qualifications of the applicant.

(e) In evaluating the information submitted with the application the commissioner may consider normal underwriting criteria such as debt capacity, ability to repay, equity and other capital at risk for the project, and the proposed terms of the contemplated indebtedness.

(f) The tax revenue allocation available pursuant to this section applies to eligible counties that have filed an application with the commissioner of finance and administration and have received the approval of the commissioner.

(g) The amount of surplus revenue distributed shall be for the exclusive use of the eligible county and shall be used solely for the purpose of paying the indebtedness, principal and interest, and closing costs incurred by the county in the financing, planning, development, implementation, operation, or maintenance of the transportation services, facilities, or systems in the county. The period for the distribution shall be twenty (20)

years. The distribution shall cease upon the expiration of the twenty-year period or upon satisfaction of the financing of the transportation services, facilities, or systems, whichever occurs first. Following the expiration of the twenty-year period, all amounts that would have otherwise been distributed to the eligible county shall be allocated as provided elsewhere without regard to this section.

(h) Notwithstanding this section, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes pursuant to Section 9, Chapter 529 of the Public Acts of 1992, 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 Section 4, Chapter 856 of the Public Acts of 2002, shall be distributed to the eligible county for the financing contemplated in this section. The revenue shall continue to be allocated as provided in Chapter 529 of the Public Acts of 1992, and Chapter 856 of the Public Acts of 2002, respectively.

(i) The apportionment and distribution of state sales and use taxes to the eligible county as provided in this section shall commence at the beginning of the fiscal year after the approval of the application. The apportionment and payment shall be made by the department of revenue to the county within ninety (90) days of the end of each fiscal year for which the county is entitled to receive an allocation and payment pursuant to this chapter.

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

it.