

**PUBLIC CHAPTER NO. 1057****HOUSE BILL NO. 3863**

**By Representatives Tindell, Williams, Roach, Ford, Harrison, McDaniel,  
Montgomery, Brown, Litz, Yokley, Sargent**

**Substituted for: Senate Bill No. 3934**

**By Senator Norris**

AN ACT to amend Tennessee Code Annotated, Title 67, relative to the distribution of state-shared taxes.

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 appropriately designated subsection:

( ) Notwithstanding the provisions of this section and any other law to the contrary, there is hereby established a separate account in the local government fund to be known as the "county revenue partnership fund." The apportionment of revenues to the fund and distributions from the fund shall be subject to the following provisions:

(1) Any apportionment of revenues to the county revenue partnership fund shall be allocated only from the revenues apportioned to the state general fund pursuant to subdivision (a)(1).

(2) Apportionment of revenues to the county revenue partnership fund may be made in any year pursuant to an allocation made in a specific dollar amount in the general appropriations act, and no apportionment shall otherwise be made to the fund; provided, however, that in fiscal years 2007-2008 and 2008-2009, no revenue shall be apportioned to the fund.

(3) The apportionment to and distributions from the county revenue partnership fund in any fiscal year shall not exceed the amount distributed to municipalities from the state sales tax pursuant to subdivision (a)(3)(A) in the previous fiscal year.

(4) In any fiscal year in which revenues are apportioned to the county revenue partnership fund, the revenue shall be allocated and distributed to all counties and metropolitan governments in Tennessee monthly by the commissioner of finance and administration, in proportion as the population of each county or metropolitan government bears to the aggregate population of the state, according to the latest federal census or other censuses authorized by law.

(5) The county legislative body shall, on an annual basis, direct the trustee with regard to allocating and depositing the revenue from this fund among the various funds of the county budget.

(6) In the state budget document, the county revenue partnership fund shall be listed in the report of revenue sources and basis of apportionment, and the amount apportioned to the fund shall be stated in the distribution of revenues by fund for each year in the comparison statement of state revenues, regardless of whether any revenue is apportioned to the fund for a given fiscal year.

SECTION 2. The Tennessee advisory commission on intergovernmental relations shall thoroughly study and evaluate the provisions of this act and related policy matters and shall report its findings and recommendations to the finance, ways and means committees of the senate and the house of representatives on or before June 30, 2010.

SECTION 3. This act shall take effect on August 1, 2008.

**PASSED: May 13, 2008**

  
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JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
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RON RAMSEY, SPEAKER  
SENATE OF THE SENATE

**APPROVED this 28th day of May 2008**

  
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PHIL BREDESEN, GOVERNOR