



# State of Tennessee

## PUBLIC CHAPTER NO. 347

HOUSE BILL NO. 1341

By Representatives Powell, Michael Turner, Odom, Gilmore, Jones, Stewart, Mitchell, Love, Jernigan

Substituted for: Senate Bill No. 1212

By Senators Harper, Henry

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 88 and Title 67, relative to activity in central business improvement districts which lie within a tourism development zone.

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

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 88, Part 1, is amended by adding the following language as a new section:

7-88-117.

(a)

(1) Notwithstanding any provision of law to the contrary, any metropolitan government which has created a tourism development zone pursuant to this chapter and which tourism development zone completely includes one (1) or more central business improvement districts, may, by resolution of its governing body, impose an additional fee on the sales price of services and tangible personal property sold at retail within one (1) central business improvement district located within the tourism development zone; provided that there shall be exempt from the fee imposed by this chapter any sales of the following:

- (A) Professional services;
- (B) Lodging provided to transients;
- (C) Tickets to sporting events or other live ticketed events;
- (D) Alcoholic beverages which are subject to the liquor by the drink tax in addition to sales tax;
- (E) Newspapers and other publications; and
- (F) Overnight and long term parking.

(2) The fee authorized by this section shall not exceed the rate of twenty-five hundredths percent (.25%).

(b)

(1) The metropolitan government shall furnish a certified copy of the adopting resolution to the department of revenue in accordance with regulations prescribed by the department. Such resolution shall clearly designate the one (1) central business improvement district within which the additional fee applies and shall include a description of the boundaries of such district.

(2) The department of revenue shall collect such fee concurrently with the collection of the state sales tax in the same manner as the state sales tax is collected.

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(3) Except as provided in subdivision (4), the proceeds of the fee provided for in this section shall be distributed to the metropolitan government from which the fee was collected to be deposited into the event and marketing fund of such government. The funds derived from the collection of this fee shall be used to assist in the recruitment of major conventions and group meetings, the improvement of promotion, and to provide additional focused security in the central business improvement districts located within a tourism development zone. The funds derived from the collection of this fee shall not be used to assist in the recruitment of, directly or indirectly, conventions or group meetings which are considering, or would otherwise consider absent the use of this fee, other meeting and convention venues located in a county in which such fee is imposed.

(4)

(A) For fiscal year 2013-2014, the first one hundred sixty-five thousand dollars (\$165,000) of the fee collected shall be deposited into the state general fund prior to any distribution to metropolitan government.

(B) For fiscal year 2014-2015 and subsequent fiscal years, the first fifty thousand dollars (\$50,000) of the fee collected shall be deposited into the state general fund prior to any distribution to metropolitan government.

SECTION 2. This act shall take effect January 1, 2014, the public welfare requiring it.

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PASSED: APRIL 17, 2013

  
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BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

  
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RON RAMSEY  
SPEAKER OF THE SENATE

APPROVED this 13<sup>th</sup> day of May 2013

  
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BILL HASLAM, GOVERNOR