



State of Tennessee

PUBLIC CHAPTER NO. 405

SENATE BILL NO. 998

By Gardenhire

Substituted for: House Bill No. 1039

By McCormick, Gravitt, Carter, Hazlewood, Favors

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 40 and Title 67, Chapter 1, Part 17, relative the Border Region Retail Tourism Development District Act.

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

SECTION 1. Tennessee Code Annotated, Section 7-40-104(c), is amended by deleting the first sentence and substituting instead the following:

The apportionment and distribution of state sales and use taxes shall commence with the first fiscal year after the certification of the district for which the municipality has submitted a cost certification for that fiscal year as provided in this subsection (c). The base tax revenues shall be determined in accordance with the definition in § 7-40-103, irrespective of whether a municipality filed a cost certification for the first year for which the municipality was entitled to receive an allocation of tax revenue. Within thirty (30) days after the end of each fiscal year for which a municipality is requesting an allocation of sales and use tax revenues, the municipality shall submit to the commissioner a summary of the cost of the economic development project through the end of that fiscal year with supporting documentation certified by the chief financial officer of the municipality. The certification by the chief financial officer of the municipality shall be deemed an official act of that officer on behalf of the municipality, and that officer shall not be personally liable for any incorrect information in the certification.

SECTION 2. Tennessee Code Annotated, Section 7-40-104, is further amended by adding the following language as new subsections:

(e) Not later than June 30, 2015, any municipality in which a district has been certified may exclude, on a one-time basis, from the district for the remainder of the term that the district is certified, any property or properties initially included in the certified district by designating the exclusion of the property or properties by resolution of the legislative body of the municipality. A certified copy of the resolution shall be filed with the commissioner not later than sixty (60) days after adoption by the legislative body of the municipality. Upon exclusion, and except as provided in this subsection (e), the excluded property or properties shall be treated as if the property or properties were never included in the district for all purposes, including the calculation of base tax revenues, commencing with the fiscal year ending June 30, 2015, and the municipality shall not be entitled to receive any future incremental increases in tax revenues relating to businesses located on the excluded property or properties. Notwithstanding this subsection (e), the adoption of the resolution shall not affect any prior distribution relating to the district for any fiscal year ending on or before June 30, 2014.

(f) For purposes of determining whether a business is located in the district, the commissioner shall rely on the address of the business as shown on the business's tax return.

SECTION 3. Tennessee Code Annotated, Section 7-40-106(c), is amended by adding the following language at the end of the subsection:

If the commissioner determines that any cost included in a certification of a municipality submitted pursuant to § 7-40-104(c) is not a qualifying cost within the meaning of § 7-40-103, the commissioner shall promptly give notice of the determination to the municipality. Upon receipt of the notice, the municipality may contest the determination following the procedures set forth in § 4-5-223. If the commissioner determines that any cost is not a qualifying cost, the commissioner may not recoup, on such basis, any payment that has already been made by the commissioner to the municipality or industrial development board. However, the amount of the unqualified cost shall offset and reduce the amount of any future distribution of tax revenues to the municipality or industrial development board. The chief financial officer of the municipality may rely on certifications and documentation of third parties in connection with making any certification under this chapter unless the chief financial officer has actual knowledge that the certification or documentation by the third party is false.

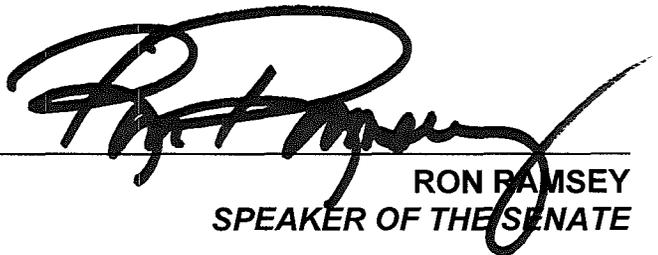
SECTION 4. Tennessee Code Annotated, Section 67-1-1707, is amended by adding the following language as a new subsection:

(k) The commissioner may, in the commissioner's discretion, disclose tax information to a unit of local government of this state for purposes of effectuating distributions of tax revenues under the Border Region Retail Tourism Development District Act, compiled in title 7, chapter 40. No unit of local government that receives tax information under this subsection (k) shall disclose the information to any person. However, nothing in this part shall prohibit the unit of local government from making payment or reimbursement to a private party out of distributions received under the Border Region Retail Tourism Development District Act, compiled in title 7, chapter 40, even if the funds are derived from sales and use taxes collected from a single parcel of property, and such payment or reimbursement shall not be a violation of this part.

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

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PASSED: April 20, 2015



RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 9th day of MAY 2015



BILL HASLAM, GOVERNOR