

**Department of State
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Sequence Number: 12-01-14
Rule ID(s): 5841
File Date: 12/2/14
Effective Date: 3/2/15

Rulemaking Hearing Rule(s) Filing Form

Rulemaking Hearing Rules are rules filed after and as a result of a rulemaking hearing (Tenn. Code Ann. § 4-5-205).

Pursuant to Tenn. Code Ann. § 4-5-229, any new fee or fee increase promulgated by state agency rule shall take effect on July 1, following the expiration of the ninety (90) day period as provided in § 4-5-207. This section shall not apply to rules that implement new fees or fee increases that are promulgated as emergency rules pursuant to § 4-5-208(a) and to subsequent rules that make permanent such emergency rules, as amended during the rulemaking process. In addition, this section shall not apply to state agencies that did not, during the preceding two (2) fiscal years, collect fees in an amount sufficient to pay the cost of operating the board, commission or entity in accordance with § 4-29-121(b).

Agency/Board/Commission:	Tennessee Department of Finance and Administration
Division:	Administration
Contact Person:	Trammel Hoehn
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Revision Type (check all that apply):

- Amendment
 New
 Repeal

Rule(s) Revised (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please enter only ONE Rule Number/Rule Title per row)

Chapter Number	Chapter Title
0620-03-07	Allocation of Tax Revenues to Assist Economically Distressed Counties
Rule Number	Rule Title
0620-03-07-.01	Purpose, Scope and Authority
0620-03-07-.02	Application Process

Chapter Number	Chapter Title
Rule Number	Rule Title

Department of Finance and Administration
Division of Administration

Chapter 0620-03-07
Allocation of Tax Revenues to Assist Economically Distressed Counties

New Rules

Chapter 0620-03 Administrative Division is amended to add Chapter 0620-03-07 Allocation of Tax Revenues to Assist Economically Distressed Counties, so that, the new rule shall read:

Table of Contents

0620-03-07-.01 Purpose, Scope and Authority

0620-03-07-.02 Application Process

0620-03-07-.01 Purpose, Scope and Authority.

- (1) Public Chapter 985 of 2014 amended Title 67, Chapter 6 of T.C.A. to create a program for allocation of certain sales tax revenues to assist economically distressed counties. The Department of Finance and Administration (Department) is granted certain responsibilities under Public Chapter 985 (Act).
- (2) The Department is authorized to promulgate rules and regulations regarding its responsibilities under the Act.

Authority: T.C.A. §§ 4-5-201 *et seq.*; 67-6-104.

0620-03-07-.02 Application Process.

- (1) An eligible county, municipality, or industrial development corporation established by such eligible county or municipality seeking to receive the allocation provided by the Act must submit an application to the Department. The Department will consider an application only if the following conditions are met:
 - (a) The application must be on a form approved by the Department.
 - (b) The application must be accompanied by payment of the non-refundable application fee of ten thousand dollars (\$10,000).
 - (c) The application must contain all information required by the form. The applicant must also submit any supplemental information requested by the Department after receipt of the application. The completed application and all requested supplemental information must be received within the time specifications of the Department's form to be considered.
 - (d) The applicant must indicate which information in the application materials it considers confidential under T.C.A. § 67-6-104(i). The applicant must separate this material from non-confidential materials and label the confidential materials as such. The Department may allow consultants to review confidential material submitted in the course of the application process, provided that the contract or memorandum of understanding requires the consultant to maintain the confidentiality of such materials.

Authority: T.C.A. §§ 4-5-201 *et seq.*; T.C.A. § 67-6-104.

* If a roll-call vote was necessary, the vote by the Agency on these rulemaking hearing rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)

I certify that this is an accurate and complete copy of rulemaking hearing rules, lawfully promulgated and adopted by the Department of Finance and Administration on 10/14/14, and is in compliance with the provisions of T.C.A. § 4-5-222.

I further certify the following:

Notice of Rulemaking Hearing filed with the Department of State on: 08/20/14

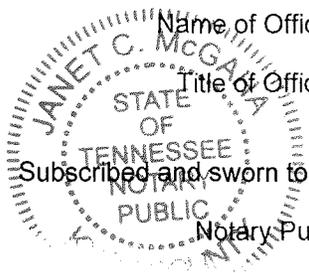
Rulemaking Hearing(s) Conducted on: (add more dates). 10/14/14

Date: November 5, 2014

Signature: [Handwritten Signature]

Name of Officer: Larry B. Martin

Title of Officer: Commissioner of F&A



Subscribed and sworn to before me on: November 5, 2014

Notary Public Signature: [Handwritten Signature]

My commission expires on: August 29, 2015

All rulemaking hearing rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

[Handwritten Signature]
Attorney General and Reporter
November 25, 2014
Date

Department of State Use Only

2014 DEC -2 AMIC:1
OFFICE OF
SECRETARY OF STATE

Filed with the Department of State on: 12/2/14

Effective on: 3/2/15

[Handwritten Signature]
Tre Hargett
Secretary of State

Public Hearing Comments

One copy of a document containing responses to comments made at the public hearing must accompany the filing pursuant to T.C.A. § 4-5-222. Agencies shall include only their responses to public hearing comments, which can be summarized. No letters of inquiry from parties questioning the rule will be accepted. When no comments are received at the public hearing, the agency need only draft a memorandum stating such and include it with the Rulemaking Hearing Rule filing. Minutes of the meeting will not be accepted. Transcripts are not acceptable.

Regulatory Flexibility Addendum

Pursuant to T.C.A. §§ 4-5-401 through 4-5-404, prior to initiating the rule making process as described in T.C.A. § 4-5-202(a)(3) and T.C.A. § 4-5-202(a), all agencies shall conduct a review of whether a proposed rule or rule affects small businesses.

Not applicable.

Impact on Local Governments

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228 "any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments." (See Public Chapter Number 1070 (<http://state.tn.us/sos/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

The regulations may have a projected impact on local governments.

Additional Information Required by Joint Government Operations Committee

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

- (A)** A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

This rule implements Public Chapter 985 of 2014 and provides the application and review procedures for applying for the allocation of certain sales tax revenues.

- (B)** A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

Public Chapter 985 of 2014 (T.C.A. § 67-6-104).

- (C)** Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

This will impact the counties, municipalities, and industrial development corporations eligible for the allocation provided by the statute. They would support this rule.

- (D)** Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule;

Not applicable.

- (E)** An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

The fiscal memorandum for SB 1708/HB 1679 (PC 985) estimated the decrease of state revenue, and increase of local revenue from the bill as follows:

\$60,400 /FY 14-15
\$120,900/FY 15-16
\$181,300/FY 16-17
\$241,800/FY17-18
\$307,300/FY 18-19 and subsequent years.

- (F)** Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Trammel Hoehn, Legislative Liaison, Office of the Commissioner of Finance and Administration

- (G)** Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Trammel Hoehn, Legislative Liaison, Office of the Commissioner of Finance and Administration

- (H)** Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

State Capitol, Nashville, Tennessee 37243

- (I)** Any additional information relevant to the rule proposed for continuation that the committee requests.

