

Amendment No. 1 to HB2240

Crawford  
Signature of Sponsor

**AMEND Senate Bill No. 1676\***

**House Bill No. 2240**

by deleting Section 1 and substituting instead:

SECTION 1. Tennessee Code Annotated, Section 67-4-1403, is amended by adding the following new subsections:

(c)

(1) Not less than thirty (30) days after the end of a municipality's fiscal year, each municipality that receives revenue from a tax levied upon the privilege of occupancy shall provide an annual written report to the comptroller of the treasury, the department of tourist development, the chair of the state and local government committee of the senate, and the chair of the local government committee of the house of representatives. The report must detail the amount of revenue spent by the municipality, and its subordinate contractors, and how those expenditures have been designated and used for tourism and tourism development pursuant to this part. The comptroller of the treasury, in consultation with the department of tourist development, shall use the reports to audit the expenditures of funds from the revenue received.

(2) If an audit by the comptroller, or by contractors employed by a local municipality with the approval of the comptroller, finds that a municipality has spent funds derived from a tax levied pursuant to this part for purposes not related to the promotion of tourism and tourism development as required by subsection (a), the municipality shall, using general funds, appropriate an amount

equal to the amount spent improperly to be used to support tourism and tourism development purposes within the immediately following fiscal year.

(d) Except as provided in subsection (b), a municipality shall not use revenue from the tax levied pursuant to this part on the general government spending or on items that were previously funded by the municipality's general appropriations.