

Amendment No. 1 to SB1030

Briggs
Signature of Sponsor

AMEND Senate Bill No. 1030*

House Bill No. 1515

by deleting all language after the caption and substituting:

WHEREAS, many cities and counties have levied a privilege tax on hotel occupancy under a variety of methods; and

WHEREAS, those cities and counties have relied upon the revenue from the privilege tax to pay for certain projects, some of which are ongoing; and

WHEREAS, such cities and counties have an expectation and need for the tax revenue to be unaffected to fund those projects; and

WHEREAS, the General Assembly desires taxation of hotel occupancy to become uniform across the state; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Section 67-4-1401(3), is amended by deleting the subdivision and substituting instead the following:

(3) "Municipality" means an incorporated city or town or a county, but does not include a county with a metropolitan form of government;

SECTION 2. Tennessee Code Annotated, Section 67-4-1401, is amended by inserting the following new, appropriately designated subdivisions:

() "Tourism" means attracting nonresidents to visit a particular municipality and encouraging those nonresidents to spend money in the municipality, which includes travel related to both leisure and business activities;

() "Tourism development" means the acquisition and construction of, and financing and retirement of debt for, facilities related to tourism;

SECTION 3. Tennessee Code Annotated, Section 67-4-1402, is amended by deleting subsections (a) and (b) and substituting instead the following:

(a)

(1) A municipality may levy, modify, or repeal a privilege tax upon the privilege of occupancy in a hotel by ordinance or resolution subject to the restrictions of this part.

(2) Except as otherwise provided in subdivision (a)(3), the tax levied by a municipality upon the privilege of occupancy in a hotel must not exceed four percent (4%) of the consideration charged to a transient by the hotel operator.

(3) Subject to SECTION 6, a tax upon the privilege of occupancy in a hotel levied or authorized before the effective date of this act by a municipality that exceeds the limit set in subdivision (a)(2) remains in full force and effect.

(b) This section does not void or modify a private act, ordinance, or resolution levying or authorizing the levy of a tax upon the privilege of occupancy in a hotel that existed on or before the effective date of this act, except as provided in SECTION 6.

SECTION 4. Tennessee Code Annotated, Section 67-4-1403, is amended by deleting the section and substituting instead the following:

(a) Except as otherwise provided in subsection (b), the revenue received by a municipality from the tax must be designated and used for the promotion of tourism and tourism development.

(b) Subject to SECTION 6, a municipality levying a tax upon the privilege of occupancy before the effective date of this act may continue to use the revenue in the manner prescribed in the private act, resolution, or ordinance levying the tax.

SECTION 5. Tennessee Code Annotated, Section 67-4-1425, is amended by deleting the section in its entirety.

SECTION 6. Tennessee Code Annotated, Title 67, Chapter 4, Part 14, is amended by adding the following new section:

(a) A privilege tax upon the privilege of occupancy in a hotel in effect, or any authorization to levy such privilege tax granted, under a private act, resolution of a county, ordinance of a city, or this part as it existed before the effective date of this act remains in full force and effect on and after the effective date of this act. However, a municipality with a preexisting privilege tax or authority shall not change the use of the revenue except in accordance with this part and subject to the restrictions of this part.

(b) A municipality with an authorized tax upon the privilege of occupancy on or before the effective date of this act shall not adopt a tax under this part unless the municipality repeals the preexisting authorization.

SECTION 7. This act takes effect upon becoming a law, the public welfare requiring it.