

HOUSE BILL 951

By White M

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 4, Part 1 and Title 67, Chapter 4, Part 14, relative to taxes on accommodations for transients.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-1401, is amended by adding the following as a new, appropriately designated subdivision:

( ) "Tourism" or "tourism development" means the planning and conducting of programs of information and publicity designed to attract to the city or county tourists, visitors, and other interested persons from outside the area and to also encourage and coordinate the efforts of other public and private organizations or groups of citizens to publicize the facilities and attractions of the area for the same purposes and shall also mean the acquisition, construction, and remodeling of facilities used in the attraction and promotion of tourist, convention, and recreational businesses. Tourism promotion must be expected to increase lodging stays or sales of on-site prepared food or both. Demonstration of the tourism purpose shall best be shown by the expenditures' likelihood to significantly increase the following: lodging stays; sales of prepared food; or visits to convention centers, attractions, museums, and other entertainment or sporting venues; or any combination of lodging stays, sales of prepared food, and such visits;

SECTION 2. Tennessee Code Annotated, Section 67-4-1402, is amended by adding the following as a new subsection:

( ) Prior to the adoption or authorization of any tax under this chapter, the local government proposing to adopt such tax shall conduct a study to determine the economic effect of the passage of such an ordinance. Such study shall be preceded by

public notice in a newspaper of general circulation, written notice to the county or city covered but not making the proposal and at least a thirty-day period for the public to review such study after it is published and submit comments to the adopting body prior to the adoption of an ordinance.

SECTION 3. Tennessee Code Annotated, Section 67-4-1406, is amended by adding the following as a new subsection:

( ) As part of the audit conducted or authorized by the comptroller of the treasury and within the normal cost of that audit, the collection and use of any tax levied under this part shall be subject to audit.

SECTION 4. Tennessee Code Annotated, Section 67-4-1403, is amended by adding the following language to the end of the section:

It is recommended that one hundred percent (100%) of the proceeds from an occupancy tax be spent for these purposes, but at least eighty percent (80%) of the proceeds of any tax or expansion of the tax adopted after the effective date of this act shall be spent in the promotion of tourism or tourism development as provided in this part.

SECTION 5. Tennessee Code Annotated, Section 67-4-1425, is amended by adding the following as a new subsection:

( ) After the effective date of this act, no occupancy tax or increase in an existing occupancy tax shall be adopted by a private act.

SECTION 6. Tennessee Code Annotated, Section 67-4-1401(7), is amended by deleting the language “thirty (30)” and substituting instead the language “ninety (90)”.

SECTION 7. Tennessee Code Annotated, Section 67-4-1404(b), is amended by deleting the language “thirty (30)” wherever it appears and substituting instead the language “ninety (90)”.

SECTION 8. Tennessee Code Annotated, Section 7-4-101(11), is amended by deleting the language “thirty (30)” and substituting instead the language “ninety (90)”.

SECTION 9. Tennessee Code Annotated, Section 67-4-1401(6), is amended by inserting the following language after the word “unit”:

where the same person or persons occupy the same room for a period of less than ninety (90) days;

SECTION 10. If any provision of this legislation or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications or this act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SECTION 11. This act shall take effect upon becoming a law, the public welfare requiring it.