



# State of Tennessee

## PUBLIC CHAPTER NO. 422

### HOUSE BILL NO. 1204

**By Representatives Zachary, Mannis, Wright, Carringer, Williams, McKenzie, Mr. Speaker Sexton, Ramsey, Ragan, Moon, Hawk, Faison, Garrett, Russell, Calfee, Marsh, Travis, Gary Hicks, Cochran, Lynn, Baum, Lamberth, Whitson, Freeman, Gant, Windle, White**

**Substituted for: Senate Bill No. 783**

**By Senators Massey, Briggs, Yager**

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, relative to sales and use taxes.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-103(d)(1)(A)(iii), is amended by designating the existing language as subdivision (a) and adding the following language as a new subdivision (b):

(b) If the stadium described in subdivision (d)(1)(A)(iii)(a) is placed in service after December 31, 2020, and on or before December 31, 2025, within any county with a population greater than four hundred thousand (400,000), according to the 2010 federal census or any subsequent federal census, and the projected cost of private development expected by the county to be constructed proximate to the stadium exceeds one hundred million dollars (\$100,000,000), then the following allocation of state and local tax revenue applies in lieu of the allocation otherwise provided in subdivision (d)(1)(A)(iii)(a):

(1) An amount must be apportioned and distributed to the entity that is responsible for retirement of the debt on the stadium equal to the amount of state and local sales tax revenue derived from any sale of admission to events occurring within the stadium and from all sales of food, drinks, merchandise, and parking sold from a location on the premises of the stadium in conjunction with any events occurring within the stadium, which is deemed to include sales of souvenirs and other merchandise at a team store located on the premises of the stadium regardless of whether such sales occur during an event or during other store hours; and

(2) All amounts received by the entity that is responsible for retirement of the debt on the stadium under this subdivision (d)(1)(A)(iii)(b) must be deposited into a fund entitled the "minor league baseball stadium fund," which must be used exclusively to pay debt service related to the financing or refinancing of the initial construction of the stadium and debt service related to the financing or refinancing of the initial public infrastructure for such stadium construction. Any refinancing must be only up to the outstanding principal amount, and the term of any refinancing shall not extend beyond the date of the original term. For purposes of this subdivision (d)(1)(A)(iii)(b)(2), "initial public infrastructure" means, in regard to the payment of debt service, those public infrastructure costs for stadium construction that are incurred within the first three (3) years following the effective date of this act. If the funds received by the entity that is responsible for retirement of the debt on the stadium under this subdivision (d)(1)(A)(iii)(b) in any fiscal year exceed the total of the debt service requirements for that year, the surplus funds thus accruing must either be applied to the prepayment of principal of any financing or refinancing or be retained by such entity as a reserve fund to be used exclusively for future debt service requirements pursuant to this subdivision (d)(1)(A)(iii)(b). The allocations provided under this subdivision (d)(1)(A)(iii)(b) must continue for a period of thirty (30) years from the date the first game is played in the stadium by the minor league baseball team, until such debt service is retired, until a sufficient reserve fund has been established for the

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retirement of such debt service, or until June 30, 2053, whichever occurs first. For purposes of administering this subdivision (d)(1)(A)(iii)(b), the entity that is responsible for retirement of the debt on the stadium shall, by July 31 of each year, report its debt amortization schedule, minor league baseball stadium fund balance, and reserve fund balance to the commissioner of revenue. Additionally, in the event that a sufficient reserve fund is established for the retirement of such debt service, the presiding officer of the governing body of the entity that is responsible for the retirement of the debt on the stadium shall certify the date of such event and provide notice to the commissioner of revenue within thirty (30) days following such event.

SECTION 2. Tennessee Code Annotated, Section 67-6-712, is amended by adding the following as a new subsection:

( ) Notwithstanding the allocations provided for in subsection (a), if a franchise for a minor league affiliate of a major league baseball team (American or National League) playing at the Class AA level or higher locates in a municipality in this state and if the municipality constructs a new stadium for the franchise, then local sales tax shall be apportioned and distributed to the municipality as provided in § 67-6-103(d)(1)(A)(iii).

SECTION 3. This act takes effect July 1, 2021, the public welfare requiring it.

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PASSED: April 28, 2021



CAMERON SEXTON, SPEAKER  
HOUSE OF REPRESENTATIVES



RANDY MCNALLY  
SPEAKER OF THE SENATE

APPROVED this 12<sup>th</sup> day of May 2021



BILL LEE, GOVERNOR