

SENATE BILL 1334

By Berke

AN ACT to amend Tennessee Code Annotated, Title 7,
Chapter 53, relative to industrial development
corporations.

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

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 53, Part 3, is amended by adding the following as an appropriately designated section:

Section 7-53-3__.

(a) It is the intent of the general assembly to encourage the redevelopment of large brownfield sites in renewal communities within the state. In addition to the authorization provided in § 7-53-312, a corporation located in a municipality in which an urban brownfield redevelopment project is located is also authorized to prepare and submit to the municipality for approval an economic impact plan with respect to an urban brownfield redevelopment project in the manner provided in this section. Except to the extent modified under this section, the provisions of § 7-53-312 shall apply to an economic impact plan for an urban brownfield redevelopment project.

(b) An economic impact plan submitted for approval under this section shall provide that the property taxes imposed on the property, including the personal property located within the area subject to the plan, the sales taxes imposed upon sales within the area subject to the plan, the sales taxes imposed upon construction and related development or redevelopment activity in the area subject to the plan, or any combination and amount of such property and sales taxes, will be distributable in the manner described in § 7-53-312(c) and subsection (c), as applicable, and used for the purposes permitted by subsection (e).

(c) In addition to the allocation of property taxes provided in § 7-53-312, an economic impact plan may further provide that the non-school portion of the local sales tax increment shall be allocated to and, when received, shall be paid into a separate fund of the corporation established to hold such payments, along with any other amounts received by the corporation pursuant to this section or § 7-53-312, until applied for the purposes described in subsection (e) pursuant to the economic impact plan. In calculating the non-school portion of the local sales tax increment, the plan may also include any new local sales taxes received from construction or related redevelopment activity occurring within the area subject to the plan. Upon the approval by a municipality of an economic impact plan containing all or any portion of the permitted excess local sales taxes, the local sales taxes received by the municipality shall be divided and allocated as so provided.

(d) Notwithstanding any provision in § 7-53-312 to the contrary, the corporation may prepare, and the municipality may approve, an economic impact plan that allocates an amount greater than the base tax amount and the base sales tax amount to the taxing agencies.

(e) All sales and property taxes allocated for an economic impact plan approved pursuant to this section shall only be applied by the corporation to pay expenses of the corporation in furtherance of economic development in the municipality, to pay or reimburse qualified costs or to pay debt service on bonds or other obligations issued by the corporation to finance any of the foregoing.

(f) As used in this section, unless the context otherwise requires:

(1) "Base sales tax amount" means the revenues received by the municipality from local sales taxes, excluding that portion of the local sales tax dedicated for school purposes, from the area subject to the plan for the fiscal

year of the municipality immediately prior to the year in which the plan is adopted. "Local sales taxes" means taxes received by the municipality pursuant to title 67, chapter 6, part 7, excluding that portion of the local sales taxes dedicated for school purposes;

(2) "Brownfield site" means a parcel or adjacent or related parcels of real property containing at least twenty (20) acres that is currently, or at any time since January 1, 2000, has been the subject of an investigation or remediation as a brownfield project under a voluntary agreement or consent order pursuant to § 68-212-224;

(3) "Non-school portion of the local sales tax increment" means any excess of local sales taxes, after deducting the portion that is statutorily designated for school purposes, over the base sales tax amount that is received by each municipality that has approved the economic impact plan from the specified sales and development activity in the area that is subject to the plan;

(4) "Qualified costs" include costs for all roads, streets, sidewalks, access ways, ramps, bridges, landscaping, signage, utility facilities, grading, drainage, parks, plazas, greenways, public parking facilities, public recreational facilities, public educational facilities, public meeting facilities and similar improvements that are necessary for or otherwise useful for the urban redevelopment project or for the redevelopment of the area subject to the economic impact plan.

"Qualified redevelopment costs" shall also include all administrative, architectural, legal and engineering expenses and such other expenses as may be necessary or incident to the development and implementation of the economic impact plan or the financing of expenses under this section;

(5) "Renewal community" means an area designated as of January 1, 2009, as a renewal community by the federal department of housing and urban development that is also located in a county having a population of three hundred thousand (300,000) or more according to the 2000 federal census or any subsequent federal census; and

(6) "Urban brownfield redevelopment project" means the development or redevelopment, in one (1) or more phases as specified in the economic impact plan, of all or any portion of a parcel or parcels of contiguous, adjacent or related properties totaling at least one hundred (100) acres. The parcel or parcels must be located in a renewal community and must contain at least one (1) brownfield site. An urban brownfield redevelopment project may include any project as defined in § 7-53-101 and may further include any publicly or privately owned or operated retail, commercial, industrial or mixed use facility, including a visitor center, recreation or entertainment facility and all related hotels, convention center facilities, administrative facilities, offices, restaurants and other amenities constructed or acquired as part of the project.

(g) An urban brownfield redevelopment project shall be a project for purposes of § 7-53-101 and for all other purposes under this chapter.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions and applications of this act are declared to be severable.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.