

SENATE BILL 1708

By Yager

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, relative to allocation of sales tax
receipts.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following as new subsection (r):

(r)

(1) Notwithstanding the allocations provided for in subsection (a), if a county or an industrial development corporation created by a county acquires property from the state on or after January 1, 2014, and such property was used by the state as a correctional facility for a period of not less than fifty (50) years, then an amount shall be apportioned and distributed to the county or the industrial development corporation designated by such county equal to the amount of state tax revenue derived under this chapter from sales of all items and services taxed pursuant to this chapter on such property beginning with the fiscal year of the state commencing July 1, 2014, provided, however, that the amount of such taxes apportioned to the county or industrial development corporation shall be applied to pay debt incurred by the county or industrial development corporation to facilitate the development of such property.

(2) Notwithstanding subdivision (r)(1) to the contrary, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes pursuant to Acts 1992, ch. 529 § 9, and no portion of the revenue derived from the increase in the rate of sales and use tax from six

percent (6%) to seven percent (7%) contained in Acts 202, ch. 856, § 4, shall be apportioned and distributed pursuant to this subsection (r). The revenue shall continue to be allocated as provided in Acts 1992, ch. 529 and Acts 2002, ch. 856, respectively.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.