

SENATE BILL 2190

By Campfield

AN ACT to amend Tennessee Code Annotated, Title 9;
Title 49 and Title 67, relative to taxes for education
purposes.

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

SECTION 1. Tennessee Code Annotated, Title 9, Chapter 1, Part 1, is amended by adding the following as a new, appropriately designated section:

9-1-1__.

(a) On and after the effective date of this act, prior to any public entity making any grant or loan to any person, the person shall pay all deficient or delinquent property taxes and local option sales taxes, and any other deficient or delinquent state or local taxes that are earmarked for education. A public entity may only make a grant or loan to a person upon a determination by the public entity that the person has paid all such deficient or delinquent taxes.

(b) A public entity shall include in a grant or loan contract awarded to a person a provision that reserves the right of the public entity to recover, in whole or in part, the amount of any property taxes, local option sales taxes, or any other taxes earmarked for education if the person fails to timely remit such taxes at any time following receipt of the grant or funds; provided, that the taxes shall be recovered from the grant or funds disbursed by the public entity and remitted to the appropriate public entity to which the taxes are due.

(c) As used in this section:

(1) "Local government" means any county, metropolitan government or municipality;

(2) "Local government instrumentality" means any authority or other entity created by law on behalf of any county, metropolitan government or municipality;

(3) "Person" means any individual or entity, including a corporation, general or limited partnership, trust or limited liability company; and

(4) "Public entity" means this state, a state agency, a local government, a local government instrumentality, or any other authority, board, district, instrumentality, or entity created by this state, a state agency, a local government, or a local government instrumentality.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to any grant or loan contract entered into, or renewed, on or after such date.