

CHAPTER NO. 448

SENATE BILL NO. 1808

By Clabough

Substituted for: House Bill No. 1873

By Ronnie Cole, Head, Walker, Montgomery, McCord, Buttry, Roach

AN ACT To enact "The Tax Relief and Reform Act of 2001" and to amend Tennessee Code Annotated, Title 7; Title 12; Title 30; Title 57 and Title 67.

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

SECTION 1. Tennessee Code Annotated, Section 67-5-901, is amended by adding the following subsection:

() If real property is classified as residential and is used for overnight rentals as defined in Tennessee Code Annotated, Section 67-4-702(a), then the tangible personal property located within such residential real property shall be classified as other tangible personal property and not as commercial property, provided the owner of such rental properties owns less than three (3) overnight rental properties as defined in Tennessee Code Annotated, Section 67-4-702(a). An individual shall be deemed the owner of property held solely by the individual or the individual's spouse or minor children, or owned in trust for the benefit of the individual or the individual's spouse or minor children. An individual shall further be deemed the owner of property held in partnership with others or owned by a corporation of which the individual owns at least ten percent (10%) of the share. This subsection shall be applicable to assessments for tax year 2001 and 2002 and the assessor is authorized and required to correct 2001 assessments consistent with the provisions of this act upon request by the taxpayer pursuant to Tennessee Code Annotated, Section 67-5-509. This subsection shall be void after December 31, 2002.

SECTION 2. Tennessee Code Annotated, Section 67-3-2001(k) is amended by inserting a new subdivision (3) and renumbering the subsequent subdivisions:

(3) If the additional revenues earmarked for the general fund as provided in subdivision (2) are less than seven million dollars (\$7,000,000.00) in the fiscal year ending June 30, 2001, and in subsequent fiscal years, the earmark for the general fund from the gasoline tax imposed under the provisions of Section 67-3-1301 shall be increased in an amount sufficient to provide that the total amount earmarked for the general fund as provided in subdivision (2) and this subdivision shall be seven million dollars (\$7,000,000.00) in the fiscal year ending June 30, 2001, and in subsequent fiscal years.

SECTION 3. 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 of this act are declared to be severable.

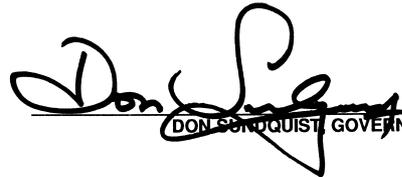
SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: July 12, 2001


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 18th day of July 2001


DON SUNDQUIST, GOVERNOR