

SENATE BILL 2932  
By Kyle

AN ACT to amend Tennessee Code Annotated, Title 55,  
Chapter 8, Part 1 and Title 67, relative to fuel  
efficient vehicles.

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

SECTION 1. Tennessee Code Annotated, Section 55-8-188(a), is amended in subdivision (2) by deleting the subdivision in its entirety and by substituting instead the following language:

(2) "High occupancy vehicle" means a public transportation vehicle; privately owned bus; motorcycle; hybrid-electric or alternative fuel motor vehicle regardless of the number of occupants; or private passenger motor vehicle (including vans and pick-up trucks) carrying not less than two (2) passengers, or more as determined by the commissioner of transportation; and

SECTION 2. Tennessee Code Annotated, Section 55-8-188(a), is amended by adding the following language as new subdivisions:

( ) "Alternative fuel motor vehicle" means a motor vehicle which is either a fuel-flex vehicle in which the engine is designed to run on regular unleaded gasoline and an alcohol fuel or a bi-fuel vehicle which is designed to run with two (2) separate fuel systems, with the capability to switch from one to the other efficiently;

( ) "Hybrid-electric motor vehicle" means a motor vehicle which combines a gasoline engine with a battery-powered electric motor;

SECTION 3. Tennessee Code Annotated, Title 67, Chapter 6, Part 2, is amended by adding the following language as a new section:

§ 67-6-233.

(a) Notwithstanding other provisions of this chapter, tax imposed with respect to the initial, retail sale or use of hybrid-electric or alternative fuel motor vehicles shall be at the rate of three and one-half percent (3.5%); provided, however, such retail sale or use shall be subject to the local option tax authorized by § 67-6-702.

(b) For purposes of this section:

( ) "Alternative fuel motor vehicle" means a motor vehicle which is either a fuel-flex vehicle in which the engine is designed to run on regular unleaded gasoline and an alcohol fuel or a bi-fuel vehicle which is designed to run with two (2) separate fuel systems, with the capability to switch from one to the other efficiently;

( ) "Hybrid-electric motor vehicle" means a motor vehicle which combines a gasoline engine with a battery-powered electric motor.

SECTION 4. This act shall take effect July 1, 2006, the public welfare requiring it.