

**Senate Transportation and Safety Committee 1**

**Amendment No. 1 to SB1460**

**Tracy  
Signature of Sponsor**

**AMEND Senate Bill No. 1460\***

**House Bill No. 1526**

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 67, is amended by adding the following as a new chapter:

**67-11-101.** This chapter shall be known and may be cited as the "Local Option Transportation Improvement Act".

**67-11-102.** As used in this chapter:

(1) "County" means any county located in this state and includes any county having a metropolitan or consolidated form of government; and

(2) "Municipality" means any city or town in this state.

**67-11-103.** The purpose of this chapter is to authorize any county to levy a transportation improvement surcharge in order to fund all or part of the costs associated with the planning, development, implementation, operation, and maintenance of transportation facilities or systems serving the general public or freight carriers.

**67-11-104.**

(a) The use of revenue generated by the surcharge authorized by this chapter shall be limited to costs associated with the planning, development, construction, implementation, administration, management, operation, and maintenance of transportation facilities or systems serving the general public or freight carriers; provided, that transportation projects or programs that are intended to improve roadway and bridge conditions, roadway safety for motorists and nonmotorists, traffic operations, or access to and the availability of public transit service may be implemented on any route, publicly owned or used, through the use of such revenue; provided, further that

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transportation projects that provide new or additional lanes of capacity for general purpose motor vehicle travel shall be allowed, through the use of such revenue, on roadways with a minimum classification of "collector" as identified by the functional classification system cooperatively managed by the department of transportation and that county's respective metropolitan planning organization (MPO) or regional planning organization (RPO).

(b)

(1) Counties in which a public transit agency provides local or regional regular fixed-route transit services shall dedicate no less than fifty percent (50%) of revenue generated from the surcharge to maintain, operate, or expand public transit services, or for any combination of such activities.

(2) Counties participating in a regional transit agency (RTA) that has been created under title 64, chapter 8 shall dedicate no less than fifty percent (50%) of the transit funding to the RTA for the purposes of developing, constructing, or operating regional transit services.

(3) Agreements for the use of revenue for transit purposes shall be developed in accordance with subsection (d).

(c) Counties that dedicate at least eighty percent (80%) of the proceeds to improvements that provide additional public transit services which have demonstrated air quality benefits shall be exempt from the vehicle emissions inspection program, if such exemption is otherwise allowed by federal law or regulations.

(d)

(1) Counties shall coordinate with municipalities, transit agencies, and highway departments within the counties to develop, for public review, a program that describes the proposed projects, service standards, and any operation and maintenance plans to be implemented with funding generated by the surcharge.

(2) Prior to imposing the surcharge, a joint resolution establishing support for the use of the surcharge revenue shall be adopted by jurisdictions representing at least fifty percent (50%) of the residential population within the county; provided, that the population of a county's jurisdiction includes those residents in the unincorporated parts.

(3) In carrying out the requirements of this chapter, counties that are members of an RTA or MPO shall demonstrate to the RTA or MPO how the program is consistent with regional transportation plans and improvement programs adopted by local governments across the region.

**67-11-105.** Revenue from the surcharge may be:

(1) Combined with other funding generated by local, state, or federal governments from taxes, fees, fares, or tolls, and may be used to match state and federal grants;

(2) Combined with private monies where allowed by law and used as a public entity's share of costs associated with a public-private initiative entered into pursuant to Chapter \_\_\_\_ of the 2016 Public Acts (Senate Bill 2093 / House Bill 2407);

(3) Pledged to the payment of bonds issued for the purposes of financing transportation projects that meet the provisions of § 67-11-104; or

(4) Directed or transferred to other public entities that are more capable of carrying out the intended purpose identified in § 67-11-103.

**67-11-106.**

(a) The surcharge may be levied in connection with any tax authorized to be levied by a county or municipality pursuant to title 5 or this title. The surcharge shall not take effect unless it is approved by resolution in the manner provided in subsection (b).

(b)

(1) No resolution authorizing the surcharge under this chapter shall take effect unless the resolution is approved by:

(A) A two-thirds (2/3) vote of the county legislative body at two (2) consecutive, regularly scheduled meetings; or

(B) A majority of the number of qualified voters of the county voting in an election on the question of whether or not the surcharge should be levied.

(2) Any resolution adopted by the county legislative body pursuant to subdivision (b)(1)(A) to levy the surcharge shall specify the rate of the surcharge. The resolution shall become operative thirty (30) days after its final adoption by the county legislative body. No surcharge shall be collected under the resolution until the first day of a month occurring at least thirty (30) days after the operative date.

(3)

(A) If there is a petition of registered voters amounting to ten percent (10%) of the votes cast in the county in the last gubernatorial election that is filed with the county election commission within thirty (30) days of final approval of the resolution by the county legislative body, then the county election commission shall call an election on the question of whether or not the surcharge should be levied in accordance with this chapter.

(B) The county legislative body shall direct the county election commission to call the election to be held in a regular election or in a

special election for the purpose of approving or rejecting such levy of the surcharge.

(C) The ballots used in the election shall have printed on them the substance of the resolution and the voters shall vote for or against its approval.

(D) The votes cast on the question shall be canvassed and the results proclaimed by the county election commission and certified by it to the county legislative body.

(E) The qualifications of voters voting on the question shall be the same as those required for participation in general elections.

(F) All laws applicable to general elections shall apply to the determination of the approval or rejection of the levy of this surcharge.

(G) Notwithstanding this section to the contrary, no surcharge shall take effect in a form authorized by chapter 6 of this title in connection with any local option sales and use tax without the approval of a majority of the number of qualified voters of the county voting in an election on the question of whether or not the surcharge should be levied.

(H) If the majority vote is for the levy of the surcharge, the surcharge shall be deemed to be approved on the date that the county election commission makes its official canvass of the election returns. No surcharge shall be collected pursuant to subdivision (b)(1)(B) until the first day of a month occurring at least thirty (30) days after the date of approval of the levy of the surcharge.

(c) The surcharge shall be collected in the same manner provided in title 5 or this title for the tax in connection with which the surcharge is levied.

(d) Any surcharge levied pursuant to this chapter shall remain in effect on a perpetual basis as permitted by law, unless the authorizing resolution shall provide for a specific date or conditions for termination.

(e) Any resolution of a county adopted in accordance with this chapter may be repealed in the same manner as provided by this chapter for its adoption; provided, that any election for the repeal of a surcharge shall be open to the voters of the entire county.

**67-11-107.**

(a) The rate of the surcharge levied by a county under this chapter shall not separately exceed the maximum rate established for the corresponding tax authorized under title 5 or this title.

(b) The surcharge levied pursuant to this chapter is a separate tax and shall be in addition to all other taxes and fees levied by a county pursuant to title 5 or this title. Any county shall levy the surcharge up to a maximum rate as provided in this section without affecting the available taxing authority and rate of taxes authorized by title 5 or this title.

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