

HOUSE BILL 1695

By Carr

AN ACT to amend Tennessee Code Annotated, Title 7,
Chapter 4, Part 1 and Title 67, Chapter 4, Part 14,
relative to taxes on hotel accommodations.

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

SECTION 1. Tennessee Code Annotated, Section 7-4-101(a)(5), is amended by deleting the language "thirty (30)" and substituting instead the language "ninety (90)".

SECTION 2. Tennessee Code Annotated, Section 7-4-101(a)(11), is amended by deleting the language "thirty (30)" and substituting instead the language "ninety (90)".

SECTION 3. Tennessee Code Annotated, Section 67-4-1401(7), is amended by deleting the language "thirty (30)" and substituting instead the language "ninety (90)".

SECTION 4. Tennessee Code Annotated, Section 67-4-1401, is amended by adding the following as a new, appropriately designated subdivision:

() "Tourism" means:

(A) The planning and conducting of programs of information and publicity designed to attract to the city or county tourists, visitors, and other interested persons from outside the area and to also encourage and coordinate the efforts of other public and private organizations or groups of citizens to publicize the facilities and attractions of the area for the same purposes; and

(B) The acquisition, construction, and remodeling of facilities used in the attraction and promotion of tourist, convention, and recreational businesses.

SECTION 5. Tennessee Code Annotated, Section 67-4-1403, is amended by deleting the section in its entirety and substituting instead the following language:

(a) The proceeds received by the municipality, city, town, or county from any tax levied on the privilege of occupancy of a hotel shall be designated and used for purposes authorized in the ordinance, resolution, or private act levying the tax; provided, that at least eighty percent (80%) of the proceeds of any tax or expansion of such a tax adopted after the effective date of this act shall be spent in the promotion and development of tourism as provided in this part.

(b) Tax proceeds spent in tourism promotion and development must be expected to increase lodging stays or sales of on-site prepared food, or both, which may be demonstrated by the expenditures' likelihood to significantly increase the following:

(1) Lodging stays;

(2) Sale of on-site prepared food;

(3) Visits to convention centers, attractions, museums, and other entertainment or sporting venues; or

(4) Any combination of subdivisions (b)(1)-(3).

(c) Any tax authorized to be levied by any municipality, city, town, or county on the privilege of occupancy of a hotel pursuant to any ordinance, resolution, or private act, enacted or modified after the effective date of this act, shall be collected from the transient by the operator.

SECTION 6. Tennessee Code Annotated, Section 67-4-1404(b), is amended by deleting the language "thirty (30)" and substituting instead the language "ninety (90)".

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.