

Amendment No. 2 to SB1861

**Watson
Signature of Sponsor**

AMEND Senate Bill No. 1861*

House Bill No. 1923

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

SECTION 1. Tennessee Code Annotated, Section 7-88-107, is amended by adding the following new subsection:

(c) Any bonds, notes, or other indebtedness, including any refinancing or refunding, proposed to be issued under this part must be approved by the state funding board.

SECTION 2. Tennessee Code Annotated, Section 7-88-114, is amended by deleting the section and substituting instead the following:

(a) This part shall apply to:

(1) Tourism development zones existing as of the effective date of this act; and

(2) Tourism development zones approved by the state building commission no later than December 31, 2018, that are created pursuant to a letter of intent or application filed as of June 26, 2007.

(b) No tourism development zones shall be created after the effective date of this act, except for those tourism development zones created pursuant to subdivision (a)(2).

(c) Should an application not be approved by the state building commission by December 31, 2018, whether or not it is filed pursuant to a letter of intent filed by June 26, 2007, the application and letter of intent shall be null and void.

(d) The state building commission has the authority to approve or disapprove an application for a tourism development zone in whole or in part.

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(e)

(1) The state building commission has the authority to approve or disapprove any modification to a tourism development zone in whole or in part; however, a tourism development zone may not be modified to expand its boundaries or extend its term unless specifically authorized by statute with respect to a particular tourism development zone. The state building commission has the authority to deny a modification relative to the use of the tourism development zone funds if it determines that any proposed use is not economically feasible or not in the best interest of the state.

(2) As used in this part, "modification" means any change in a tourism development zone, including, but not limited to, adding new qualified public use facilities; adding qualified associated developments or ancillary structures or facilities; or adding any use of property tax revenue pursuant to § 7-88-113.

(f) The municipality or public authority in which a tourism development zone is located shall file with the commissioner of finance and administration and the state building commission an annual report on a form and in accordance with the procedures prescribed by the comptroller of the treasury for the year previous to the date of the annual report, which shall include:

(1) A list of contractual commitments specifying the individual parties, expenditures, and the scope of work. For the purpose of this part, "contractual commitment" means any contract, agreement, or commitment for goods or services that is funded in whole or in part by tourism development zone funds;

(2) A tourism development zone's principal debt and interest, revenues, total expenditures, expenditures made with surplus funds, outstanding indebtedness, periodic surplus/deficit, and cumulative surplus/deficit;

(3) The cumulative amount of funds expended by the tourism development zone on the zone itself specified by subaccount on each qualified public use facility, and specifying whether such funds were bond proceeds or surplus revenues; and

(4) A sources and uses report showing all funds received or expended in conjunction with, in relation to, or leveraged with, tourism development zone funds. Received funds shall be stated separately from the funding source. Receipts or expenditures of less than one hundred thousand dollars (\$100,000) may be reported in the aggregate by category. For receipts and expenditures equal to or in excess of one hundred thousand dollars (\$100,000), each item must be listed with specificity and include the payee or payees, purpose, and date.

(g) In addition to the annual report, the state building commission shall have the authority to request at any time a sources and uses report showing all funds received or expended by the municipality or public authority with respect to the tourism development zone during the previous three (3) months.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring

it.