House Finance, Ways, and Means Subcommittee Am. #1

**Amendment No._____**

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| Date _____ |
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| Comm. Amdt. _____ |

**Signature of Sponsor**

**AMEND Senate Bill No. 2071 House Bill No. 2096***

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 5, Part 3, is amended by adding the following as a new section:

(a)

(1) The department shall submit a report to the general assembly no later than October 31, 2022, and annually thereafter, to include the following:

(A) Information from the preceding federal fiscal year related to all instances in which the department sought, applied for, accepted, or renewed a waiver of or exemption to work requirements under the supplemental nutrition assistance program (SNAP) during that federal fiscal year, including details about why the waiver or exemption was sought, applied for, accepted, or renewed, the duration of the waiver or exemption, and the location where the waiver or exemption was applicable; and

(B) Information from the preceding federal fiscal year related to the number of recipients receiving SNAP benefits in this state, the amount of benefits received, the number of recipients subject to the work requirements of SNAP, and the number of recipients participating in the SNAP employment and training program.

(2) The report may be submitted electronically.

(b) The department shall not provide an exemption under 7 U.S.C. § 2015(o)(6)(E) from the work requirements applicable to able-bodied adults without dependents (ABAWDs) if the individual:

(1) Refuses, at the time of application and every twelve (12) months thereafter, to register for employment in a manner prescribed by the United States department of agriculture;

(2) Refuses, without good cause, to participate in an employment and training program to the extent required by the department;

(3) Refuses, without good cause, to provide the department with sufficient information to allow the department to determine the employment status or the job availability of the individual; or

(4) Voluntarily and without good cause quits a job or reduces work effort and, after the reduction, the individual is working less than thirty (30) hours per week.

SECTION 2. This act takes effect upon becoming law, the public welfare requiring it.

House Finance, Ways, and Means Subcommittee Am. #1

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**Signature of Sponsor**

**AMEND Senate Bill No. 2872 House Bill No. 2572***

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

SECTION 1. There is created a task force to study retirement benefits for law enforcement officers as defined in this section. The task force is administratively attached to the department of treasury.

SECTION 2. The task force is composed of the following members:

(1) The chairs of the finance, ways and means committees of the senate and the house of representatives, or their respective designees, who shall serve as co-chairs for the task force;

(2) State treasurer or the treasurer's designee;

(3) One (1) representative of the Tennessee Sheriffs' Association;

(4) One (1) representative of the Tennessee Association of Chiefs of Police;

(5) One (1) representative of the Tennessee Municipal League;

(6) One (1) representative of the Tennessee County Services Association;

(7) Commissioner of safety or the commissioner's designee;

(8) Commissioner of human resources or the commissioner's designee;

(9) Commissioner of revenue or the commissioner's designee;

(10) Commissioner of the Tennessee wildlife resources agency or the commissioner's designee; and

(11) Director of the Tennessee bureau of investigation or the director's designee.

SECTION 3. As used in this act, "law enforcement officer" means a member of the Tennessee highway patrol, or a police officer, sheriff, or sheriff's deputy employed full time by a

municipality or political subdivision of this state, or a police officer, agent, or investigator employed full time by the state, whose primary responsibility is the prevention and detection of crime and apprehension of offenders.

SECTION 4. The members of the task force shall serve without compensation but are entitled to reimbursement of any travel expenses incurred. All reimbursement for travel expenses must conform to the comprehensive state travel regulations as promulgated by the commissioner of finance and administration.

SECTION 5. By no later than January 1, 2023, the task force shall complete its findings and make recommendations in a report to the council on pensions, which must include, but is not limited to, the enactment of legislation, the financial impact of any legislative changes, the policy considerations of any legislative changes, and any solutions that do not require a legislative change.

SECTION 6. This task force ceases to exist upon completion of the task force's report and recommendations.

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

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**Signature of Sponsor**

**AMEND Senate Bill No. 1685 House Bill No. 1689***

by inserting the following new section immediately preceding the last section and renumbering the last section accordingly:

SECTION __. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

( )

(i) A commercially operated facility that:

(*a*) Is owned and operated by a not-for-profit corporation that has been in existence since 1953;

(*b*) Is organized and operated to offer a club environment to members, where members receive access to amenities;

(*c*) Has at least two hundred fifty (250) dues-paying members;

(*d*) From time to time welcomes non-members to the property for special events such as weddings, community engagement events hosted or sponsored by its members, and, in certain circumstances, non-members;

(*e*) Has a restaurant with indoor and outdoor seating, including a separate bar area, enclosed pavilion with an outdoor pavilion patio, and pool, with a total seating capacity of over three hundred (300) persons;

(*f*) Has indoor and outdoor spaces for events, a basketball court, and tennis courts;

(*g*) Has a full-service marina available to its members and their guests with at least one hundred (100) wet slips that would accommodate boats with beds and bathrooms, eighty (80) dry slips in a dry stack building, a guest dock, and a fuel dock with direct access to Old Hickory Lake;

(*h*) Is situated on approximately sixty-three (63) acres; and

(*i*) Is located in a county having a population of not less than one hundred forty-seven thousand (147,000) and not more than one hundred forty-eight thousand (148,000), according to the 2020 federal census or a subsequent federal census;

(ii) The premises of the facility licensed under this subdivision (28)( ) means any or all of the property that constitutes the facility, including all indoor and outdoor areas of the premises. The licensee shall designate the premises to be licensed by the commission by filing a drawing of the premises, which may be amended by the licensee by submitting a subsequent, amended drawing. Members and guests may carry alcoholic beverages and beer sold by the licensee anywhere on the premises of the facility. If multiple licenses or beer permits are granted pursuant to this subdivision (28)( ), or another chapter of this title, then the designations of premises may be overlapping; provided, that the premises are located within the facility as herein described. In addition, the facility may offer to members secure wine lockers for the storage of bottles of wine; provided, that the design and plan for wine lockers is approved by the commission. If approved by the commission, wine lockers may only be used to store wine. For bottles of wine brought onto the premises by a member or guest, the licensee may charge a corkage fee for opening the bottle and the provision of glassware;

(iii) Notwithstanding chapter 5 of this title to the contrary, the premises of a facility licensed under this subdivision (28)( ) means, for beer permitting purposes, any or all of the property that constitutes the facility, including all indoor and outdoor areas of the premises. The beer permittee shall designate the premises to be permitted by filing a drawing of the premises, which may be amended by the permittee by submitting a subsequent, amended drawing. Members and guests may carry alcoholic beverages and beer sold by the licensee anywhere on the premises of the facility. If multiple licenses or beer permits are granted pursuant to this subdivision (28)( ) or another chapter of this title, then the designations of premises may be overlapping; provided, that the premises are located within the facility as herein described; and

(iv) A facility licensed under this subdivision (28)( ) may hold any of the licenses authorized under this subdivision (28)( ) and a beer permit, or may grant a franchise to one (1) or more entities for any or all such licenses or beer permits. The facility may also contract with a third party for the management of all or part of the facility's food and beverage operations and service and compensate the third party with all or a percentage of the sales profits resulting from the sale of alcoholic beverages and beer;

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**Signature of Sponsor**

**AMEND Senate Bill No. 1685 House Bill No. 1689***

by inserting the following new section immediately preceding the last section and renumbering the last section accordingly:

SECTION __. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

( ) A commercially operated facility that:

(i) Was established in 2003, is situated on approximately five and one-half (5.5) acres, and contains approximately five thousand eight hundred square feet (5,800 sq. ft.);

(ii) Operates a hand-hewn lodge with four (4) units in addition to twelve (12) cabins that serve as vacation rentals;

(iii) Operates a barn, restaurant, golf course, campground, bar and tavern, multiple fire pits, pool, hot tub, and pool house;

(iv) Serves as an event venue, including, but not limited to, hosting weddings, live music, festivals, reunions, retreats, parties, conferences, receptions, and craft shows, and can accommodate up to one hundred fifty (150) guests;

(v) Offers soccer, cornhole, volleyball, badminton, croquet, swimming, and hiking; and

(vi) Is located in a county with a population of not less than six thousand one hundred (6,100) and not more than six thousand two hundred (6,200), according to the 2020 federal census or a subsequent federal census;

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**Signature of Sponsor**

**AMEND Senate Bill No. 900*** **House Bill No. 1218**

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

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 4, is amended by adding the following as a new part:

**56-4-501. Short title.**

This part is known and may be cited as the "New Markets Development Act."

**56-4-502. Part definitions.**

As used in this part:

(1) "Applicable percentage" means zero percent (0%) for each of the first two (2) credit allowance dates, seven percent (7%) for the third credit allowance date, and eight percent (8%) for the next four (4) credit allowance dates;

(2) "CDFI fund" means the community development financial institutions fund of the United States department of treasury;

(3) "Credit allowance date" means, with respect to a qualified equity investment:

(A) The date on which the investment is initially made; and

(B) Each of the six (6) anniversary dates of that date thereafter;

(4) "Department" means the department of finance and administration;

(5) "Principal business operations":

(A) Means the place or places in a rural county where at least sixty percent (60%) of a qualified active low-income community

business's employees work or where employees that are paid at least sixty percent (60%) of the business's payroll work; and

(B) Includes the location of business operations of an out-of-state business that has agreed to relocate employees or an in-state business that has agreed to hire employees using the proceeds of a qualified low-income community investment to establish principal business operations in a rural county if the business satisfies the criteria in subdivision (5)(A) within one hundred eighty (180) days after receiving the qualified low-income community investment, unless the department agrees to a later date;

(6) "Purchase price" means the amount paid to the qualified community development entity for that qualified equity investment;

(7) "Qualified active low-income community business":

(A) Has the same meaning as defined in 26 U.S.C. § 45D and has its principal business operations in a rural county at the time of the qualified low-income community investment;

(B) Includes a business:

(i) That is controlled by or under common control with another business if the second business does not derive, or project to derive, fifteen percent (15%) or more of its annual revenue from the rental or sale of real estate and is the primary tenant of the real estate leased from the initial business; or

(ii) That is reasonably expected to continue to satisfy the requirements for being a qualified active low-income community business throughout the entire period of the qualified low-income community investment by the qualified community development entity at the time such entity makes the investment; and

(C) Does not include a business that derives, or projects to derive, fifteen percent (15%) or more of its annual revenue from the rental or sale of real estate;

(8) "Qualified community development entity":

(A) Has the same meaning as defined in 26 U.S.C. § 45D; and

(B) Includes an entity that has entered into, or is controlled by another entity that has entered into, an allocation agreement with the CDFI fund with respect to tax credits authorized by 26 U.S.C. § 45D, and that includes this state within the service area set forth in that allocation agreement;

(9) "Qualified equity investment":

(A) Means an equity investment in a qualified community development entity that:

(i) Is acquired after the effective date of this act at its original issuance solely in exchange for cash;

(ii) Has at least one hundred percent (100%) of the cash purchase price used by the qualified community development entity to make qualified low-income community investments in qualified active low-income community businesses that have their principal business operations in this state;

(iii) Is designated by the qualified community development entity as a qualified equity investment under this part and 26 U.S.C. § 45D; and

(iv) Is certified by the department as not exceeding the limitation contained in § 56-4-505(d); and

(B) Includes a qualified equity investment that does not meet the criteria in subdivision (9)(A)(i) if the investment was a qualified equity investment in the hands of a prior holder;

(10) "Qualified low-income community investment" means a capital or equity investment in, or loan to, a qualified active low-income community business with principal business operations in this state; provided:

(A) With respect to the qualified active low-income community business, the maximum amount of qualified low-income community investments made in that business under this part, on a collective basis with all of its affiliates that may be considered for purposes of meeting the criteria in subdivision (9)(A)(ii) is five million dollars ($5,000,000), whether made by one (1) or several qualified community development entities, exclusive of redeemed or repaid qualified low-income community investments;

(B) The limitation of five million dollars ($5,000,000) only applies to qualified low-income community investments made under this part and not separate qualified low-income community investments made in this state pursuant to 26 U.S.C. § 45D; and

(C) A secured loan or a revolving line of credit to a qualified active low-income community business is not considered a qualified low-income community investment unless the qualified active low-income community business sought and was denied similar financing from a commercial bank, as established by an affidavit from the president or chief executive officer of the qualified active low-income community business;

(11) "Rural county" means a county with a population of less than one hundred seventy-five thousand (175,000), according to the 2020 federal census or a subsequent federal census;

(12) "State tax liability" means a liability incurred by a person or entity for the following taxes, as applicable:

(A) Taxes due under § 56-4-205;

(B) Taxes due under § 56-4-218; and

(C) Taxes due under another state law imposing a premium or insurance premium retaliatory tax, including a replacement tax imposed on insurance companies if such taxes are eliminated or reduced;

(13) "Tax credit" means a credit against the taxes imposed by §§ 56-4-205 and 56-4-218, and any other state law imposing a premium or insurance premium retaliatory tax, including a replacement tax imposed on insurance companies if such taxes are eliminated or reduced; and

(14) "Taxpayer" means an entity subject to insurance premium tax under state law.

**56-4-503. Tax credit established.**

(a) A person or entity that makes a qualified equity investment earns a vested right to tax credits as follows:

(1) On each credit allowance date of the qualified equity investment, the purchaser of the qualified equity investment, or subsequent holder of the qualified equity investment, is entitled to a tax credit during the taxable year, including that credit allowance date;

(2) The tax credit amount is equal to the applicable percentage for such credit allowance date multiplied by the purchase price paid to the qualified community development entity for the qualified equity investment; and

(3) The amount of the tax credit claimed must not exceed the amount of the state tax liability of the holder, or the person or entity to whom the tax credit is allocated for use pursuant to § 56-4-504, for the tax year for which the tax credit is claimed.

(b) A taxpayer shall not pay an additional retaliatory tax related to the utilization of a tax credit.

(c) A tax credit claimed under this part is not refundable or saleable on the open market.

(d) Tax credits earned by or allocated to a partnership, limited liability company, or S corporation may be allocated to the partners, members, or shareholders of that entity for their direct use in accordance with the provisions of an agreement among the partners, members, or shareholders. Such allocation is not a sale under state law.

(e) An amount of tax credit that the taxpayer, or a partner, member, or shareholder of a partnership, limited liability company, or S corporation, respectively, is prohibited from claiming in a taxable year may be carried forward for use in a taxpayer's subsequent taxable years.

**56-4-504. Applications.**

(a) A qualified community development entity that seeks to have an equity investment designated as a qualified equity investment and eligible for tax credits under this part shall apply to the department on a form provided by the department that includes:

(1) The name, address, tax identification number of the applicant, and evidence of the applicant's certification as a qualified community development entity by the CDFI fund;

(2) A copy of a prior allocation agreement executed by the applicant, or its controlling entity, and the CDFI fund;

(3) A certificate executed by an executive officer of the applicant attesting that the allocation agreement remains in effect and has not been revoked or cancelled by the CDFI fund;

(4) A description of the proposed amount, structure, and purchaser of the equity investment;

(5) The amount of qualified equity investment authority sought, which shall not exceed the lesser of fifty million dollars ($50,000,000) or the applicant's, or the applicant's controlling entity's, available qualified equity investment authority under 26 U.S.C. § 45D, and a copy of the screenshot from the CDFI fund's allocation tracking system evidencing such remaining qualified equity investment authority; and

(6) A nonrefundable application fee of five thousand dollars ($5,000). This fee must be paid to the department and is required of each application submitted.

(b) The department shall set a date to accept applications that is not less than thirty (30) days, but not more than forty-five (45) days after the CDFI fund announces allocation awards under a notice of funding availability that was published in the federal register in November 2021.

**56-4-505. Certification of qualified equity investments.**

(a) Within thirty (30) days after receipt of an application, the department shall grant or deny the application in whole or in part. If the department denies a part of the application, then it shall inform the applicant of the grounds for the denial. If the applicant provides additional information required by the department or otherwise completes the application within fifteen (15) days of the notice of the denial, then the application is considered completed as of the original date of submission. If the applicant fails to provide the information or complete the application within the fifteen-day period, then the application remains denied and must be resubmitted in full with a new submission date.

(b) If the application is deemed complete, then the department shall certify the proposed equity investment as a qualified equity investment that is eligible for tax credits under this section, subject to the limitations contained in subsection (d). The department shall provide written notice of the certification to the qualified community development

entity. Once the qualified community development entity receives the names of those taxpayers who are allocated tax credits and their respective tax credit amounts, the qualified community development entity shall provide a notice of allocation to the department, and the department shall provide a certification to the qualified community development entity and each taxpayer containing the tax credit amounts and utilization schedule for which the taxpayer is eligible. If the names of the taxpayers who are eligible to utilize the tax credits change due to a transfer of a qualified equity investment or a change in allocation pursuant to § 56-4-503(d), then the qualified community development entity shall notify the department of the change.

(c) The department shall certify applications in proportionate percentages based upon the ratio of the amount of qualified equity investments requested in an application to the total amount of qualified equity investments requested in all applications received on the same day.

(d) Once the department has certified qualified equity investments of an amount that would allow a maximum of four million dollars ($4,000,000) of tax credits in a given tax year, exclusive of tax credits carried forward, the department shall not certify additional qualified equity investments. If a pending request cannot be fully certified, then the department shall certify the portion that may be certified unless the qualified community development entity elects to withdraw its request rather than receive a partial award of qualified equity investment authority.

(e) An approved applicant may transfer all or a portion of the applicant's certified qualified equity investment authority to the applicant's controlling entity or an affiliate or partner of the controlling entity that is also a qualified community development entity, if the applicant provides the information required in the application with respect to the transferee and the applicant notifies the department in the notice required by subsection (g).

(f) No later than one hundred twenty (120) days after receiving notice of certification, the applicant or transferee pursuant to subsection (e) shall:

(1) Issue qualified equity investments in an amount equal to the total amount of certified qualified equity investment authority;

(2) Receive cash in the amount of the certified qualified equity investment; and

(3) Designate all of such qualified equity investment authority as a qualified equity investment under 26 U.S.C. § 45D.

(g) The qualified community development entity shall provide the department with evidence of the receipt of the cash investment and the designation of the qualified equity investment as a qualified equity investment under 26 U.S.C. § 45D within one hundred twenty-five (125) days after receiving notice of certification. If the qualified community development entity does not receive the cash investment, issue the qualified equity investment within one hundred twenty (120) days following receipt of the certification notice, and comply with subdivision (f)(3), then the certification lapses. A certification that lapses reverts back to the department and must first be awarded pro rata to applicants that received awards of qualified equity investment authority and complied with subsection (f).

**56-4-506. Recapture.**

(a) The department shall recapture tax credits allowed under this part and future tax credits must be forfeited if:

(1) An amount of the federal tax credit available with respect to a qualified equity investment that is eligible for a tax credit under this part is recaptured under 26 U.S.C. § 45D, in which case, the department's recapture must be proportionate to the federal recapture with respect to that qualified equity investment;

(2) The qualified community development entity redeems or makes principal repayment with respect to a qualified equity investment prior to the seventh anniversary of the issuance of the qualified equity investment, in which case, the department's recapture must be proportionate to the amount of the redemption or repayment with respect to the qualified equity investment;

(3) The qualified community development entity fails to invest at least one hundred percent (100%) of the cash purchase price of the qualified equity investment in qualified low-income community investments within twelve (12) months of the issuance of the qualified equity investment;

(4) The qualified community development entity fails to maintain the levels of investment in qualified low-income community investments set forth in subdivision (a)(3) in this state until the last credit allowance date for the qualified equity investment; or

(5) An equity or debt provider funds a qualified equity investment in violation of 26 U.S.C. § 45D.

(b) For purposes of subdivision (a)(4), an investment is considered maintained by a qualified community development entity even if the investment has been sold or repaid; provided, that the qualified community development entity reinvests an amount equal to the capital returned to or recovered by the qualified community development entity from the original investment, exclusive of any profits realized, in another qualified low-income community investment in this state within twelve (12) months after the receipt of that capital. Periodic loan repayments received by a qualified community development entity from a qualified active low-income community business within a calendar year are considered as maintained in qualified low-income community investments if a qualified community development entity reinvests those amounts in qualified low-income community investments by the end of the following calendar year.

(c) A qualified community development entity is not required to reinvest capital returned from qualified low-income community investments after the sixth anniversary of the issuance of the qualified equity investment, the proceeds of which were used to make the qualified low-income community investment. The qualified low-income community investment is considered held by the qualified community development entity through the seventh anniversary of the qualified equity investment's issuance.

(d) The department shall provide notice to the qualified community development entity of a proposed recapture of tax credits pursuant to this section. The entity has ninety (90) days to cure a deficiency indicated in the department's original recapture notice and avoid such recapture. If the entity fails or is unable to cure the deficiency within the ninety-day period, then the department shall provide the entity and the taxpayer from whom the tax credit is to be recaptured with a final order of recapture. A tax credit for which a final recapture order has been issued must be recaptured by the department from the taxpayer who claimed the tax credit on a tax return. The qualified equity investment authority related to recaptured tax credits reverts back to the department and must first be awarded pro rata to applicants that have received awards of qualified equity investment authority and complied with this section.

**56-4-507. Examination and rulemaking.**

(a) The department may conduct examinations to verify that the tax credits under this part have been received and applied according to this part and to verify that no event has occurred that would result in a recapture of tax credits under § 56-4-506.

(b) The department may issue advisory letters to individual qualified community development entities and their investors that are limited to the specific facts outlined in an advisory letter request from a qualified community development entity. The advisory letters shall not be relied upon by a person or entity other than the qualified community development entity that requested the letter and the taxpayers that are entitled to tax credits generated from investments in the entity.

(c) In rendering advisory letters and making other determinations under this part, to the extent applicable, the department shall seek guidance regarding 26 U.S.C. § 45D, and the rules and regulations issued pursuant to that law.

**56-4-508. Annual report.**

(a) A qualified community development entity shall submit a report to the department no later than May 1 each year during the compliance period. The annual report is not due prior to the first anniversary of the initial credit allowance date. The report must include, but is not limited to, the following information with respect to all qualified low-income community investments made by the qualified community development entity:

(1) The date and amount of, and bank statements or wire transfer reports documenting, the qualified low-income community investments;

(2) The name and address of each qualified active low-income community business funded by the qualified community development entity, the number of persons employed by the business at the time of the initial qualified low-income community investment, and a brief description of the business and the financing;

(3) The number of employment positions maintained by each qualified active low-income community business as of the date of report or the end of the preceding calendar year and the average annual salaries of those positions;

(4) The total number of employment positions created and retained as a result of qualified low-income community investments and the average annual salaries of those positions;

(5) A certification by the qualified community development entity's chief executive officer or similar officer that § 56-4-506 is not implicated; and

(6) Any changes with respect to the taxpayers entitled to claim tax credits with respect to qualified equity investments issued by the qualified community development entity since the entity's last annual report pursuant to this section.

(b) A qualified community development entity is not required to provide the annual report set forth in this section for qualified low-income community investments that have been redeemed or repaid.

SECTION 2. The headings in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.