

CHAPTER NO. 370

SENATE BILL NO. 1665

By Curtis S. Person, Jr., Norris, Bryson

Substituted for: House Bill No. 979

By Stanley, Kent, Todd, Casada, Overbey, Larry Turner, Sargent, McCord

AN ACT to amend Tennessee Code Annotated, Section 67-4-1425, relative to hotel-motel taxation.

WHEREAS, the General Assembly determines that there are tremendous demands on revenue sources in counties serving as international tourism and business, conference, or convention travel destinations and in municipalities in those counties; and

WHEREAS, users of hotel-motel services contribute to these demands; and

WHEREAS, because of the foregoing, the general prohibition of Tennessee Code Annotated, § 67-4-1425, should not apply in those counties and municipalities; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Section 67-4-1425, is amended by deleting subsection (c) in its entirety and by substituting instead the following:

(c) The provisions of this section do not apply in any county, excluding any county with a metropolitan form of government, that:

(1) Contains or borders a county that contains an airport designated as a regular commercial service airport in the international civil aviation organization (ICAO) regional air navigation plan; and

(2) Contains a government-owned convention center of at least fifty thousand (50,000) square feet with an attached, adjoining, or adjacent hotel or motel facility; or

(3) Contains an airport with regularly scheduled commercial passenger service, and the creating municipality of the metropolitan airport authority for the airport is not located within such county. The tax levied on occupancy of hotels by cities located within such a county may only be used for tourism as defined by Tennessee Code Annotated, Section 7-4-101(8).

Provided, however, that a municipality located in any county to which this subsection applies shall not be authorized to levy a privilege tax upon the privilege of occupancy in any hotel of each transient in an amount exceeding five percent (5%) of the consideration charged by the operator.

Provided that if a municipality located in such county is incorporated under the general law, then such municipality is authorized to levy a privilege tax by ordinance

adopted by a two-thirds (2/3) vote of its governing body upon the privilege of occupancy in any hotel of each transient in an amount not to exceed five percent (5%) of the consideration charged by the operator. Such ordinance shall set forth the manner of collection and administration of such privilege tax.

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

PASSED: May 29, 2003


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 17th day of June 2003


PHIL BREDESEN, GOVERNOR