

**PUBLIC CHAPTER NO. 156****SENATE BILL NO. 163****By McNally****Substituted for: House Bill No. 1736****By Winningham, Hackworth, Ferguson**

AN ACT to amend Tennessee Code Annotated, Section 67-4-1425, relative to limitations on the levy of a tax on the privilege of occupancy of a hotel in certain municipalities.

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

SECTION 1. Tennessee Code Annotated, Section 67-4-1425, is amended by adding the following language as a new, appropriately designated subsection:

( ) The provisions of this section shall not apply in any municipality which is located within the boundaries of all of the following three (3) counties: a county having a population of not less than seventy-one thousand three hundred (71,300) nor more than seventy-one thousand four hundred (71,400), a county having a population of not less than nineteen thousand five hundred (19,500) nor more than nineteen thousand seven hundred seventy-five (19,775) and a county having a population of not less than fifty-one thousand nine hundred (51,900) nor more than fifty-two thousand (52,000), all according to the 2000 federal census or any subsequent federal census; provided that 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 located within the municipality 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. Tennessee Code Annotated, Section 67-4-1425, is amended by adding the following language as a new, appropriately designated subsection:

( ) The provisions of this section shall not apply in any municipality having a population of not less than five thousand two hundred (5,200) nor more than five thousand three hundred (5,300) according to the 2000 federal census or any subsequent federal census, which is located within a county having a population of not less than fifty-one thousand nine hundred (51,900) nor more than fifty-two thousand (52,000) according to the 2000 federal census or any subsequent federal census; provided that 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 located within the municipality 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 3. This act shall take effect upon becoming a law, the public welfare requiring it.

**PASSED: May 7, 2007**

  
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RON RAMSEY  
SPEAKER OF THE SENATE

  
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JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 15th day of May 2007**

  
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PHIL BREDESEN, GOVERNOR