



1 of 17 DOCUMENTS

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*** Current through the 2014 Regular Session ***
Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts
Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-101 (2014)

7-88-101. Short title.

This chapter shall be known and may be cited as the "Convention Center and Tourism Development Financing Act of 1998."

HISTORY: Acts 1998, ch. 1055, § 2.

NOTES: Section to Section References.

This chapter is referred to in §§ 7-89-115, 67-4-503, 67-4-1425, 67-6-103, 67-6-712.

This part is referred to in § 57-4-102.

Collateral References.

Municipal Corporations 268

LexisNexis 50 State Surveys, Legislation & Regulations

Travel and Tourism



2 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED

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*** Current through the 2014 Regular Session ***

Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts

Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-102 (2014)

7-88-102. Purpose of chapter.

The purpose of this chapter is to increase state tourism and related economic development by providing a financing mechanism for the development of convention centers and other similar public use facilities that will attract and serve major tourism destinations, thereby fostering economic benefit to the state and hosting cities and counties.

HISTORY: Acts 1998, ch. 1055, § 3.

NOTES:

LexisNexis 50 State Surveys, Legislation & Regulations

Travel and Tourism



3 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED
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*** Current through the 2014 Regular Session ***
Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts
Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-103 (2014)

7-88-103. Chapter definitions.

As used in this chapter, unless the context otherwise requires:

(1) "Base tax revenues" means the revenues generated from the collection of state and local sales and use taxes from all businesses within the applicable tourism development zone as of the end of the fiscal year of the state of Tennessee immediately prior to the year in which the municipality or public authority is entitled to receive an allocation of tax revenue pursuant to this chapter, adjusted annually after the first year by a percentage equal to the percentage of change in the collection of state and local sales and use taxes derived from the sale of goods, products and services for the entire county in which the public use facility is located for the preceding fiscal year. In the event the state rate for sales and use tax should increase during the period any municipality is receiving an apportionment pursuant to this chapter, the increase in the state rate for sales and use tax shall not be used for the purpose set forth in this chapter. In the event the state rate for sales and use tax should decrease during the period any municipality is receiving an apportionment pursuant to this chapter, the department of revenue, after consultation with the commissioner of finance and administration, shall adjust the base tax revenues to reflect such change in tax rate so as to provide for substantially the same economic benefit to the municipality and substantially the same overall allocation of revenue between the municipality and the state as is provided in this chapter;

(2) "Beneficially impacted area" means the geographic area within which it is reasonably anticipated and projected that state and local sales and use taxes will increase as a result of the construction and operation of the qualified public use facility by an amount in excess of the increases in the collection of state and local sales and use tax revenues reasonably projected to occur within that area without regard to the construction of the public use facility;

(3) "Cost", as applied to any public use facility, means the cost of acquisition, design, construction, renovation, improvement, demolition and relocation of any improvements; the cost of labor, materials and equipment; the cost of all lands, property rights, easements and franchises required; financing charges, interest and debt service prior to, during or after construction; the cost of issuing bonds in connection with any financing, cost of plans and specifications, services

and estimates of costs and of revenue; cost of engineering, accounting and legal services; all expenses necessary or incident to determining the feasibility or practicability of such acquisitions or constructions; salaries, overhead and other costs of the public building authority allocated to the project; and administrative, legal and engineering expenses and such other expenses as may be necessary or incident to such acquisition, design, construction, renovation, demolition, relocation or the financing of such other expenses, including any such costs incurred by a municipality or public building authority relating to the public use facility within one (1) year prior to the municipality's designation of the proposed tourism development zone for such facility;

(4) "Municipality" means any incorporated city or county located in the state of Tennessee, including a county with a metropolitan form of government;

(5) "Public authority" means any agency, authority or instrumentality created or authorized by any municipality or by two (2) or more municipalities acting jointly, including, but not limited to, any public building authority organized pursuant to the Public Building Authorities Act of 1971, compiled in title 12, chapter 10 or an industrial development corporation organized pursuant to chapter 53 of this title;

(6) "Qualified associated development" means parks, plazas, recreational facilities, schools, sidewalks, access ways, roads, drives, bridges, ramps, landscaping, signage and other public improvements constructed or renovated by the municipality or the public building authority in connection with the public use facility and related infrastructure and utility improvements for public or private peripheral development included in a master development plan for the tourism development zone and that is constructed, renovated or installed by the municipality or the public authority. The total costs of the qualified associated development shall not exceed thirty percent (30%) of the costs of the entire qualified public use facility. Qualified associated development, except for public utility improvements, including water, sewer, electricity, or gas, associated with the qualified public use facility, shall be located within one and one half (1 1/2) miles of the qualified public use facility and shall be considered qualified associated development if leased by a municipality or a public building authority;

(7) (A) "Qualified public use facility" includes:

(i) Any building, complex, center, facility or any two (2) or more adjacent buildings, complexes, centers or facilities containing at least two hundred fifty thousand square feet (250,000 sq. ft.), in the aggregate, inclusive of exhibit halls, ballrooms, meeting rooms, lobbies, corridors, service areas and other building areas, or areas enclosed thereby, constructed, leased, equipped, renovated, acquired or expanded after January 1, 1998, as a project meeting the requirements of title 9, chapter 21, title 12, chapter 10, or chapter 53 or chapter 89 of this title, by a public authority or municipality for purpose of furnishing economic development centers, renovated or new or expanded community facilities for conventions, meetings, exhibitions, trade shows, sports events or other events for educational, entertainment, business, association, cultural, public interest, public service and common interest groups, organizations and entities and that requires:

(a) On or after January 1, 1998, a local investment of public funds in excess of seventy-five million dollars (\$75,000,000), and is reasonably anticipated to attract private investment in the tourism development zone of more than fifty million dollars (\$50,000,000) after January 1, 1998; or

(b) On or after January 1, 2007, a local investment of public or private funds of not less than two hundred million dollars (\$200,000,000);

(ii) Any privately owned or operated amusement or theme park that involves an investment of funds of more than one hundred million dollars (\$100,000,000);

(iii) Any privately owned or operated tourism attraction involving an aggregate investment of public and private funds in excess of seventy-five million dollars (\$75,000,000) that is designed to attract tourists to the state, including a cultural or historical site, a museum or visitors center, a recreation or entertainment facility, and all related

hotel or hotels, convention center facilities, administrative facilities and offices, mixed use facilities, restaurants and other tourism amenities constructed or acquired as a part of the attraction; or

(iv) Any ancillary structures or facilities associated with a qualified public use facility described in subdivision (7)(A)(i), including hotel accommodations; transportation infrastructure; tourism, theatre, retail business and commercial office space facilities; parking facilities or any other structure or facility constructed, leased, equipped, renovated or acquired for any of the purposes set forth in chapter 89 of this title;

(B) "Qualified public use facility" also includes qualified associated development. An investment in qualified public use facilities required by a lease from a municipality shall be considered a local investment of public funds for the purposes of this chapter;

(8) "Secondary tourist development zone" means a tourist development zone that at the time of its creation is located more than three (3) miles from the county courthouse;

(9) "Structured lease agreement" means a lease by a municipality of a qualified public use facility within a tourism development zone financed by bonds issued and outstanding in compliance with § 7-88-107 and for which the issuer of the bonds or the lessor of the facility has entered into an interest rate swap or exchange agreement, an agreement establishing interest rate floors or ceilings, or both, and other interest rate hedging agreements as referenced in § 9-21-305(c), under which:

(A) The calculation of the lease payment due is to be based, in whole or in part, on such agreements;

(B) The municipality is obligated to make lease payments from revenues available under § 7-88-106(b) and revenues derived from the project; and

(C) Under the terms of the lease the municipality has the right to direct or cause the issuer to exercise any rights, including the right of termination, under the agreement as if the municipality were a direct party to the agreement. A "structured lease agreement" shall also include a lease by a municipality of a public use facility where the lease payments are limited to a pledge of all proceeds or taxes received by the municipality pursuant to this chapter; and

(10) "Tourism development zone" means an area in a municipality designated by ordinance or resolution of such municipality in which a qualified public use facility is located or planned, that is determined by the department of finance and administration to be a beneficially impacted area in accordance with the requirements of this chapter and that is certified as a tourism development zone by the department. The department, in its sole discretion, can reduce or reconfigure a tourism development zone proposed by a municipality.

HISTORY: Acts 1998, ch. 1055, § 4; 2003, ch. 354, § 1; 2004, ch. 909, §§ 1-5; 2007, ch. 461, §§ 7-11; 2007, ch. 524, § 3; 2007, ch. 593, §§ 1, 2; 2009, ch. 474, §§ 3-7; 2014, ch. 962, § 2.

NOTES: Compiler's Notes.

Acts 2004, ch. 909, § 10 provided that:

"It is the express intent of the General Assembly that the enactment of this act will not affect applications which as of the date of passage of this act [June 8, 2004] either have already been approved by the state or for which a letter of intent has been filed with the commissioner of finance and administration."

Acts 2007, ch. 593, § 1 purported to amend subdivision (7) with provisions exactly the same as the provisions as amended by Acts 2007, ch. 524, § 3; therefore, the amendments to this section by ch. 593, § 1 were not given effect.

Amendments.

The 2014 amendment substituted "seventy-five million dollars (\$75,000,000)" for "two hundred million dollars (\$200,000,000)" in (7)(A)(iii).

Effective Dates.

Acts 2014, ch. 962, § 3. May 19, 2014.

Section to Section References.

This section is referred to in §§ 7-88-106, 7-88-108, 7-88-113, 7-88-116, 57-4-103, 67-4-3002.

Attorney General Opinions.

The Mid-South Fairgrounds Redevelopment meets the "qualified public use facility" investment threshold in T.C.A. § 7-88-103(7)(A)(i)(a), OAG 09-014 (2/10/09).

LexisNexis 50 State Surveys, Legislation & Regulations

Travel and Tourism



4 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED

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*** Current through the 2014 Regular Session ***

Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts

Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-104 (2014)

7-88-104. Annual adjustments to base tax revenue.

Annual adjustments to the base tax revenues of the tourism development zone shall be made by the department of revenue within ninety (90) days of the end of each fiscal year and shall be effective immediately upon notification of such adjustment from the department to the municipality or public authority.

HISTORY: Acts 1998, ch. 1055, § 5.

NOTES:

LexisNexis 50 State Surveys, Legislation & Regulations

Travel and Tourism



5 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED
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*** Current through the 2014 Regular Session ***
Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts
Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-105 (2014)

7-88-105. Tourism development zone within a one-mile radius of qualified public use facility/Exception.

A tourism development zone shall not extend farther than one (1) mile from the outer perimeter of a qualified public use facility; provided, however, that if the department of finance and administration determines that the geographical configuration of a municipality requires an unusually shaped tourism development zone, such zone may extend farther than one (1) mile from the outer perimeter of a qualified public use facility, except that the size of the tourism development zone shall not exceed three square miles (3 sq. mi.).

HISTORY: Acts 1998, ch. 1055, § 6; 2004, ch. 909, § 6.

NOTES: Compiler's Notes.

Acts 2004, ch. 909, § 10 provided that:

"It is the express intent of the General Assembly that the enactment of this act will not affect applications which as of the date of passage of this act [June 8, 2004] either have already been approved by the state or for which a letter of intent has been filed with the commissioner of finance and administration."

LexisNexis 50 State Surveys, Legislation & Regulations

Travel and Tourism



6 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED

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*** Current through the 2014 Regular Session ***

Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts

Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-106 (2014)

7-88-106. Apportionment and distribution of incremental increases due to public use facility.

(a) If a municipality or public authority has financed, constructed, leased, equipped, renovated or acquired a qualified public use facility within a tourism development zone, then state and local sales and use taxes shall be apportioned and distributed to the municipality in an amount equal to the incremental increase in state and local sales and use tax revenue derived from the sale of goods, products and services within the tourism development zone in excess of base tax revenues, excluding any increase in the state rate for sales and use tax; provided, however, that, with respect to any facility that elects to qualify as a qualified public use facility under § 7-88-103(7)(A)(ii) or (7)(A)(iii), only the portion of the incremental increase in the local sales and use tax revenue as is designated by resolution of the municipality shall be so apportioned and distributed under this section, unless the municipality designates by resolution a lesser time period for the apportionment and distribution of the revenues; and in the event one (1) or more other local taxes are authorized for use within the tourist development zone, then the portion of the additional taxes as are designated by resolution of the municipality shall be similarly apportioned and distributed. For any facility that elects to qualify as a qualified public use facility under § 7-88-103(7)(A)(ii) or (7)(A)(iii), the portion of the incremental increase in the local sales and use tax revenue that is statutorily designated for local schools may not be apportioned and distributed for such a qualified public use facility. For any facility that elects to qualify as a qualified public use facility and is located in any county having a population of not less than seventy-one thousand one hundred (71,100) nor more than seventy-one thousand two hundred (71,200), according to the 2000 federal census or any subsequent federal census, any revenue derived from an increase in the local sales and use tax rate occurring on or after January 1, 2009, may not be apportioned and distributed for such a qualified public use facility and instead shall be apportioned and distributed exclusively as provided in § 67-6-712(a); provided, however, that this sentence shall not apply to any increase in the local sales and use tax enacted after July 1, 2010. Apportionment and distribution of such taxes shall continue, until the earlier of:

(1) The date on which the cumulative amount apportioned and distributed to the municipality equals the cost of the qualified public use facility, plus any interest on indebtedness of the municipality or public authority related to such

cost;

(2) The date on which the qualified public use facility ceases to be a qualified public use facility; or

(3) Thirty (30) years from the date it is reasonably anticipated that the facility will commence operations as a public use facility.

(b) Except as otherwise provided in subsection (c), tax revenue distributed to the municipality shall be for the exclusive use of the municipality or the public authority formally designated by the municipality, in accordance with title 9, chapter 21, title 12, chapter 10 or chapter 53 of this title for payment of the cost of the public use facility, including interest and debt service on any indebtedness related to the public use facility, or the lease payments with respect to any public use facility, and shall apply to only one (1) tourism development zone per municipality. The apportionment and payment shall be made by the department of revenue to the municipality within ninety (90) days of the end of each fiscal year for which the municipality is entitled to receive an allocation and payment pursuant to this chapter. Notwithstanding this subsection (b), a county having a metropolitan form of government with a population of more than five hundred thousand (500,000), according to the 2000 federal census or any subsequent federal census, and a municipality in a county having a population of more than five hundred thousand (500,000), according to the 2000 federal census or any subsequent federal census, shall not be limited to one (1) tourism development zone eligible to receive a distribution of tax revenue, and such county and such municipality are not required to designate additional tourism development zones as a secondary tourism development zone to receive a distribution of tax revenue.

(c) If there has been designated within the municipality a secondary tourist development zone, then the incremental increase in state and local sales and use tax revenue derived from the sale of goods, products and services within the secondary tourist development zone in excess of base tax revenues, excluding any increase in the state rate for sales and use tax, shall be apportioned and distributed to the municipality for deposit in its general fund. Apportionment and distribution of the taxes shall continue until the earliest of:

(1) The first date on which the indebtedness of the municipality or public authority related to the qualified public use facility located within the secondary tourist development zone has been paid in full;

(2) The date on which the cumulative amount apportioned and distributed equals the cumulative amount of principal and interest on indebtedness of the municipality or public authority related to the qualified public use facility located within the secondary tourist development zone;

(3) The date on which the qualified public use facility ceases to be a qualified public use facility; or

(4) Thirty (30) years from the date it is reasonably anticipated that the facility will commence operations as a public use facility.

HISTORY: Acts 1998, ch. 1055, § 7; 1999, ch. 356, § 1; 2004, ch. 909, §§ 7, 8; 2006, ch. 781, § 2; 2007, ch. 461, §§ 12, 13; 2007, ch. 524, §§ 4, 5; 2007, ch. 593, § 3; 2010, ch. 1134, § 4.

NOTES: Compiler's Notes.

Acts 2004, ch. 909, § 10 provided that:

"It is the express intent of the General Assembly that the enactment of this act will not affect applications which as of the date of passage of this act [June 8, 2004] either have already been approved by the state or for which a letter of intent has been filed with the commissioner of finance and administration."

For tables of U.S. decennial populations of Tennessee counties, see Volume 13 and its supplement.

Acts 2007, ch. 593, § 3 purported to amend this section, effective June 28, 2007, by adding subsection (c). Acts 2007, ch. 461, § 13 amended this section, effective June 19, 2007, by adding subsection (c). The provisions of subsection (c) as added by ch. 593 were the same as the provisions added by ch. 461, ch. 593 was not given effect.

Section to Section References.

This section is referred to in §§ 7-88-103, 7-88-107, 7-88-108, 67-4-3003, 67-4-3005.

LexisNexis 50 State Surveys, Legislation & Regulations

Travel and Tourism



7 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED
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*** Current through the 2014 Regular Session ***
Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts
Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-107 (2014)

7-88-107. Limitations on indebtedness.

(a) Any bonds, notes or other indebtedness relative to the cost of a qualified public use facility shall not be issued for a term longer than thirty (30) years from the date it is reasonably anticipated that the facility will commence operation as a public use facility, and the municipality or public authority is authorized to pledge all proceeds or taxes received by it, pursuant to this chapter, to the payment of principal of and interest on such bonds, notes or other indebtedness.

(b) A municipality is authorized to enter into a structured lease agreement; provided, that the municipality complies with § 9-21-305(c) regarding guidelines, rules or regulations adopted or promulgated by the state funding board under § 9-21-130, treating the lease as if it were a revenue bond of the municipality and the comptroller determines compliance with the guidelines. However, if the municipality is additionally obligated to make the lease payments from legally available sources, subject to appropriation, other than revenues available under § 7-88-106(b) and revenues derived from the project, then the municipality, seven (7) days before the effective date of the structured lease agreement or the amendment to a lease making it a structured lease agreement, must provide notice generally available within the municipality, disclosing the purpose for the structured lease agreement, the additional sources, whether taxes or revenues, to be used for lease payments, and the maximum liability of the municipality.

HISTORY: Acts 1998, ch. 1055, § 8; 2003, ch. 354, § 2.

NOTES: Section to Section References.

This section is referred to in § 7-88-103.



Travel and Tourism





8 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED
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*** Current through the 2014 Regular Session ***
Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts
Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-108 (2014)

7-88-108. Qualified public use facility -- Application for certification -- Review -- Cost summary -- Commencement of tax apportionment and distribution.

(a) To be entitled to receive the allocations of state and local sales and use taxes as provided in this chapter, a municipality or public authority must first file with the department of finance and administration an application seeking certification of the tourism development zone and the planned public use facility as a qualified public use facility. The application shall include a master development plan for the proposed tourism development zone, containing such information as may be reasonably required by the department. A municipality or public authority shall include a resolution adopted by the county legislative body with any application for approval of the tourism development zone which would utilize any portion of the local option sales tax revenues designated for schools pursuant to § 67-6-712(a)(1). The resolution shall provide whether the county legislative body is in support of, in opposition to, or neutral regarding the application. Upon request by the municipality or the public authority, the county legislative body shall provide such resolution not less than five (5) days after the next regularly scheduled meeting of the county legislative body. The department shall review the application to confirm that:

- (1) The planned public use facility is qualified under the requirements of this chapter; and
- (2) The planned public use facility will be located within a qualified tourism development zone.

(b) The department shall also review the proposed boundaries of the proposed tourism development zone and shall determine if it is a beneficially impacted area. If the department determines that the boundaries of the proposed tourism development zone exceed the area that is reasonably anticipated to benefit from the construction and operation of the qualified public use facility, the department may adjust or reduce the boundaries of the proposed area. In reviewing the application, the department shall consult with the department of economic and community development and the department of tourism. Upon completion of its review of the application, the department of finance and administration shall certify the tourism development zone and forward the application to the state building commission for review and approval or disapproval, based on the standards established by this chapter.

(c) Upon completion of the qualified public use facility, the municipality shall submit to the department of finance and administration a summary of the cost of the public use facility with supporting documentation, certified by the chief financial officer of the municipality. The department shall review the cost certification to confirm the amount of state and local sales and use taxes to be apportioned and distributed to the municipality pursuant to § 7-88-106.

(d) Except as otherwise provided in subsection (f), the apportionment and distribution of state and local sales and use taxes to the municipality, as provided in this chapter, shall commence at the beginning of the fiscal year in which the state building commission approves the application, or the beginning of the fiscal year in which the facility opens for public use, whichever is later.

(e) A facility shall be deemed to be "open for public use" for purposes of subsection (d), if:

(1) Financing is in place and debt service payments by the municipality or public authority have commenced;

(2) A significant part or component of the qualified public use facility, as defined in § 7-88-103, has been completed and is open to the public;

(3) The municipality or public authority is making reasonable progress on the unfinished portion of the qualified public use facility; and

(4) All other provisions of this chapter have been complied with.

(f) If there has been designated within the municipality a secondary tourist development zone, then the apportionment and distribution of state and local sales and use taxes to the municipality, as provided in § 7-88-106(c), shall commence at the beginning of the fiscal year in which the state building commission approves the application and the public authority has incurred debt to finance construction of the qualified public use facility within the zone, whichever is later.

HISTORY: Acts 1998, ch. 1055, § 9; 2004, ch. 909, § 9; 2007, ch. 461, §§ 14, 15; 2014, ch. 889, § 1.

NOTES: Compiler's Notes.

Acts 2004, ch. 909, § 10 provided that:

"It is the express intent of the General Assembly that the enactment of this act will not affect applications which as of the date of passage of this act [June 8, 2004] either have already been approved by the state or for which a letter of intent has been filed with the commissioner of finance and administration."

Amendments.

The 2014 amendment added the third, fourth, and fifth sentences in (a).

Effective Dates.

Acts 2014, ch. 889, § 2. May 1, 2014.

Section to Section References.

This section is referred to in § 7-88-116.

Travel and Tourism



9 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED

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*** Current through the 2014 Regular Session ***

Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts

Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Temn. Code Ann. § 7-88-109 (2014)

7-88-109. Proposed debt amortization schedule.

Prior to the issuance of any bonds to finance the cost of a qualified public use facility that will be repaid in whole or in part from apportionments under this chapter, the municipality or public authority issuing such bonds shall submit a proposed debt amortization schedule for such bonds to the commissioner of finance and administration for approval. Such schedule shall show the anticipated contribution to be made to the annual debt service for such bonds from the apportionment of sales and use taxes pursuant to this chapter and all other sources. After the date of issuance of such bonds, the municipality shall continue to contribute each year thereafter until such bonds are retired or a sufficient sinking fund has been established for their retirement, an amount not less than the municipality's contribution to the annual debt service projected on the approved debt amortization schedule to the repayment of such bonds or a sinking fund for their retirement.

HISTORY: Acts 1998, ch. 1055, § 10.

NOTES:

LexisNexis 50 State Surveys, Legislation & Regulations

Travel and Tourism



10 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED

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*** Current through the 2014 Regular Session ***

Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts

Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-110 (2014)

7-88-110. Rules and regulations.

The department of revenue and the department of finance and administration are authorized to adopt rules and regulations in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, to implement this chapter. The state building commission is authorized to adopt procedures to implement this chapter.

HISTORY: Acts 1998, ch. 1055, § 14.

NOTES:

LexisNexis 50 State Surveys, Legislation & Regulations

Travel and Tourism



11 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED

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*** Current through the 2014 Regular Session ***

Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities

Special Districts

Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-111 (2014)

7-88-111. Compliance with Civil Rights Act.

Title VI of the Civil Rights Act of 1964, codified in 42 U.S.C. § 2000d, et seq., and title 4, chapter 21, part 9, shall be strictly complied with whenever applicable under this chapter.

HISTORY: Acts 1998, ch. 1055, § 15.

NOTES:

LexisNexis 50 State Surveys, Legislation & Regulations

Travel and Tourism



12 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED

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*** Current through the 2014 Regular Session ***

Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts

Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-112 (2014)

7-88-112. Bidding for construction of conference or convention facilities.

(a) For the purposes of this section, unless the context otherwise requires:

(1) "Metropolitan government" means a county having a metropolitan form of government which has a population in excess of five hundred thousand (500,000), according to the 2000 federal census or any subsequent federal census;

(2) "Minority-owned business" means a business that is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls the daily operations of the business and who is impeded from normal entry into the economic mainstream because of:

(A) Past practices of discrimination based on race, religion, ethnic background, or sex;

(B) A disability as defined in § 4-26-102; or

(C) Past practices of racial discrimination against African-Americans; and

(3) "Person" means any individual, partnership, committee, association, corporation, labor organization, or any other organization or group of persons.

(b) Any person, in soliciting bids for the construction of any conference or convention center facilities located in a secondary tourist development zone within the territory of a metropolitan government and receiving any benefit, directly or indirectly, from public financing pursuant to Acts 2007, ch. 461, shall actively solicit bids from minority-owned businesses. A person shall strive to maximize participation of minority-owned businesses through both prime and second tier business contracting opportunities.

(c) (1) The metropolitan government shall monitor the results of minority-owned business participation. The

government shall periodically investigate to ascertain whether minority-owned business participation is being achieved at a level contemplated pursuant to subsection (b) and shall report the information to the comptroller of the treasury in the manner proscribed in subdivision (c)(2).

(2) The metropolitan government shall prepare and submit an annual report entitled "The Conference and Convention Center Facilities Compliance Report" which shall be submitted to the comptroller of the treasury. The report shall include:

(A) Data on the race, religion, ethnic background and sex of each person employed in the construction of any conference or convention center facilities located in a secondary tourist development zone within the territory of a metropolitan government and receiving any benefit, directly or indirectly, from public financing pursuant to Acts 2007, ch. 461;

(B) Data on the actual expenditures to minority-owned businesses employed in the construction of any conference or convention center facilities located in a secondary tourist development zone within the territory of a metropolitan government and receiving any benefit, directly or indirectly, from public financing pursuant to Acts 2007, ch. 461; and

(C) Data summarizing the findings of all periodic investigations conducted in accordance with subdivision (c)(1).

(3) The comptroller of the treasury shall, upon receipt of the report from the metropolitan government, transmit a synopsis of the report to the chairs and membership of the state and local government committee of the senate and the local government committee of the house of representatives.

HISTORY: Acts 2007, ch. 461, § 16; 2013, ch. 236, § 66.

NOTES: Compiler's Notes.

For tables of U.S. decennial populations of Tennessee counties, see Volume 13 and its supplement.

Amendments.

The 2013 amendment substituted "the state and local government committee of the senate and the local government committee of the house of representatives" for "the state and local government committees of the senate and the house of representatives" in (c)(3)

Effective Dates.

Acts 2013, ch. 236, § 94. April 19, 2013.

LexisNexis 50 State Surveys, Legislation & Regulations

Travel and Tourism



13 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED

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*** Current through the 2014 Regular Session ***

Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts

Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-113 (2014)

7-88-113. Qualified public use facility as project.

A qualified public use facility shall be deemed to be within the term "project" as defined in § 7-53-101. In addition to the powers under chapter 53 of this title, any local government having jurisdiction over any part of a qualified public use facility is authorized to use tax increment financing for such project costs in § 7-88-103(3) pursuant to § 13-20-205.

HISTORY: Acts 2007, ch. 524, § 6.

NOTES:

LexisNexis 50 State Surveys, Legislation & Regulations

Travel and Tourism



14 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED

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*** Current through the 2014 Regular Session ***

Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts

Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-114 (2014)

7-88-114. Application.

This part shall only apply to tourism development zones that, as of June 26, 2007, either have already been approved by the state or for which a letter of intent has been filed with the commissioner of finance and administration.

HISTORY: Acts 2007, ch. 524, § 6; 2007, ch. 593, § 4.

NOTES: Compiler's Notes.

Acts 2007, ch. 593, § 4 purported to enact this section, effective June 28, 2007. Acts 2007, ch. 524, § 6 enacted the same provisions, effective June 26, 2007. Because of the enactment by ch. 524, the provisions of ch. 593 were not given effect.

LexisNexis 50 State Surveys, Legislation & Regulations

Travel and Tourism



15 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED

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*** Current through the 2014 Regular Session ***

Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts

Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-115 (2014)

7-88-115. Monitoring and reporting of impact.

The comptroller of the treasury and the commissioner of revenue shall jointly monitor and evaluate the economic impact and fiscal effect of the Convention Center and Tourism Development Financing Act of 1998, as compiled in this chapter, and shall submit a written report of findings and recommendations no later than February 1, 2009. The report shall be delivered to the speaker of the senate, the speaker of the house of representatives, the chair of the finance, ways and means committee of the senate, and the chair of the finance, ways and means committee of the house of representatives.

HISTORY: Acts 2007, ch. 524, § 6; 2007, ch. 593, § 4.

NOTES: Compiler's Notes.

Acts 2007, ch. 593, § 4 purported to enact this section, effective June 28, 2007. Acts 2007, ch. 524, § 6 enacted the same provisions, effective June 26, 2007. Because of the enactment by ch. 524, the provisions of ch. 593 were not given effect.

LexisNexis 50 State Surveys, Legislation & Regulations

Travel and Tourism



16 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED

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*** Current through the 2014 Regular Session ***

Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts

Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-116 (2014)

7-88-116. Involvement of minority-owned business.

(a) For the purposes of this section, unless the context otherwise requires:

(1) "Covered qualified public use facility" means a qualified public use facility that elects to qualify as a qualified public use facility under § 7-88-103(7)(A)(ii) or (7)(A)(iii). "Covered qualified public use facility" also means a qualified public use facility created after January 1, 2007, in any county that does not have a metropolitan form of government;

(2) "Local government" means a municipality that creates a tourism development zone for the benefit of a covered qualified public use facility;

(3) "Minority-owned business" means a business that is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls the daily operations of the business and who is impeded from normal entry into the economic mainstream because of:

(A) Past practices of discrimination based on race, religion, ethnic background, or sex;

(B) A disability as defined in § 4-26-102; or

(C) Past practices of racial discrimination against African Americans;

(4) "Minority-owned business participation plan" means a business plan for actively soliciting bids from minority-owned businesses when a municipality or public authority proposes to finance, construct, lease, equip, renovate or acquire a qualified public use facility within a tourism development zone. Any such plan shall strive to maximize participation of minority-owned businesses through both prime and second tier business contracting opportunities throughout the tourism development zone and shall strive to achieve a level of minority-owned business participation representative of the population demographics of the county in which the tourism development zone is

located; and

(5) "Person" means any individual, partnership, committee, association, corporation, labor organization, or any other organization or group of persons.

(b) Any person, in soliciting bids for the construction of a covered qualified public use facility in a tourist development zone within the territory of a local government and receiving any benefit, directly or indirectly, from public financing pursuant to Acts 2007, ch. 524, shall actively solicit bids from minority-owned businesses. Such person shall strive to maximize participation of minority-owned businesses through both prime and second tier business contracting opportunities.

(c) (1) The local government shall monitor the results of minority-owned business participation. The local government shall periodically investigate to ascertain whether minority-owned business participation is being achieved at a level contemplated pursuant to subsection (b) and shall report the information to the comptroller of the treasury in the manner proscribed in subdivision (c)(2).

(2) The local government shall prepare and submit an annual report entitled "The Conference and Convention Center Facilities Compliance Report," which shall be submitted to the comptroller of the treasury. The report shall include:

(A) Data on the race, religion, ethnic background and sex of each person employed in the construction of a covered qualified public use facility that is located within the territory of the local government and that receives any benefit, directly or indirectly, from public financing pursuant to the provisions Acts 2007, ch. 524;

(B) Data on the actual expenditures to minority-owned businesses employed in the construction of any such qualified public use facility; and

(C) Data summarizing the findings of all periodic investigations conducted in accordance with subdivision (c)(1).

(3) The comptroller of the treasury shall, upon receipt of the report from the local government, transmit a synopsis of the report to the chairs and membership of the state and local government committee of the senate and the local government committee of the house of representatives.

(d) (1) Notwithstanding § 7-88-108(a) or any other law to the contrary, to be entitled to receive the allocations of state and local sales and use taxes as provided in this chapter, a municipality or public authority must first file with the department of finance and administration an application seeking certification of the tourism development zone and the planned public use facility as a qualified public use facility. The application shall include a master development plan for the proposed tourism development zone, containing such information as may be reasonably required by the department, and a minority-owned business participation plan for the tourism development zone. No application shall be approved by the department that fails to include a master development plan or a minority-owned business participation plan. A master development plan shall be approved by the legislative body of the municipality creating the tourism development zone and the plan shall take into consideration any historic site, structure, or object listed on the national register of historic places. The department shall review the application to confirm that:

(A) The planned public use facility is qualified under the requirements of this chapter;

(B) The planned public use facility will be located within a qualified tourism development zone; and

(C) The minority-owned business participation plan includes the following information:

(i) The proposal for purchasing goods and services from minority-owned businesses;

(ii) Information on programs to provide technical assistance to such businesses;

(iii) A statement of intent to make a concerted effort to follow its minority-owned business participation plan;
and

(iv) Any other information deemed relevant in the discretion of the commissioner.

(2) Notwithstanding any provision of this chapter to the contrary, the department of finance and administration shall annually review each municipality or public authority receiving an allocation pursuant to this chapter for compliance with the municipality's or public authority's minority-owned business participation plan.

(3) This subsection (d) shall only apply to any county having a population in excess of eight hundred thousand (800,000), according to the 2000 federal census or any subsequent federal census.

HISTORY: Acts 2007, ch. 524, § 6; 2007, ch. 593, §§ 6, 7; 2013, ch. 236, § 66.

NOTES: Compiler's Notes.

For table of U.S. decennial populations of Tennessee counties, see Volume 13 and its supplement.

Amendments.

The 2013 amendment substituted "the state and local government committee of the senate and the local government committee of the house of representatives" for "the state and local government committees of the senate and the house of representatives" in (c)(3).

Effective Dates.

Acts 2013, ch. 236, § 94. April 19, 2013.

LexisNexis 50 State Surveys, Legislation & Regulations

Travel and Tourism



17 of 17 DOCUMENTS

TENNESSEE CODE ANNOTATED
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*** Current through the 2014 Regular Session ***

Annotations current through May 23, 2014 for the Tennessee Supreme Court

Title 7 Consolidated Governments and Local Governmental Functions and Entities
Special Districts

Chapter 88 Convention Center and Tourism Development Financing Act of 1998

GO TO THE TENNESSEE ANNOTATED STATUTES ARCHIVE DIRECTORY

Tenn. Code Ann. § 7-88-117 (2014)

7-88-117. Fee on sales of services and tangible personal property within central business improvement district within tourism development zone.

(a) (1) Notwithstanding any law to the contrary, any metropolitan government which has created a tourism development zone pursuant to this chapter and which tourism development zone completely includes one (1) or more central business improvement districts, may, by resolution of its governing body, impose an additional fee on the sales price of services and tangible personal property sold at retail within one (1) central business improvement district located within the tourism development zone; provided, that there shall be exempt from the fee imposed by this chapter any sales of the following:

- (A) Professional services;
- (B) Lodging provided to transients;
- (C) Tickets to sporting events or other live ticketed events;
- (D) Alcoholic beverages which are subject to the liquor by the drink tax in addition to sales tax;
- (E) Newspapers and other publications; and
- (F) Overnight and long term parking.

(2) The fee authorized by this section shall not exceed the rate of twenty-five hundredths percent (0.25%).

(b) (1) The metropolitan government shall furnish a certified copy of the adopting resolution to the department of revenue in accordance with regulations prescribed by the department. Such resolution shall clearly designate the one (1) central business improvement district within which the additional fee applies and shall include a description of the boundaries of such district.

(2) The department of revenue shall collect such fee concurrently with the collection of the state sales tax in the same manner as the state sales tax is collected.

(3) Except as provided in subdivision (b)(4), the proceeds of the fee provided for in this section shall be distributed to the metropolitan government from which the fee was collected to be deposited into the event and marketing fund of such government. The funds derived from the collection of this fee shall be used to assist in the recruitment of major conventions and group meetings, the improvement of promotion, and to provide additional focused security in the central business improvement districts located within a tourism development zone. The funds derived from the collection of this fee shall not be used to assist in the recruitment of, directly or indirectly, conventions or group meetings which are considering, or would otherwise consider absent the use of this fee, other meeting and convention venues located in a county in which such fee is imposed.

(4) (A) For fiscal year 2013-2014, the first one hundred sixty-five thousand dollars (\$165,000) of the fee collected shall be deposited into the state general fund prior to any distribution to metropolitan government.

(B) For fiscal year 2014-2015 and subsequent fiscal years, the first fifty thousand dollars (\$50,000) of the fee collected shall be deposited into the state general fund prior to any distribution to metropolitan government.

HISTORY: Acts 2013, ch. 347, § 1.

NOTES: Effective Dates.

Acts 2013, ch. 347, § 2. January 1, 2014.