



HOUSE BILL 397

By Vital

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, relative to sales and use taxes.

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

SECTION 1. Tennessee Code Annotated, Section 67-6-103(d)(1)(A), is amended by adding the following as a new subdivision:

(ix) Notwithstanding the allocations provided for in subsection (a), if a stadium, which is designed to host games of an intercollegiate football team that competes in the NCAA Division I Football Championship Subdivision (FCS), games of international and high school soccer teams, and local and regional events, exists in a county having a population of not less than three hundred sixty-six thousand two hundred (366,200) nor more than three hundred sixty-six thousand three hundred (366,300) according to the 2020 federal census or any subsequent federal census, and only if the entity designated to govern the operations of the stadium reimburses the state for costs to reallocate apportionments of the tax revenue under this section, then an amount must be apportioned and distributed to the entity equal to the amount of state and local sales tax revenue, excluding any portion of local sales taxes that otherwise would be allocated for school purposes, derived from the sale of admissions to all events occurring within the stadium and from all sales of food, drinks, merchandise, and authorized goods and products sold from a location on the premises of the stadium in conjunction with an event occurring at the stadium, parking charges, and related services. Amounts apportioned and distributed to the entity must be for the exclusive use of the entity to fund capital projects at the stadium, including the payment of debt service for capital

projects, and operation expenses associated with the stadium. The allocation provided under this subdivision (d)(1)(A)(ix) must continue until the debt service is retired, or July 1, 2055, whichever is sooner.

SECTION 2. This act takes effect July 1, 2025, the public welfare requiring it.

Amendment No. 1 to HB0397

Hicks G
Signature of Sponsor

AMEND Senate Bill No. 211*

House Bill No. 397

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Section 67-6-103(d)(1)(A), is amended by adding the following as a new subdivision:

(ix)

(a) Notwithstanding the allocations provided for in subsection (a), and subject to subdivision (d)(1)(A)(ix)(c), if a stadium, which is designed to host games of an intercollegiate football team that competes in the NCAA Division I Football Championship Subdivision (FCS), games of international and high school soccer teams, and local and regional events, exists in a county having a population of not less than three hundred sixty-six thousand two hundred (366,200) nor more than three hundred sixty-six thousand three hundred (366,300), according to the 2020 federal census or any subsequent federal census, and only if the entity designated to govern the operations of the stadium reimburses the state for costs to reallocate apportionments of the tax revenue under this section, then, beginning July 1, 2026, an amount must be apportioned and distributed to the entity equal to the amount of state and local sales tax revenue, excluding any portion of local sales taxes that otherwise would be allocated for school purposes, derived from the sale of admissions to all events occurring within the stadium and from all sales of food, drinks, merchandise, authorized goods and products, parking charges, and related services sold on the premises of the stadium or on, or adjacent to, the premises of a related

ancillary facility, including a pavilion, in conjunction with an event occurring at the stadium. Amounts apportioned and distributed to the entity must be for the exclusive use of the entity to fund capital projects at the stadium, including the payment of debt service for capital projects, and operation expenses associated with the stadium. The allocation provided under this subdivision (d)(1)(A)(ix)(a) must continue until the debt service is retired, or July 1, 2056, whichever is sooner.

(b) If a portion of the state and local sales tax revenue to be allocated to the entity under subdivision (d)(1)(A)(ix)(a) was, prior to July 1, 2026, subject to allocation to a municipality pursuant to title 7, chapter 88, then the municipality may negotiate and receive annual payments from the entity, and may enter into an agreement with respect to the payments, that are substantially equal to the amount that would have been allocated to the municipality under title 7, chapter 88 but for the allocation of revenue to the entity under subdivision (d)(1)(A)(ix)(a). The agreement must expire on June 30, 2032.

(c) In order to receive an allocation of sales and use tax revenue under subdivision (d)(1)(A)(ix)(a), the entity shall submit to the commissioner of revenue a copy of the agreement entered into between the entity and municipality pursuant to subdivision (d)(1)(A)(ix)(b).

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