

**PUBLIC NOTICE**

**CALL FOR A SPECIAL MEETING OF THE BLOUNT COUNTY BOARD OF COMMISSIONERS TO BE HELD AT THE BLOUNT COUNTY COURTHOUSE IN MARYVILLE, TENNESSEE, ON MONDAY, MARCH 31, 2003, AT 7:00 P.M.**

Pursuant to and in accordance with the authority vested in me by Tennessee Code Annotated § 5-5-105,1 hereby call the Board of County Commissioners of Blount County, Tennessee, to meet in special session on the 31<sup>st</sup> day of March, 2003, at 7:00 P.M. at the Blount County Courthouse in Maryville, Tennessee, to consider and act upon the following:

1. Discussion/Possible Action Regarding Hotel/Motel Tax.

March 26, 2003

APPROVED:

DR. ROBERT L. RAMSEY  
Commission Chairman

ATTEST:

ROY CRAWFORD. JR.  
County Clerk

BEVERLEY D. WOODRUFF  
County Executive

SB 1989  
Clabough

AN ACT to amend Chapter 102 of the Private Acts of 1979; as amended by Chapter 360 of the Private Acts of 1982, Chapter 23 of the Private Acts of 1983, Chapter 181 of the Private Acts of 1988 and Chapter 26 of the Private Acts of 1993, and any other acts amendatory thereto, relative to the Blount County privilege tax on the occupancy of any rooms, lodgings, or accommodations furnished to transient.

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

SECTION 1. Section 4(c) of Chapter 102 of the Private Acts of 1979, as amended by Chapter 360 of the Private Acts of 1982, Chapter 23 of the Private Acts of 1983, Chapter 181 of the Private Acts of 1988, Chapter 26 of the Private Acts of 1993, and any other acts amendatory thereto, is amended by deleting the subsection in its entirety, and by substituting instead the following language:

(c) For the purpose of compensating the county for collecting the tax, the county shall be allowed two percent (2%) of the amount of tax remitted by an operator.

SECTION 2. Section 13 of Chapter 102 of the Private Acts of 1979, as amended by Chapter 23 of the Private Acts of 1983, Chapter 181 of the Private Acts of 1988, Chapter 26 of the Private Acts of 1993, and any other acts amendatory thereto, is amended by deleting the section in its entirety, and by renumbering subsequent sections accordingly.

SECTION 3. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of Blount County. Its approval or nonapproval shall be proclaimed by the presiding officer of the county legislative body and certified to the secretary of state.



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SECTION 4. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective as provided in Section 3.

**Companion Bills**

26-Mar-03 Page 1

**Document:** SB1989

**Companion:** HB2067

**Prime Sponsor:** CLABOUGH, WILLIAM (BILL)

**Prime Sponsor:** MCCORD, JOE

**Abstract:** Blount County - Subject to local approval, makes revisions concerning hotel/motel tax. - Amends Chapter 102 of the Private Acts of 1979.

<u>Action Description</u>	<u>Date</u>	<u>Action Description</u>	<u>Date</u>
Filed for intro.	3/7/03	Filed for intro.	3/4/03
Intro., P1C.	3/10/03	Intro., P1C.	3/5/03
P2C held on desk. Local Bill	3/12/03	P2C held on desk.	3/6/03
S. Placed on local bill consent cal. for Monday, 3-17-03	3/14/03	H. Placed on Consent Calendar for 3/10/03	3/6/03
Comp. HB subst.	3/17/03	Passed H., Ayes 96, Nays 0, PNV 1	3/10/03
		Engrossed; ready for transmission to Sen.	3/10/03
		Rcvd. from H., P1C.	3/12/03
		S. Subst. HB for comp. SB.	3/17/03
		Passed S., Ayes 30, Nays 0	3/17/03
		Enrolled; ready for sig. of H. Speaker.	3/18/03
		Signed by H. Speaker	3/18/03
		<u>Transmitted to Governor for his action.</u>	<u>3/20/03</u>

**TAXATION  
HOTEL/MOTEL TAX  
PRIVATE ACTS, 1979  
CHAPTER NO. 102**

SECTION 1. As used in the act, unless the context requires otherwise, the following terms shall have the meanings indicated:

- (a) "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.
- (b) "Hotel" means any structure, or any portion of any; structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging, or sleeping purposes, and includes any hotel, inn, tourist court, tourist camp or campground, tourist cabin, motel, or any place in which rooms, lodging or accommodations are furnished to transients for a consideration.
- (c) "Occupancy" means the use or possession or the right to use of possession of any room, lodging, or accommodations in a hotel for a period of less than thirty (30) continuous days.
- (d) "Transient" means any person who exercises occupancy or is entitled to occupancy of any rooms, lodgings, accommodations in a hotel room or campground for a period of less than thirty (30) days.
- (e) "Consideration" means the consideration charged, whether or not received, for the occupancy in a hotel or campground valued in money whether to be received in money, goods, labor, or otherwise, including all receipts, cash, credits, property and service of any kind or nature without any deduction therefrom whatsoever. Nothing in this definition shall be construed to imply that consideration is charged when the space provided to the person is complimentary from the operator and no consideration is charged or received from any person.
- (f) "Operator" means the person operating the hotel whether as owner, leasee, or otherwise.
- (g) "Tax collection official" means the county clerk.
- (h) "Commission" means that body of appointed persons whose purpose it shall be to promote tourism and convention business in Blount County.
- (i) "Tourism" means the planning and conducting of programs of information and publicity designed to attract to the county tourists, visitors and other interested persons from outside the area and also encouraging and coordinating the efforts of other public and private organizations or groups of citizens to publicize the facilities and attractions of the area acquisition, construction, and remodeling of facilities useful in the attraction and promoting of tourist, conventions, and recreational business. The commission will be empowered to enter into contracts to fulfill the aforementioned function.

SECTION 2. Blount County is hereby authorized to levy a privilege tax upon the privilege of occupancy in any hotel or campground by a transient in an amount not to exceed four percent (4%) of the consideration charged by the operator. The rate of the tax shall be set annually before the July term by the county legislative body. Such tax is a privilege upon the transient occupying the room or space and shall be paid by such transient.

As amended by: Private Acts of 1993, Chapter 26.

SECTION 3. The tax shall be added by each operator to each invoice prepared by the operator for the occupancy of his hotel, motel, or campground. Such invoice to be given directly or transmitted to the transient, a copy thereof filed by month and retained as provided by Section 7 hereof.

SECTION 4.

- (a) The tax hereby levied shall be remitted by all operators who lease, rent, or charge for any rooms or campground space to the county clerk not later than the twentieth (20<sup>th</sup>) day of each month next following such collection from the transient. The operator is required to collect the tax from the transient at the time of the presentation of the invoice for occupancy, whether prior to, during or after occupancy, as may be the custom of the operator.

(b) For the purpose of compensating the operator in accounting for and remitting the tax levied by this act, the operator shall be allowed two percent (2%) of the amount of the tax due and accounted for and remitted to the county clerk in the form of a deduction in submitting his report and paying the amount due by him, provided, however, that the amount due was not delinquent at the time of payment.

(c) For the purpose of compensating the county for collecting the tax, the county shall be allowed five percent (5%) of tax remitted by hotel, motel or campground operators or sixteen thousand dollars (\$16,000.00) per annum, whichever is less.

As amended by: Private Acts of 1983, Chapter 23.

Private Acts of 1988, Chapter 181.

Private Acts of 1993, Chapter 26.

SECTION 5. No operator of a hotel, motel, or campground shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator, or that it will be added to the rent, or that, if added, any part will be refunded.

SECTION 6. Taxes collected by an operator which are not remitted to the county clerk on or before the due dates are delinquent. An operator shall be liable for interest on such delinquent taxes from the due date at a rate eight (8%) per annum, and in addition for a penalty on such taxes of one percent (1%) for each month or fraction thereof that such taxes are delinquent. Such interest and penalty shall become a part of the tax herein required to be remitted. Willful refusal of an operator to collect or remit the tax or willful refusal of a transient to pay the tax imposed is hereby declared to be unlawful and shall be punishable upon conviction by a fine not in excess of fifty dollars (\$50.00).

Any fine levied herein shall be applicable to each individual transaction involving lodging services paid by a transient to the operator in those cases when the operator fails or refuses to pay the tax payable to the county clerk.

SECTION 7. It is the duty of every operator liable for the collection and payment of any tax imposed by this act to keep and preserve for a period of three (3) years all records necessary to determine the amount of such tax, which records the tax collection official shall have the right to inspect at all reasonable times.

SECTION 8. In administering and enforcing the provisions of this act, the tax official shall have as additional power the powers and duties with respect to collection of taxes provided in Tennessee Code Annotated, Title 67, or otherwise provided by law.

Upon any claim of illegal assessment and collection, the taxpayer shall have the remedy provided in the Tennessee Code Annotated, Section 67-2313, it being the intent of this Act that the provisions of law which apply to the recovery of taxes illegally assessed and collected shall apply to the tax collected under the authority of this act; provided, the tax collection official shall possess those powers and duties as provided in Tennessee Code Annotated 67-2301, with respect to adjustment and settlement with taxpayers of all the errors of taxes collected by him under the authority of this act and to direct the refunding of same. Notice of any tax paid under protest shall be given the tax collection official, and suit for recovery shall be brought against such tax collection official.

SECTION 9.

For the purpose of promoting tourism and conventions, authorization is granted to establish and there shall be established, a Tourist Commission presently know as the Smoky Mountain Visitors Bureau. This Tourist Commission shall be comprised of nine (9) persons selected by the county Executive of the county with the concurrence of two-thirds (2/3) of the county legislative body in the following manner:

(a) The County Executive of Blount County shall be an ex officio member.

(b) Two (2) commissioners from a list of five (5) persons submitted by the hotel/motel campground operators located in the civil districts of 1-2-4-5-6-7-9-10-11-17-19.

(c) Two (2) commissioners from a list of five (5) persons submitted by the hotel/motel campground operators located in the civil districts of 3-8-12-13-14-15-16-18.

(d) Two (2) commissioners who are members of the county legislative body, one (1) selected from the civil districts of 1-2-4-5-6-7-9-10-11-17-19 and one (1) from the civil districts of 3-8-12-13-14-15-16-18.

(e) Two (2) commissioners from a list of five (5) persons submitted by the Blount County Chamber of Commerce.

The County Executive shall be an ex officio member with the right to vote.

The commission shall be appointed for a term of three (3) years provided in making the initial appointments the county executive shall initially appoint the two (2) hotel-motel and campground representatives to serve a one (1) year term and the three (3) representatives of the chamber of commerce to serve a two (2) year term and the two (2) representative of the legislative body to serve a three (3) year term.

Vacancies are to be filled in the same manner that original appointments are made but shall be for the duration of the unexpired term only. Commissioners shall serve without compensation except for reimbursement for necessary expenses.

The commission shall present an annual budget to the county legislative body for approval, amendment, or rejection. All expenditures made shall be in accordance with the budget as approved by the county legislative body but funds cannot be committed or contracts enforced until such funds are held on deposit by county trustee. Funds not used in a fiscal year will be carried over from year to year and will be at the tourist commission's disposal subject to budget.

The tourist commission shall elect from its membership a chairman and a treasurer and may employ such personnel and make such contracts as are necessary to effectively carry out the purposes of this act. Such contracts may include but shall not be limited to the procurement of promotional services, advertising services and other services and materials relating to the promotion of tourism and convention business; provided contracts of the type enumerated shall be made only with persons, organizations and firms with experience and qualifications for providing promotional service and materials such as, but not necessarily limited to, the local area chamber of commerce.

SECTION 10. The proceeds from this tax levied herein shall be retained by the county government and distributed as follows:

(a) Fifty percent (50%) of the proceeds shall be assessed for the direct promotion of tourism, and shall be held by the County Trustee for payment to the Tourist Commission according to its budgeted expenditures.

(b) Twelve and one-half percent (12 ½%) of the proceeds shall be assessed for the construction, maintenance, staffing and supplying the Townsend Visitors Center at 790 E. Lamar Alexander Parkway and other such centers as required by the Tourist Commission.

(c) Thirty seven and one-half percent (37 ½%) of the proceeds shall be deposited in the general fund of Blount County.

Proceeds of this tax may not be used to provide subsidy in any form to any hotel, motel or campground.

As amended by: Private Acts of 1983, Chapter 23.

Private Acts of 1993, Chapter 26.

SECTION 11. The tax collected by the county clerk shall be remitted by him to the county trustee for distribution in accordance with the terms of this Act and the laws of the state of Tennessee.

SECTION 12. The privilege tax levied by this Act shall be in addition to all other taxes levied or authorized to be levied whether in the form of excise, license, or privilege taxes, and shall be in addition to all other fees and taxes now levied or authorized to be levied.

SECTION 13. The tax authorized by this Act shall expire and no longer be applicable after March 31, 2003.

As amended by: Private Acts of 1983, Chapter 23.

Private Acts of 1988, Chapter 181.

Private Acts of 1993, Chapter 26.

SECTION 14. If any clause, sentence, paragraph, section or any part of this Act shall be held or declared to be unconstitutional, it shall not affect the remainder of this Act notwithstanding the part held to be invalid, if any, and to that end the provisions of this Act are declared severable.

SECTION 15. This Act shall have no effect unless it is approved by a two-thirds ( ) vote of the county legislative body of any county to which it might apply. Its approval or non-approval shall be proclaimed by the presiding officer of the legislative body and certified by him to the Secretary of State.

SECTION 16. For the purpose of approving this Act as provided in Section 15, it shall take effect on becoming a law, the public welfare requiring it. For all other purposes, it shall take effect on the first day of the month following ninety (90) days from approval as provided in Section 15.

Passed: April 30, 1979

*Our information from the Secretary of State's office is that this act was approved by the Board of County Commissioners of Blount County on June 1, 1979.*

**TAXATION  
HOTEL/MOTEL TAX  
PRIVATE ACTS, 1993  
CHAPTER NO. 26**

*COMPILER'S NOTE: Sections 1 through 5 amended Private Acts of 1979, Chapter 102, which is printed herein.*

SECTION 6. Nothing in this act shall be construed as having the effect of removing any incumbent from office or abridging the term of any official prior to the end of the term for which such official was elected.

SECTION 7. The two (2) additional appointed members authorized by this act shall be appointed for a term of three (3) years provided that in making the initial appointments, the appointments may be staggered to provide for a more balanced expiration of terms for the members of the Tourist Commission.

SECTION 8. This act shall have no effect unless it is approved by a two-thirds ( ? ) vote of the county legislative body of Blount County. Its approval or non-approval shall be proclaimed by the presiding officer of the county legislative body of Blount County and certified to the Secretary of State.

SECTION 9. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purpose, it shall become effective upon being approved as provided in Section 8.

PASSED: March 10, 1993.