



JASON E. MUMPOWER  
*Comptroller*


July 24, 2024

**MEMORANDUM**

**To:** Local Government Officials

**From:** Jason Mumpower, Comptroller of the Treasury

**Subject:** **New Reporting Requirements for Hotel Occupancy Tax Revenue and Expenditures - Public Chapter No. 1016**



I am writing to inform you of a new piece of legislation that will impact local governments receiving revenue from a hotel occupancy tax levied pursuant Tenn. Code Ann. §§ 67-4-1401, et seq. The legislation mandates that local governments submit an annual written report to the Comptroller of the Treasury, the Commissioner of the Department of Tourist Development, the Chair of the State and Local Government Committee of the Senate, and the Chair of the Local Government Committee of the House of Representatives not less than thirty days after the end of the local government's fiscal year.

**Key Requirements:**

1. **Annual Report Submission:** Local governments must provide a report that details the amount of hotel occupancy tax revenue spent by the local government and its subordinate contractors and how those expenditures have been designated and used for tourism and tourism development pursuant to Tenn. Code Ann. §§ 67-4-1401, et seq.
2. **Reallocation of Funds:** In cases where it is determined that a local government spent funds derived from a tax levied under Tenn. Code Ann. §§ 67-4-1401, et seq. for purposes unrelated to those provided by Tenn. Code Ann. § 67-4-1403(a), the law requires the local government to appropriate an amount from its general funds equal to the amount spent improperly to support tourism and tourism development within the immediately following fiscal year.

**To assist with this reporting requirement, MTAS, CTAS, and the Department of Tourist Development have developed a standardized form. A copy of the blank form is attached to this communication and is posted on our website for download. The information required by the new law should be submitted to my Office and all other required parties as indicated by the legislation. For your convenience, the email addresses for those parties can be found in the instructions for the form.**

Thank you for your attention to this important matter. Should you have any questions or need further clarification, please do not hesitate to contact your field representative from either the Municipal Technical Advisory Service or the County Technical Assistance Service. You may also contact our office at [lga.web@cot.tn.gov](mailto:lga.web@cot.tn.gov).