

PUBLIC CHAPTER NO. 1104

SENATE BILL NO. 3944

By McNally, Henry, Burchett

Substituted for: House Bill No. 3727

By Fitzhugh

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, Part 2, relative to property tax exemptions.

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

SECTION 1. Tennessee Code Annotated, Section 67-5-207, is amended by deleting subsection (d) and substituting instead the following:

(d) Subject to the general requirements of this section for exemption of federally assisted housing, there shall also be exempted under this section, those properties owned by not-for-profit organizations and funded under the HOME Investment Partnerships Program (42 U.S.C. § 12701, et seq.) or the state-funded Housing Opportunities Using State Encouragement (HOUSE) Program. To qualify, the property must be used for permanent housing for low income or very low income disabled or handicapped persons.

SECTION 2. Tennessee Code Annotated, Section 67-5-212, is amended by deleting subsection (a) (1) and substituting instead the following:

(a)(1) There shall be exempt from property taxation the real and personal property, or any part thereof, owned by any religious, charitable, scientific or nonprofit educational institution that is occupied and actually used by such institution or its officers purely and exclusively for carrying out thereupon one (1) or more of the exempt purposes for which the institution was created or exists. There shall further be exempt from property taxation the property, or any part thereof, owned by an exempt institution that is occupied and actually used by another exempt institution for one (1) or more of the exempt purposes for which it was created or exists under an arrangement in which the owning institution receives no more rent than a reasonably allocated share of the cost of use, excluding the cost of capital improvements, debt service, depreciation and interest, as determined by the state board of equalization.

SECTION 3. Tennessee Code Annotated, Section 67-5-212(a), is further amended by adding the following new, appropriately designated paragraph at the end of the subsection:

() No church shall be granted an exemption on more than one (1) parsonage, and an exempt parsonage may not include within the exemption more than three (3) acres.

SECTION 4. Tennessee Code Annotated, Section 67-5-212, is further amended by deleting subsection (b) (3) (B) and substituting instead the following:

(b)(3)(B) If a religious institution acquires property that was duly exempt at the time of transfer from a transferor who had previously been approved for a religious use exemption of the property, or if a religious institution acquires property to replace its own exempt property, then the effective date of exemption shall be three (3) years prior to the date of application, or the date the acquiring institution began to use the property for religious purposes, whichever is later.

SECTION 5. Nothing in this act shall be construed as affecting a prior final determination of the exempt status of any property in this state.

SECTION 6. This act shall take effect on becoming law, the public welfare requiring it.

PASSED: May 15, 2008



RON RAMSEY
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 5th day of June 2008



PHIL BREDESEN, GOVERNOR