



State of Tennessee

PUBLIC CHAPTER NO. 887

SENATE BILL NO. 2283

By Dickerson, Campfield, Crowe, Harper, Norris

Substituted for: House Bill No. 1938

By Odom

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(a)(1), is amended by deleting the fourth sentence of the subdivision and by substituting instead the following:

In the case of a property financed or refinanced by a loan, eligibility for the exemption under these programs continues so long as there is an unpaid balance on the loan. Following payment of the loan in full, a property shall continue to be exempt from taxation so long as the project is restricted to use for elderly persons or persons with disabilities as defined in the programs. In the case of a property financed by a grant, eligibility for the exemption under these programs continues so long as the project is restricted to use for elderly persons or persons with disabilities as defined in the programs.

SECTION 2. Tennessee Code Annotated, Section 67-5-207, is amended by deleting subsection (a)(2) and substituting instead the following:

(a)(2) The owners of projects exceeding twelve (12) units shall agree to make payments in lieu of taxes to the tax jurisdictions in which they are located, in an amount negotiated to cover the cost of improvements, facilities or services rendered by the tax jurisdiction, but if no amount is agreed the payments shall be not less than twenty-five percent (25%) of the amount of tax that would be due if the project were not exempt. In no event shall such payments be required of public housing authorities operating under title 13, chapter 20.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it, and shall apply to applications approved after the effective date; to applications pending or under appeal on the effective date of this act; and to projects funded by loans whose exemption is continued, as provided in § 67-5-207, notwithstanding payment in full of the loan, under the terms of this act.

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PASSED: April 14, 2014



RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 18 day of May 2014



BILL HASLAM, GOVERNOR