



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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226 Capitol Boulevard Bldg., Suite 508
Nashville, Tennessee 37243-0760
Phone: (615) 741-3012
Fax: (615) 532-2443
www.tn.gov/tacir

MEMORANDUM

TO: Commission Members
FROM: Cliff Lippard *Cliff*
Executive Director

DATE: 30 August 2017

SUBJECT: Ad Valorem Payments in Lieu of Taxes (PILOT)—Update and Panel

Public Chapter 431, Acts of 2017, directed the Commission to study PILOT agreements and leases entered into by industrial development corporations (IDCs) organized by municipalities, and specifically, whether economic benefits are derived from

- limiting the length of term of an agreement or lease in the absence of county approval, or
- by an agreement by the corporation or municipality to pay the county a sum equal to the amount of real property tax that would have been assessed in the absence of the agreement or lease following the expiration of the initial term.

The Act also required the Commission to report its conclusions to the State and Local Government Committee of the Senate and the Local Government Committee of the House of Representatives no later than February 1, 2018.

The Commission will hear from a panel of experts on issues surrounding PILOTs. This panel includes

- John Lawrence, Senior Economic Development Specialist, Economic Development Growth Engine for Memphis and Shelby County (EDGE);
- Betsy Knotts, Executive Secretary, Tennessee State Board of Equalization;

- Matthew N. Murray, Professor of Economics and Associate Director, Boyd Center for Business & Economic Research; and Director, Howard H. Baker Jr. Center for Public Policy, University of Tennessee;
- Helen Burns Sharp, Founder and President, Accountability for Taxpayer Money, Chattanooga (ATM); and
- J. Thomas Trent Jr., Attorney at Law, Bradley Law Firm.