

**Senate Finance, Ways, and Means Committee Amendment No. 1**

**Amendment No. 1 to SB2282**

**Henry  
Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 2282\***

**House Bill No. 2672**

by deleting all language after the enacting clause and by substituting instead the following:

**SECTION 1.**

(a) The Tennessee Advisory Commission on Intergovernmental Relations ("TACIR") is directed to perform a study of the overall effect on local public education when property taxes or in lieu of tax payments earmarked for education are abated or reduced and whether the effect on local public education is offset by enhanced economic development. This study shall be conducted from TACIR's existing resources.

(b) All appropriate state departments and agencies shall provide assistance to TACIR.

(c) TACIR shall report its findings and recommendations, including any proposed legislation or interim reports upon conclusion of its study.

**SECTION 2.** Tennessee Code Annotated, Section 13-20-104, is amended by adding the following new, appropriately designated subsection:

( )

(1) Except in any county having a metropolitan form of government with a population in excess of five hundred thousand (500,000), according to the 2000 federal census or any subsequent federal census, the city or county for which a housing authority is created may delegate to such housing authority the authority to negotiate and accept from the housing authority's lessees payments in lieu of ad valorem taxes; provided, that such authorization shall be granted only

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upon a finding that such payments are deemed to be in furtherance of the housing authority's public purposes. The housing authority shall submit each such agreement to the city or county legislative body of all affected taxing jurisdictions for its approval.

(2) An agreement for payment in lieu of taxes shall contain such terms and conditions as the housing authority may determine, which may include, but shall not be limited to, provisions to:

(A) Defer and/or subordinate payment of all or a portion of the payment in lieu of taxes to such future time as the housing authority may determine;

(B) Require interest to accrue on such deferred amount;

(C) Require that payments in lieu of taxes, including any interest, expenses, or costs of collection of same, shall be secured by a deed of trust upon the project; or

(D) Provide that such deed of trust may be subordinate to other liens or indebtedness of the project.

(3) Before October 1 of each year, the housing authority shall submit to the state board of equalization an annual report containing a list of all the real and personal property owned by the housing authority and its associated entities and subsidiaries with respect to which payments in lieu of ad valorem taxes have been negotiated and accepted; the value of each listed property, as estimated by the lessee of the property; the date

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and term of the lease for each listed property; the amount of payments made in lieu of property taxes for each listed property; the date each listed property is scheduled to return to the regular tax rolls; and a calculation of the taxes which would have been due for each listed property if the properties were privately owned or otherwise subject to taxation. Each lessee of the housing authority shall be responsible for the timely completion and filing of the report, and failure to timely complete and file the report shall subject such lessees to a penalty equivalent to that applicable to similar lessees of industrial development corporations; provided, that no lessee shall be liable who has provided the state board of equalization information required by this section as may be pertinent to property leased by the lessee from the housing authority.

SECTION 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 4. This act shall take effect upon becoming law, the public welfare requiring it.