

SENATE BILL 3415

By Crowe

AN ACT to amend Tennessee Code Annotated, Title 13,
Chapter 20, relative to tax increment financing.

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

SECTION 1. Tennessee Code Annotated, Section 13-20-202, is amended by deleting subsection (c) in its entirety and by substituting instead the following language:

(c) For the purposes of this section and the implementation of redevelopment districts as delineated in this part, a development authority designated by a municipality as its housing and redevelopment authority for purposes of this part shall also be considered a housing authority and shall have the power to enter into an economic development agreement as defined in § 4-17-302(2) and the power as delineated this section, in which housing authority redevelopment powers are vested, as long as public notice required in § 13-20-203 is provided. The powers of the authority created pursuant to any such private act are hereby expanded to specifically include all powers that housing authorities have pursuant to this part.

SECTION 2. Tennessee Code Annotated, Section 13-20-205(a)(1), is amended by designating the present language as new subdivision (a)(1)(A) and by adding the following language as new subdivision (a)(1)(B):

(B) A redevelopment plan that includes a tax increment financing provision shall be deemed to authorize an authority to designate one (1) or more parcels that are within the area subject to the redevelopment plan at one (1) or more times to be subject to tax increment financing provisions and the allocations provided herein, and in such case, all allocations and payments of incremental tax revenues for purposes of this part shall be made based upon the parcel or parcels of property so designated as being subject to the

tax increment financing provision. If multiple parcels of property or an entire area subject to a redevelopment plan is subject to a tax increment financing provision and the allocations provided herein, then the base assessment shall be the sum of the assessed values calculated as provided above of each parcel subject to the tax increment financing provision unless the applicable taxing authority and authority agree to a calculation of incremental tax revenues based upon each parcel separately instead of based upon a collective calculation. By agreement of any applicable taxing authority and an authority, the base assessment with respect to any parcel of property subject to a tax increment financing provision may be the taxes assessed by the taxing authority as to such parcel in the year immediately prior to the approval of the redevelopment plan or the amendment thereto authorizing tax increment financing with respect to such parcel by such taxing authority; provided, that any such agreement shall not affect the calculation or allocation of incremental tax revenues with respect to any parcel with respect to which the incremental tax revenues have been pledged to the payment of indebtedness of the authority unless the holder of such indebtedness consents to the calculation of the base assessment in such a manner. A taxing authority and an authority may, by agreement, provide for less than the entire amount of incremental tax revenues that would otherwise be allocated to the authority pursuant to this part to be allocated to the authority and may provide that an authority may retain a reasonable portion of any incremental tax revenues payable hereunder to the authority, not to exceed five percent (5%) of such revenues, to be used for payment of expenses of the authority, including a reasonable allocation of overhead expenses, to administer the tax increment financing. Any taxing authority and an authority may also agree upon and approve policies and procedures for allocating, calculating and implementing tax

increment financing provisions in redevelopment plans; provided, that such policies and/or procedures do not conflict with the provisions of this chapter;

SECTION 3. Tennessee Code Annotated, Section 13-20-205, is amended by adding the following language to the end of subdivision (a)(2):

provided, however, a taxing authority may elect to make a single annual payment of incremental tax revenues from all or any portion of an area subject to a redevelopment plan collected prior to such date into the special fund of the authority within thirty (30) days of the date on which taxes are due to such taxing authority; and provided further, that the taxing authority and the authority may agree in writing that such revenues shall be paid on any date so agreed upon and shall agree on a procedure for the payment of delinquent taxes collected by the taxing authority within a certain time of the collection of such taxes. Upon the payment of any delinquent taxes, the taxing authority shall also pay to the authority all interest collected by the taxing authority in connection with authority's incremental portion of such delinquent taxes;

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