

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 1316 - HB 1821**

March 31, 2011

**SUMMARY OF BILL:** Prohibits increase in property tax assessments due solely to changes in use of other real property in proximity to vacant or unused property. Limits the reappraisal value of real property that is vacant, unused, or held for use to the lesser of the value of the property or the value in the tax year immediately preceding reappraisal plus 25 percent.

**ESTIMATED FISCAL IMPACT:**

**Decrease Local Revenue – \$1,000,000**

Assumptions:

- According to the Comptroller of the Treasury, no existing system indicates how many vacant parcels of real property exist statewide. Therefore, the affect on such parcels cannot be determined. Similarly, no current method exists to determine the number of parcels of real property that are unused or held for use that would be affected by the provisions of this bill.
- Due to multiple unknown factors such as the number of parcels unused or held for use in proximity to other real property and the total number of vacant parcels, a precise impact is difficult to determine. The total amount of disproportionate and unexpected increases in taxes as a result of the change in use of proximate property is unknown.
- Based on information from the Comptroller, estimate assumes the provisions of this bill will have the effect of reducing local revenue owed as a result of reappraisals by at least \$1,000,000.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "James W. White".

James W. White, Executive Director

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