

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2315 – HB 2142

February 28, 2014

SUMMARY OF ORIGINAL BILL: Authorizes home rule municipalities and counties having a metropolitan form of government to create a land bank corporation. Eliminates the Tennessee Local Land Bank Pilot Program.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

Other Fiscal Impact - Due to multiple unknown factors a precise impact to local government cannot reasonably be determined, however any impact will be permissive.

SUMMARY OF AMENDMENT (013018): Removes the ability of any land bank corporations from initiating or exercising eminent domain, or owning, holding, maintaining, or managing any real property acquired through eminent domain by any county or municipality of the state.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The provisions of the bill as amended would apply to any land bank corporation created by any of the fourteen home rule municipalities: Chattanooga, Clinton, East Ridge, Etowah, Johnson City, Knoxville, Lenoir City, Memphis, Mt. Juliet, Oak Ridge, Red Bank, Sevierville, Sweetwater, and Whitwell; and the three counties with a metropolitan form of government: Davidson, Moore, and Trousdale.
- Pursuant to Tenn. Code Ann. § 13-30-104, a land bank corporation is created upon a majority vote of the local legislative body. Participating local governments will then provide funds for the initial administration of the land bank corporation and provide funding, grants, or appropriate money to the land bank corporation as directed by the local legislative body.
- Under current law, the land bank corporation, once created, has the power to create a land bank from real property located within the boundaries of the creating local

government; enter into contracts for the management of the property; and design, develop, construct and otherwise improve the real property. Real property held within the land bank is tax exempt. The provisions of the bill as amended would remove the ability of any land bank corporation from owning or holding any land obtained by eminent domain.

- Due to multiple unknown factors such as, how many of the seventeen eligible local governments will opt to create a land bank corporation, the value of any real property held in the land bank becoming exempt from taxation, and what the real property will be utilized for while held within the land bank, a precise fiscal impact to local government cannot reasonably be determined, however any impact will be permissive.

CERTIFICATION:

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



Lucian D. Geise, Executive Director

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