

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2058 - SB 2376**

February 8, 2014

**SUMMARY OF BILL:** Exempts greenbelt property from the assessment of rollback taxes when it is purchased by a property owner whose property currently does not qualify for greenbelt property classification because the amount of property owned exceeds the maximum allowable acreage.

**ESTIMATED FISCAL IMPACT:**

**Decrease Local Revenue – Exceeds \$75,000**

Assumptions:

- Under current law, owners of property that qualifies as agricultural, forest, or open space may have the land specially valued as greenbelt property. Under the greenbelt classification, eligible property is assessed for its current use as agricultural, forest, or open space and not for its potential for conversion to another higher value use.
- Under certain circumstances property can be disqualified for the greenbelt classification, resulting in the property owner being assessed rollback taxes on the property.
- Rollback taxes are calculated pursuant to Tenn. Code Ann. § 67-5-1008(d) and are paid to the local government jurisdiction the property is located.
- Based on information provided by the Office of the Comptroller of the Treasury, the provisions of this bill will apply to approximately 5 percent of cases where rollback taxes are assessed, resulting in a mandatory recurring decrease in local government revenue exceeding \$75,000.

**CERTIFICATION:**

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

Lucian D. Geise, Executive Director

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