

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2315 - HB 2142

February 10, 2014

SUMMARY OF 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.

ESTIMATED FISCAL IMPACT:

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.

Assumptions:

- According to the Office of the Comptroller of the Treasury, the provisions of the bill will not fiscally impact the agency.
- According to the Department of Economic & Community Development, the department will not be fiscally impacted by the bill.
- According to the Department of Revenue, the department will not be fiscally impacted by the provisions of the bill.
- The provisions of the bill are permissive and would apply to 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.

- 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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