

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 732 - SB 1118

March 10, 2015

SUMMARY OF BILL: Authorizes Davidson County to accept payment in lieu of taxes from lessees which operate low income housing tax credit (LIHTC) properties.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – To the extent that Davidson County were to negotiate a future payment in lieu of taxes (PILOT) agreement, with an operator of a LIHTC property, for an amount less than the property tax liability otherwise assessed and paid on the parcel there will be a permissive reduction in local revenue. If, however, a PILOT agreement with an operator of a LIHTC property enables Davidson County to collect some revenue that would otherwise not be collected, if the operator were to default on its property tax obligation, then there will be a permissive increase in local revenue.

Assumptions:

- This bill is not relevant to state operation; therefore the fiscal impact on state operations is not significant. Further, the bill is only applicable to Davidson County.
- Pursuant to Tenn. Code Annotated § 13-20-104(f)(2), in order for a housing authority to accept payment in lieu of taxes from lessees of LIHTC properties, a local legislative body must vote in the affirmative by a majority of its members; therefore any fiscal impact to Davidson County is permissive.
- Based on information obtained from local officials in Davidson County, the fiscal impact of this bill is estimated to be not significant.

CERTIFICATION:

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

A handwritten signature in black ink that reads "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

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