

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 809 - SB 886

February 23, 2019

**SUMMARY OF ORIGINAL BILL:** Expands the minimum size requirements which agricultural property must meet in order to be eligible for a Greenbelt Property classification for property tax assessment purposes.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Due to multiple unknown variables, a precise mandatory recurring decrease in local government revenue beginning in FY20-21 cannot reasonably be determined.

**SUMMARY OF AMENDMENT (004587):** Deletes and rewrites language of the original bill such that the substantive change would further expand the minimum requirements which agricultural property must meet in order to be eligible for a Greenbelt Property classification for property tax assessment purposes.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Tennessee Code Annotated § 67-5-1004 provides that in order to be classified as agricultural land the property must meet certain use requirements and consist of either a single tract of land which is at least 15 acres, or two noncontiguous tracts within the same county with one tract being at least 15 acres and the other at least 10 acres.
- The proposed legislation would expand this definition to include two noncontiguous tracts of land within the same county which total at least 15 acres and are only separated by a road, body of water, or public or private easement, effective beginning in tax year 2020.
- Pursuant to Tenn. Code Ann. § 67-5-1008(a), upon a classification as agricultural land, a parcel is assessed at its current use for agricultural purposes for property tax calculations.

- Due to multiple unknown variables, such as the number of parcels which will be classified as agricultural land under the provisions of this legislation, how such parcels are currently classified and assessed, the extent of local property tax revenue currently collected on such parcels, and the extent of any decrease in local property tax revenue which will be collected under the provisions of this legislation; a precise mandatory recurring decrease in local government revenue beginning in FY20-21 cannot reasonably be estimated.

**CERTIFICATION:**

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

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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