



February 21, 2020

SUMMARY OF BILL: Requires local governments to determine if real property within their taxing jurisdiction is located within a special flood hazard area and, if so, provide notification to the property owner on the property tax notice.

ESTIMATED FISCAL IMPACT:

**Increase Local Expenditures – Exceeds \$200,000/FY20-21
Exceeds \$50,000/FY21-22 and Subsequent Years***

Assumptions:

- The proposed language is effective January 1, 2021, and would require:
 - Taxing entities to utilize flood boundary maps or flood insurance rate maps created under the National Flood Insurance Program, which is administered by the Federal Emergency Management Agency (FEMA); and
 - Print the words “FLOOD ZONE” on the property tax notices sent to property owners whose property is identified as being in a special flood hazard area.
- According to the Comptroller of the Treasury (COT):
 - There are 84 counties which utilize the state computer-assisted mass appraisal (CAMA) system known as IMPACT;
 - Digital flood zone map data from the FEMA can be overlaid with parcels on the county’s digital property maps within IMPACT;
 - Updating IMPACT with this information for use by such local governments can be accomplished by the COT utilizing existing staff and resources.
- Eleven counties do not participate in IMPACT: Bradley, Chester, Davidson, Hamilton, Hickman, Knox, Montgomery, Rutherford, Shelby, Sumner, and Williamson. These counties have their own CAMA system contractors.
- Given that the first property tax notices containing the required information will be sent to taxpayers in late 2021, it is assumed costs associated with software updates will occur in FY20-21 and expenditures for staff and supplies will occur beginning in FY21-22.
- Based on information provided by non-IMPACT counties, in order to implement the provisions of the legislation and update CAMA systems, additional staff and supplies will be required. Such requirements are estimated to result in a one-time mandatory increase in local expenditures in FY20-21 exceeding \$200,000.
- Recurring mandatory increases in local expenditures for staff, supplies, and periodic updates to CAMA systems are estimated to exceed \$50,000 beginning in FY21-22.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

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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