

SENATE BILL 2238

By Yarbro

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 5, relative to property tax.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 5, is amended by adding the following as a new part:

67-5-1101. A county may create a program by which an owner of real property in the county may apply for a classification of the property as zoning-exempt property.

67-5-1102.

(a) If a county creates a program pursuant to § 67-5-1101, the owner of the real property shall file the application with the assessor of property.

(b) Upon receiving an application, the assessor of property shall determine whether the real property is a zoning-exempt property.

(c) In determining whether real property is zoning-exempt property, the assessor of property shall consider:

(1) The zoning classification that existed for the property when the owner came into possession of the property;

(2) If any changes have been made to the zoning classification since the owner came into possession of the property;

(3) Whether the change in zoning classification has a tendency to increase the value of the property; and

(4) Whether the owner of the property has made any improvements to the property after the change in zoning classification.

(d) The state board of equalization shall provide a form to be used for an application for classification of zoning-exempt property.

(e) A person aggrieved by the denial of an application for the classification under this section has the same rights and remedies for appeal and relief as are provided in the general statutes for taxpayers claiming to be aggrieved by the actions of assessors of property or boards of equalization.

67-5-1103.

(a) If a parcel of real property has been classified as zoning-exempt property, the property is assessed based on the zoning classification that existed at the time the owner came into possession of the property and its current use.

(b) If the use or the ownership of the parcel of real property that has been classified as zoning-exempt property changes such that it no longer qualifies, the assessor shall reclassify the property and value the property according to its current market value for subsequent tax years.

(c) It is the responsibility of the property owner to promptly notify the assessor of property of any change in use or ownership.

67-5-1104.

(a) For each tax year, the assessor of property shall compute the taxes each year based upon both the present value under part 6 of this chapter and the zoning-exempt property value.

(b) If the use or the ownership of the parcel of real property that has been classified as zoning-exempt property changes such that it no longer qualifies, the assessor shall compute the amount of taxes saved based on the difference between the taxes under subsection (a). This difference is the amount of rollback taxes due under subsection (c).

(c) If the real property is no longer classified as zoning-exempt property, the property owner, or the purchaser of the property pursuant to a written contract, is liable for three (3) years of rollback taxes.

SECTION 2. Tennessee Code Annotated, Section 67-5-601(c), is amended by deleting the subsection.

SECTION 3. Tennessee Code Annotated, Section 67-5-602(a), is amended by deleting the language "Except as provided in § 67-5-601(c), in" and substituting instead "In".

SECTION 4. This act takes effect July 1, 2024, the public welfare requiring it.