

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 85 - SB 437

March 18, 2019

SUMMARY OF BILL: Requires all time-share and vacation club property to be assessed as residential property instead of industrial and commercial property.

ESTIMATED FISCAL IMPACT:

Decrease Local Revenue – Exceeds \$500,000

Assumptions:

- Based on information provided by the Comptroller of the Treasury, the total number of time-share and vacation club properties statewide and how such properties are assessed by each locality is unknown.
- Pursuant to Tenn. Code Ann. § 67-5-801, real property classified as residential property is assessed at a rate of 25 percent of its value. Industrial and commercial property is assessed at 40 percent of its value.
- According to Davidson County, there are currently five parcels within the County which are classified as time-share or vacation club properties and assessed as industrial and commercial.
- Assessed as industrial and commercial property, such properties would owe \$616,778 in property taxes within Davidson County. If assessed as residential property, such properties would owe \$385,486; thus a recurring decrease of local revenue to Davidson County estimated to be \$231,292 (\$616,778 - \$385,486).
- While a precise mandatory decrease in local government property tax revenue statewide cannot be determined, it is reasonably estimated to exceed \$500,000 per year.

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".

Krista Lee Carsner, Executive Director

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