

HB 180 – SB 1386

FISCAL NOTE



Fiscal Review Committee
Tennessee General Assembly

March 8, 2025

Fiscal Analyst: Justin Billingsley | Email: justin.billingsley@capitol.tn.gov | Phone: 615-741-2564

SUMMARY OF BILL: Expands the criteria for real property that is eligible for deannexation by petition.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Tennessee Code Annotated § 6-51-104 establishes that property being used primarily for agricultural purposes shall be annexed only with the written consent of the property owner or owners.
- Pursuant to Tenn. Code Ann. § 6-51-201(c), owners of real property used primarily for agricultural purposes who reside in a territory previously annexed by ordinance that was not annexed through a referendum or a request of the property owner may petition the municipality to deannex such property, if:
 - The deannexation of the property does not create an area of unincorporated territory that is completely surrounded by municipal boundaries; and
 - The owner of some or all of the property at the time the petition is made is:
 - The same owner or owners as when the property was annexed; or
 - A direct descendant of the person who owned the property at the time of annexation.
- This legislation will expand the criteria upon which owners of agricultural land, previously annexed by municipal ordinance, may deannex property so that:
 - The deannexation may create an area of unincorporated territory completely surrounded by municipal boundaries if such real property is under a permanent conservation easement; and
 - A qualifying property owner includes a business in which the majority ownership is held by individuals who are either the same owner or owners as when the property was annexed or are a direct descendant of the person who owned the property at the time of annexation.
- For any property that is deannexed as a result of the legislation, there will be a decrease in revenue to the municipality and a corresponding increase in revenue to the county, the timing and extent of which is unknown.
- However, the proposed legislation is not expected to result in a significant change in the number of properties used primarily for agricultural purposes deannexed by petition across the state.

- Any impact to state or local government 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 "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Executive Director