

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1902 - SB 2218

February 7, 2024

SUMMARY OF BILL: Requires the payment of rollback taxes in full at closing when agricultural, forest, or open space land (Greenbelt property) is sold.

FISCAL IMPACT:

Other Fiscal Impact – A mandatory increase in local revenue beginning in FY24-25 cannot be precisely quantified.

Assumptions:

- Pursuant to Tenn. Code Ann. § 67-5-1008(d), certain circumstances that result in the disqualification of a property from Greenbelt classification trigger rollback taxes that are payable from the date written notice of disqualification is provided by the assessor of property to the county trustee.
- The proposed legislation provides that the sale of a Greenbelt property would trigger rollback taxes that must be paid in full by the seller at closing in order to complete the sale of such property.
- There will be a mandatory increase in local revenue for additional rollback taxes generated as a result of the proposed legislation.
- Any increase in local revenue will depend upon future sales of Greenbelt properties, which cannot be predicted; therefore, a mandatory increase in local government revenue beginning in FY24-25 cannot be precisely quantified.
- The proposed legislation provides that rollback taxes will no longer be a first lien on the disqualified property in the same manner as other property taxes and establishes that the taxes are the personal responsibility of the owner or seller of the land. Such provision will have no significant impact on the total amount of rollback taxes collected.

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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