

HOUSE BILL 799

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AN ACT to amend Tennessee Code Annotated, Title 7;  
Title 43 and Title 67, relative to urban agriculture.

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

SECTION 1. Tennessee Code Annotated, Title 7, is amended by adding the following  
as a new chapter:

**7-92-101.** This chapter shall be known and may be cited as the "Urban  
Agriculture Zone Act."

**7-92-102.** As used in this chapter:

(1) "Agricultural product":

(A) Means an agricultural, horticultural, viticultural, aquacultural,  
or vegetable product, either in its natural or processed state, which has  
been produced, processed, or otherwise had value added to it in this  
state; and

(B) Includes growing of grapes that will be processed into wine;  
bees; honey; fish or other aquacultural products; planting seed; livestock  
or livestock product; forestry product; and poultry or poultry product;

(2) "Aquaculture" means the controlled propagation, growth, and harvest  
of aquatic organisms, including fish, shellfish, mollusks, crustaceans, and algae  
and other aquatic plants, by an aquaculturist;

(3) "Aquaculturist" means an individual involved in producing,  
transporting, or marketing aquatic products from privately owned waters for  
commercial purposes;

(4) "Aquatic products" means any aquatic plants and animals or their by-products that are produced, grown, managed, harvested, and marketed on an annual, semi-annual, biennial, or short-term basis, in aquaculture facilities;

(5) "Beginning farmer" means a farmer that has not operated a farm, or who has not operated a farm for more than ten (10) consecutive years, including all members of an entity that operates as a farmer, and that will materially and substantially participate in the operation of the farm;

(6) "Department" means the department of agriculture;

(7) "Limited resource farmer":

(A) Means a farmer that has direct or indirect gross farm sales that are less than the current indexed value in each of the previous two (2) years and a total household income at or below the national poverty level for a family of four (4), or less than fifty percent (50%) of the county median household income in each of the previous two (2) years; and

(B) Includes an entity or joint operation if all individual members independently qualify;

(8) "Livestock" means cattle; calves; sheep; swine; ratite birds, including ostrich and emu; aquatic products obtained through aquaculture; llamas; alpaca; buffalo; elk documented as obtained from a legal source and not from the wild; goats; or rabbits raised in confinement for human consumption;

(9) "Locally grown" means a product that was grown or raised in the same county or adjoining county in which the urban agricultural area where the product was grown or raised is located;

(10) "Partner organization" means a nonprofit organization that meets standards set forth by Section 501(c)(3) of the Internal Revenue Code (25 U.S.C.

§ 501(c)(3)) and whose mission includes supporting small, beginning, limited resource, or socially-disadvantaged farmers within municipalities;

(11) "Poultry" means any domesticated bird intended for human consumption;

(12) "Privately owned waters" means waters confined within an artificial containment, such as man-made ponds, vats, tanks, raceways, and any other indoor or outdoor facility constructed wholly within or on the enclosed land of an owner or lessor;

(13) "Qualifying farmer" means an individual or entity that meets the criteria for at least one (1) of the following categories:

(A) Small or medium-sized farmer;

(B) Beginning farmer;

(C) Limited resource farmer; or

(D) Socially-disadvantaged farmer;

(14) "Small or medium-sized farmer" means a farmer who has received a Direct Farm Ownership Microloan, or a Direct Farm Operating Microloan, through the United States department of agriculture microloan program;

(15) "Socially-disadvantaged farmer":

(A) Means a farmer that is a member of a socially-disadvantaged group; and

(B) Includes an entity if at least fifty percent (50%) ownership in the farm business is held by socially-disadvantaged individuals;

(16) "Socially-disadvantaged group" means a group whose members have been subject to racial or ethnic prejudice because of their identity as

members of a group, without regard to their individual qualities. "Socially-disadvantaged groups" consist of the following:

- (A) American Indians;
- (B) Alaskan Natives;
- (C) Asians;
- (D) African Americans;
- (E) Native Hawaiians and other Pacific Islanders; and
- (F) Hispanics; and

(17) "Urban agricultural area" means an area defined by a municipality and entirely within that municipality's boundaries within which one (1) or more qualifying farmers are processing, growing, raising, or otherwise producing locally-grown agricultural products.

**7-92-103.**

(a) The legislative body of a municipality that seeks to establish an urban agricultural area must first establish an urban agricultural area committee after it receives an application to establish an urban agricultural area under § 7-92-104.

(b)

(1) There must be five (5) members on the committee.

(2) One (1) member of the committee must be a member of the municipality's legislative body and appointed by the legislative body.

(3) The chief executive of the municipality must appoint the remaining four (4) members.

(4) The four (4) members chosen by the chief executive must all be residents of the municipality in which the urban agricultural area is to be located, and at least one (1) of the four (4) members must have

experience in or represent an organization associated with sustainable agriculture, urban farming, community gardening, or any of the activities or products authorized by this chapter for urban agricultural areas.

(c) The members of the committee annually shall elect a chair from among the members. The members serve without compensation, but may be reimbursed for actual and necessary expenses incurred in the performance of their official duties.

(d) A majority of the members constitutes a quorum of the committee for the purpose of conducting business and exercising the powers of the committee and for all other purposes. Action may be taken by the committee upon a vote of a majority of the members present.

(e) The role of the committee is to conduct the activities necessary to advise the legislative body of the municipality on the designation, modification, and termination of an urban agricultural area and any other advisory duties as determined by the legislative body of the municipality. The role of the committee after the designation of an urban agricultural area is review and assessment of an urban agricultural area's activities.

(f) The legislative body of the municipality shall set the length of terms for committee members and any other administrative and organizational requirements for the committee that the legislative body determines to be necessary.

**7-92-104.**

(a) A qualified farmer or partner organization may submit to the municipal clerk an application to establish an urban agricultural area. The application must demonstrate or identify:

- (1) That the applicant is a qualified farmer;
- (2) The number of jobs to be created, maintained, or supported within the proposed urban agricultural area;
- (3) The types of products to be produced; and
- (4) The geographic description of the area that will be included in the urban agricultural area.

(b) Approval of the urban agricultural area by a municipality must be reviewed every five (5) years after the development of the urban agricultural area. An urban agricultural area dissolves twenty-five (25) years after its development. If the municipality finds during its review that the urban agricultural area is not meeting the requirements of this chapter, the municipality may dissolve the urban agricultural area by ordinance or resolution at any time.

**7-92-105.**

(a) Prior to the adoption of an ordinance designating an urban agricultural area, the urban agricultural area committee shall fix a time and place for a public hearing and notify each taxing jurisdiction located wholly or partially within the boundaries of the proposed urban agricultural area.

(b) The committee shall publish notice of the hearing in a newspaper of general circulation in the area to be affected by the designation at least twenty (20) days prior to the hearing but not more than thirty (30) days prior to the hearing. The notice must state the time, location, date, and purpose of the hearing.

(c) At the public hearing, any interested person or affected taxing jurisdiction may file with the committee written objections or comments and may be heard orally in respect to any issues embodied in the notice. The committee

shall hear and consider all objections, comments, and other evidence presented at the hearing. The hearing may be continued to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the subsequent hearing.

(d) Following the conclusion of the public hearing required under this section, the legislative body of the municipality may adopt an ordinance establishing and designating an urban agricultural area.

**7-92-106.**

(a) Real property located within an urban agricultural area that is used by a qualifying farmer for processing, growing, raising, or otherwise producing agricultural products under this chapter must be assessed in whole, or in part, as farm property under § 67-5-801 for purposes of taxation.

(b) A municipality may authorize an entity providing water, electricity, or other utilities to an urban agricultural area to allow qualified farmers and partner organizations in the urban agricultural area to:

(1) Pay wholesale or otherwise reduced rates for service to property within the urban agricultural area that is used for processing, growing, raising, or otherwise producing agricultural products; or

(2) Pay reduced or waived connection charges for service to property within the urban agricultural area that is used for processing, growing, raising, or otherwise producing agricultural products.

**7-92-107.**

(a) A municipality shall not exercise any of its powers to enact ordinances within an urban agricultural area in a manner that would unreasonably restrict or regulate farming practices in contravention of the

purposes of this chapter unless the restrictions or regulations bear a direct relationship to public health or safety.

(b) A unit of local government providing public services, such as sewer, water, lights, or non-farm drainage, shall not impose benefit assessments or special ad valorem taxes on land within an urban agricultural area on the basis of frontage, acreage, or value unless the benefit assessments or special ad valorem taxes were imposed prior to the formation of the urban agricultural area or unless the service is provided to the landowner on the same basis as others having the service.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.