HOUSE BILL 1913

By Lollar

AN ACT to amend Tennessee Code Annotated, Section 67-5-203, relative to property tax exemptions for government property.

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

SECTION 1. Tennessee Code Annotated, Section 67-5-203, is amended by adding the following language as new subsections:

(d) Notwithstanding any law to the contrary, if real property owned by the state or any political subdivision of the state is leased or conveyed in any manner to a person, corporation or other business entity which has the purpose or effect of reducing the real or personal property appraisal and tax collection of the county in which the real property is located, the lease, conveyance or other transfer arrangement may not be for a period in excess of thirty (30) years without approval from the county's legislative body of the county in which the real property is located, unless the agreement requires the lessee to pay all real and personal property taxes to the county in which the property is located for any year after the initial thirty-year occupancy period as if such property was not owned by the state or any political subdivision of the state or other tax exempt entity. This subsection (d) shall not apply to the payment in lieu of tax programs jointly administered by the municipality and the county in which the real property is located, whether through a jointly authorized entity or a memorandum of understanding.

(e) Notwithstanding any law to the contrary, if real property owned by the state or any political subdivision of the state is leased or conveyed in any manner to a person, corporation or other business entity, and the lease or other transfer arrangement is for a period of fifty (50) years or more or the lease permits and lessee to acquire the real

property for a nominal sum at the completion of the term, the leasehold interest shall be assessed as if the lessee were the owner.

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