

SENATE BILL 187

By Harper

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 5, Part 7, relative to freezing of property
taxes.

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

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 5, Part 7, is amended by adding the following language as a new, appropriately designated section:

§ 67-5-7__.

(a) The purpose of this section is to provide for uniform and orderly administration of a property tax freeze program for eligible taxpayers who are totally and permanently disabled in those jurisdictions adopting it. This section is not intended to displace other forms of property tax relief available to homeowners totally and permanently disabled on the effective date of this act except as expressly provided in this section.

(b) As used in this section, unless the context otherwise requires, the terms "base tax", "collecting official", "improvement" and "principal residence" shall have the same meanings as given to them in § 67-5-705.

(c) The legislative body of any county or municipality may by resolution or ordinance adopt the property tax freeze program provided in this section. The county or municipality may thereafter terminate the freeze program by resolution or ordinance; provided, however, that the resolution or ordinance terminating the program shall not have the effect of terminating the program until the following tax year.

(d)

(1) Taxpayers seeking the property tax freeze shall apply annually to the collecting official by the deadline established in program rules. Applicants shall meet the requirements for total and permanent disability under the rules and regulations adopted by the state board of equalization. The collecting official shall determine whether requirements for eligibility have been met, and the collecting official's determination shall be final, subject to audit and recovery of taxes, including penalty and interest at the rates otherwise provided for delinquent taxes under § 67-5-2010, if the applicant is later determined to have not been eligible. Any taxpayer who knowingly provides false information concerning the taxpayer's disability or other information relative to eligibility for the program, commits a Class A misdemeanor.

(2) If the collecting official approves the application, property taxes due on the applicant's principal residence shall be the lesser of:

(A) The actual tax due; or

(B) The base tax; provided, that the base tax shall be adjusted to reflect any percentage increase in the value of the property determined by the assessor to be attributed to improvements made or discovered after the time the base tax was established.

(e)

(1) To qualify for the property tax freeze, the applicant shall own and use the property for which the freeze is sought as the applicant's principal residence in the year of application or reapplication and through the deadline date for application or reapplication.

(2) In addition to the qualifications stated in subdivision (1), the applicant's income, combined with the income of any other owners of the

property, and the income of any owners of a remainder interest in the property who used the property as their principal place of residence at any time during the year, may not exceed the limit computed under § 67-5-705(f)(3). Income for purposes of qualification means income from all sources as defined by program rules.

(f)

(1) The comptroller of the treasury is authorized to perform income verification or other related services or assistance at the request of a county or municipality, if the county or municipality agrees to pay fees sufficient to reimburse the actual costs to the comptroller in providing such services or assistance, unless or to the extent not appropriated by the general assembly.

(2) Financial records filed for purposes of income verification shall be confidential and shall not be subject to inspection under the Tennessee public records law, compiled in title 10, chapter 7, but shall be available to local or state officials who administer or enforce this section or requirements imposed pursuant to this section.

(g) The property tax freeze program for homeowners totally and permanently disabled shall conform to any uniform definitions, application forms and requirements, income verification procedures and other necessary or desirable rules, regulations, policies and procedures not in conflict with this section, as may be adopted by the state board of equalization through the division of property assessments.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 3. For purposes of promulgating rules and regulations, this act shall take effect upon becoming law, the public welfare requiring it. For all other purposes, this act shall take effect on July 1, 2009, the public welfare requiring it and shall apply to tax years beginning on and after January 1, 2010.