

SENATE BILL 2351

By Kelsey

AN ACT to amend Tennessee Code Annotated, Title 67,
relative to requiring a referendum for certain
proposed property tax increases.

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

SECTION 1. Tennessee Code Annotated, Section 67-5-102(a), is amended by deleting subdivision (2) and substituting instead the following:

(2) The amount of such tax shall be fixed by the legislative body of each county.

Any increase in the tax rate of more than one dollar (\$1.00) per one hundred dollars (\$100) of the assessed value of property proposed by the county legislative body shall be approved by referendum of the voters of the county pursuant to § 67-5-105.

SECTION 2. Tennessee Code Annotated, Section 67-5-103, is amended by adding the following language as a new subsection:

(d) Property tax rates shall be fixed by the legislative body of a municipality. Any increase in the tax rate of more than one dollar (\$1.00) per one hundred dollars (\$100) of the assessed value of property proposed by the municipal legislative body shall be approved by referendum of the voters of the municipality pursuant to § 67-5-105.

SECTION 3. Tennessee Code Annotated, Title 67, Chapter 5, Part 1, is amended by adding the following language as a new section:

67-5-105.

(a) No ordinance or resolution enacted by a county or municipal legislative body vote to increase the tax rate applied against the assessed value of property by more than one dollar (\$1.00) per one hundred dollars (\$100) of the assessed value shall become operative until approved in an election in the respective county or municipality as provided in this section.

(b) Following receipt of a certified copy of an ordinance or resolution described in subsection (a), the county election commission shall call for an election to be held in the county or municipality, as the case may be, either in conjunction with a general election or in a special election for the purpose of approving or rejecting such resolution or ordinance. If a municipality is holding a special election, then the municipality shall pay the costs of holding such election.

(c) The ballots used in the election shall have printed on them the substance of such ordinance or resolution and shall provide options to vote either "FOR" or "AGAINST" the ordinance or resolution. The voters shall vote for or against approval of the ordinance or resolution.

(d)

(1) A majority vote of those voting in the election shall determine whether or not the ordinance or resolution is to be operative.

(2) The qualifications of voters voting on the question shall be the same as those required for voting in a general county or municipal election, whichever is appropriate.

(e) The returns of the election shall be certified by the county election commission to the appropriate local governing body.

(f) If the majority of voters vote for the approval of the ordinance or resolution, then the ordinance or resolution shall be operative. If the majority of voters vote against approval of the ordinance or resolution, then the tax rate in place immediately prior to the action of the county legislative body or the municipal legislative body to increase the tax rate shall be the tax rate applied against the assessed value of property until a new tax rate is established as provided in this chapter.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.