

**ORDINANCE 08-58**

**AN ORDINANCE ADOPTING THE PROPERTY TAX FREEZE PROGRAM FOR ELDERLY  
LOW-INCOME HOMEOWNERS OF THE CITY OF SPRING HILL, TENNESSEE, AS  
AUTHORIZED BY STATE LAW**

**WHEREAS**, General Assembly of the State of Tennessee has enacted Senate Bill No. 2 of the 105th Tennessee General Assembly, hereinafter referred to as Public Chapter 581 of the Public Acts of 2007 (hereinafter "the Act"), which passed both houses on June 12, 2007, and was signed into law on June 28, 2007; and

**WHEREAS**, in 2006, the voting citizens of the State of Tennessee approved an amendment to the Tennessee Constitution authorizing the General Assembly to enact a property tax freeze for elderly, low-income taxpayers; and

**WHEREAS**, the Act amends Tennessee Code Annotated, §67-5-705 to provide for the uniform and orderly administration of the Property Tax Freeze Program for eligible taxpayers in jurisdictions adopting said program; and

**WHEREAS**, the General Assembly of the State of Tennessee has authorized the legislative body of any county or municipality to adopt the Property Tax Freeze Program; and

**WHEREAS**, it is to the benefit of the citizens of the City of Spring Hill, that the Property Tax Freeze Program be adopted; and

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF SPRING HILL, TENNESSEE**, that the Property Tax Freeze Program, authorized by the Act, is hereby adopted by the City of Spring Hill, Tennessee.

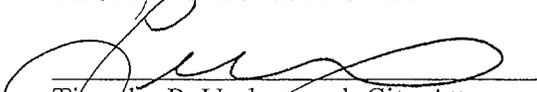
**BE IT FURTHER ENACTED**, that this ordinance shall take effect from and after its adoption, the public welfare requiring it on the 20<sup>th</sup> day of January, 2009.

  
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Danny M. Leverette, Mayor

ATTEST:

\_\_\_\_\_  
April Goad, City Recorder

LEGAL FORM APPROVED:

  
\_\_\_\_\_  
Timothy P. Underwood, City Attorney

Passed on First Reading: December 15, 2008

Passed on Second Reading: January 20, 2009

# **Tax Freeze Provisions in the Tennessee Constitution, Article II, Section 28**

By general law, the Legislature may authorize the following program of tax relief:

(a) The legislative body of any county or municipality may provide by resolution or ordinance that:

(1) Any taxpayer who is sixty-five (65) years of age or older and who owns residential property as the taxpayer's principal place of residence shall pay taxes on such property in an amount not to exceed the maximum amount of tax on such property imposed at the time the ordinance or resolution is adopted;

(2) Any taxpayer who reaches the age of sixty-five (65) after the time the ordinance or resolution is adopted, who owns residential property as the taxpayer's principal place of residence shall thereafter pay taxes on such property in an amount not to exceed the maximum amount of tax on such property imposed in the tax year in which such taxpayer reaches age sixty-five (65); and

(3) Any taxpayer who is sixty-five (65) years of age or older who purchases residential property as the taxpayer's principal place of residence after the taxpayer's sixty-fifth birthday shall pay taxes in an amount not to exceed the maximum amount of tax imposed on such property in the tax year in which such property is purchased.

(b) Whenever the full market value of such property is increased as a result of improvements to such property after the time the ordinance or resolution is adopted, then the assessed value of such property shall be adjusted to include such increased value and the taxes shall also be increased proportionally with the value.

(c) Any taxpayer or taxpayers who own residential property as their principal place of residence whose total or combined annual income, or wealth exceeds an amount to be determined by the general assembly shall not be eligible to receive the tax relief provided in subsection (a) or (b).

## PUBLIC CHAPTER NO. 581

## SENATE BILL NO. 2

By Norris, Tate, Harper, Crowe, Kilby, Jackson, Marrero, Black, Raymond Finney,  
Kurita, Burks, Bunch

Substituted for: House Bill No. 1033

By John Deberry, Strader, Mike Turner, Gilmore, Hardaway, Jim Cobb, Hill, Dunn,  
Ulysses Jones, Harry Brooks, Fincher, Watson, Williams, Roach, Vaughn, Favors,  
Coley, DuBois, Niceley, Hawk, McDonald, Sherry Jones, Moore, Pruitt, Sontany,  
Frale, Bone, Armstrong, Tindell, Shaw, Ferguson, Fitzhugh, McCormick, Todd,  
Baird, Hensley, Gresham, Brown, Lollar, Eldridge, Rowland, Bell, Harrison, Kevin  
Brooks, Dean, Curtis Johnson, Phillip Johnson, Rinks, Hackworth, McManus,  
Bass, Bibb, Windle, Curt Cobb, Matheny, Coleman, Harmon, Towns, Yokley, Litz,  
Maddox

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, Part 7, relative to  
property tax relief for certain elderly homeowners.

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 deleting § 67-5-705 in its entirety and by substituting instead the following:

Section 67-5-705. (a) This section shall be known and may be cited as  
the "Property Tax Freeze Act".

(b) The purpose of this section is to provide for uniform and orderly  
administration of the property tax freeze program for eligible taxpayers in those  
jurisdictions adopting it. This section is not intended to displace other forms of  
property tax relief available at the time of its passage except as expressly  
provided herein.

(c) As used in this section, unless the context otherwise requires:

(1) "Base tax" means the property tax due on the principal  
residence of a qualifying taxpayer at the time the jurisdiction levying the  
tax adopts a resolution or ordinance approving the property tax freeze  
under this section. If the taxpayer did not qualify or did not own an  
eligible residence when the freeze was adopted, "base tax" means the  
maximum property tax due on the taxpayer's eligible residence for the  
year in which the taxpayer became eligible on the basis of an approved  
application. If a taxpayer reapplies after acquiring a new residence or  
after a period of ineligibility, the base tax shall be recalculated for the year  
of reapplication and reestablishment of eligibility;

(2) "Collecting official" means the county trustee or in the case of taxes due a municipality, the county trustee or other official responsible for collection of property taxes;

(3) "Improvement" means any change to a dwelling or dwelling lot that would properly warrant a change by the assessor in the assessed value of the property for the year or portion of the year in which the improvement is made; and

(4) "Principal residence" means the dwelling owned by the taxpayer and eligible as the taxpayer's legal residence for voting purposes. Program rules shall establish the maximum size limits for land which may qualify as a taxpayer's principal residence. The rules shall take into consideration lot size requirements under applicable zoning as well as property actually used to support residential structures; provided, however, such size limit shall not exceed five (5) acres. The tax freeze granted by this section shall only apply to the residence and no more than the maximum limit for land established by such rules.

(d) 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, such resolution or ordinance terminating the program shall not have the effect of terminating the program until the following tax year.

(e) (1) Taxpayers seeking the property tax freeze must apply annually to the collecting official by the deadline established in program rules, and applicants must qualify on the basis of age, income and ownership of eligible property. 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 income or other information relative to eligibility for such program, commits a Class A misdemeanor.

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

(A) The actual tax due; or

(B) The base tax, provided 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.

(f) (1) To qualify for the property tax freeze, the applicant must be sixty-five (65) years of age by the end of the year in which the application is filed. The applicant must further own and use the property as the

applicant's principal residence for which the freeze is sought 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) of this subsection, 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 stated in subdivision (3) of this subsection. Income for purposes of qualification means income from all sources as defined by program rules.

(3) The income limit for the property tax freeze program shall be the greater of weighted average of the median household income for age groups sixty-five (65) to seventy-four (74) and seventy-five (75) or over who resided within the county as determined in the most recent federal decennial census, or the applicable state tax relief income limit established under § 67-5-702. This limit shall be adjusted by the comptroller of the treasury to reflect the cost of living adjustment for social security recipients as determined by the social security administration and shall be rounded to the nearest ten dollars (\$10.00). The adjusted weighted average median household income level for each county shall be published annually by the comptroller of the treasury.

(g) (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 of 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 Act, but shall be available to local or state officials who administer or enforce the provisions of this section or requirements imposed pursuant thereto.

(h) The property tax freeze program 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.

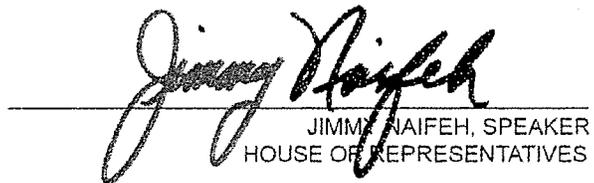
SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions of the act which can be upheld without the invalid provision, and to that end the provisions of this act are declared to be severable.

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, 2007, the public welfare requiring it and shall apply to tax years beginning on and after January 1, 2008.

**PASSED: June 12, 2007**

  
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RON RAMSEY  
SPEAKER OF THE SENATE

  
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JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 28th day of June 2007**

  
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PHIL BREDESEN, GOVERNOR

# Tennessee Tax Freeze Jurisdictions

as of November 26, 2008

The following counties and cities in Tennessee have adopted the local option Property Tax Freeze program. In order to qualify, an applicant's principal residence must be located within one of these jurisdictions.

<u>County</u>	<u>Year Adopted</u>	<u>City</u>	<u>Year Adopted</u>
Anderson	2007	Clarksville	2008
Blount	2007	Collierville	2008
Bradley	2007	Dyersburg	2008
Campbell	2008	Fairview	2008
Coffee	2008	Gallatin	2008
Davidson	2007	Goodlettsville	2008
Franklin	2008	Gordonsville	2008
Hamblen	2007	Greenbrier	2008
Hickman	2008	Hendersonville	2008
Knox	2007	Manchester	2007
Montgomery	2008	Memphis	2008
Roane	2007	Piperton	2008
Robertson	2008	Portland	2008
Rutherford	2008	South Carthage	2008
Sevier	2008	Westmoreland	2008
Shelby	2008		
Smith	2008		
Sumner	2008		
Williamson	2008		
Wilson	2007		

# Property Tax Freeze Frequently Asked Questions

## ADMINISTRATION

**1. How does a jurisdiction establish a program?**

The legislative body of any county or municipality adopting the property tax freeze provided in Tenn. Code Ann. § 67-5-705 must do so by either resolution or ordinance.

**2. May a jurisdiction terminate its program?**

The legislative body of any county or municipality which has adopted the property tax freeze program provided in Tenn. Code Ann. § 67-5-705 may terminate the program by adopting a resolution or ordinance terminating the program. The program would actually terminate the following year.

**3. Who will administer the program?**

The property tax collecting official of the county or the municipality

**4. Are jurisdictions financially responsible for all cost associated with administering and implementing the program?**

The local jurisdiction is responsible for the cost of administering and implementing the program.

**5. Who will establish the definitions and program requirements?**

The State Board of Equalization, through the state Division of Property Assessments, is charged with the responsibility and authority for establishing rules and regulations for the implementation of the property tax freeze program.

**6. Who is responsible for establishing and maintaining a record of the status of each property owner and the amount at which the property tax on a specific property is frozen?**

The collecting official determines eligibility and maintains the records for each property owner. The frozen tax amount is determined by the collecting official with the assistance of the assessor of property.

**7. When did the legislation take effect?**

The legislation became effective July 1, 2007.

**8. What amount of tax becomes the frozen tax amount?**

The amount paid in the year the owner first qualifies

**9. Is it a freeze on the amount of tax paid or the rate at which it is paid?**

It is a freeze on the amount of taxes paid.