

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1980 - SB 1882**

March 8, 2024

**SUMMARY OF BILL:** Authorizes a nonprofit residential home for the aged located in Knox County, or within a municipality located within Knox County, to claim and file an application for property tax exemption for up to three years prior to the date of the application or the date the institution began to use the property for exempt purposes, whichever is later. Requires any property taxes collected prior to the effective date of this act to be refunded.

**FISCAL IMPACT:**

**Increase Local Expenditures – \$422,500/FY23-24/City of Knoxville\*  
\$360,900/FY23-24/Knox County\***

Assumptions:

- This analysis assumes an institution eligible for a property tax exemption under this legislation will file and be granted an exemption for the previous three years.
- Based on information provided by the City of Knoxville, there is one parcel qualifying for a property tax exemption under this legislation located within the city.
- The property owner will file for an exemption in FY23-24.
- Based on information provided on the websites of the City of Knoxville and the Knox County Trustee, property taxes have been paid on the parcel in the amount of:
  - City of Knoxville: \$6,899 in FY20-21, \$148,990 in FY21-22, and \$266,580 in FY23-24 for tax year 2022; and
  - Knox County: \$5,936 in FY20-21, \$128,200 in FY21-22, and \$226,774 in FY23-24 for tax year 2022.
- The proposed legislation will result in a mandatory one-time increase in expenditures to the City of Knoxville of \$422,469 (\$6,899 + \$148,990 + \$266,580) in FY23-24.
- This legislation will result in a mandatory one-time increase in expenditures to Knox County of \$360,910 (\$5,936 + \$128,200 + \$226,774) in FY23-24.

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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