

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2120 - HB 2199

February 12, 2020

SUMMARY OF BILL: Authorizes county trustees to retain an agent to collect delinquent personal property taxes.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The precise permissive increase in local government revenue cannot be determined due to multiple unknown factors.

Assumptions:

- Pursuant to Tenn. Code Ann. § 67-5-901, tangible personal property is assessed as follows:
 - Public utility property at 55 percent of its value;
 - Industrial and commercial property at 30 percent of its value;
 - All other business property at 5 percent of its value; and
 - Non-business tangible person property is deemed to have no value.
- The proposed language:
 - Authorizes the county trustee to retain an agent to collect delinquent personal property taxes, interest, costs, and attorney's fees;
 - If an agent is used, requires the county trustee to utilize the purchasing procedures applicable to the county where the property is located to select and retain the agent; and
 - Requires the fee of the collecting agent to be added to the total amount of delinquent personal property taxes owed, including interest, costs, and attorney's fees.
- The personal property owner will be responsible for payment of the agent's fee.
- There exist multiple unknown factors including, but not limited to, the extent of delinquent personal property taxes statewide, the number of counties who will elect to retain a collection agent for such delinquent taxes, the extent of the fee charged by such agent, and the extent of purchasing procedures which must be followed in order to retain such agent.
- Any permissive increase in local expenditures realized from purchasing procedures will be offset by a permissive increase in local government revenue from the collection of delinquent revenue which otherwise would have been uncollected in the absence of such agent.
- The total permissive increase in local government revenue cannot be determined due to multiple unknown factors.

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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