



# *State of Tennessee*

## **PUBLIC CHAPTER NO. 271**

### **SENATE BILL NO. 871**

**By Akbari, Lamar**

Substituted for: House Bill No. 366

By Love, Clemmons, Hardaway, Towns, Camper, Miller, Slater, Powell

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

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

SECTION 1. Tennessee Code Annotated, Section 67-5-705(d), is amended by deleting the subsection and substituting instead the following:

(1) The legislative body of a 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 must not have the effect of terminating the program until the following tax year.

(2) A municipality that is located in a county that has already adopted the tax freeze program must use the same income limit adopted by the county if the municipality also adopts the tax freeze program and the county has adopted the income limit as set forth in subdivision (f)(3)(A)(iii).

(3) A municipality that adopts or has adopted the tax freeze program must use the income limit adopted by the county if the county trustee is accepting tax freeze applications on behalf of the municipality, or is acting as the collecting official on behalf of the municipality, and the county has adopted the income limit as set forth in subdivision (f)(3)(A)(iii).

SECTION 2. Tennessee Code Annotated, Section 67-5-705(f), is amended by deleting subdivision (3) and substituting instead the following:

(3)(A) Subject to subdivision (f)(3)(B), the income limit for the property tax freeze program is the greater of:

(i) The weighted average of the median household income for age groups sixty-five (65) years of age to seventy-four (74) years of age and seventy-five (75) years of age or over who resided within the county as determined in the most recent federal decennial census;

(ii) The applicable state tax relief income limit established under § 67-5-702; or

(iii) Sixty thousand dollars (\$60,000) if approved by the local legislative body in accordance with subsection (d). Such income limit, if adopted by the local legislative body, shall not take effect until the tax year following adoption by the local legislative body.

(B) The income limits in subdivision (f)(3)(A)(i)–(iii) must 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 must be rounded to the nearest ten dollars (\$10.00). The adjusted weighted average median household

income level for each county must be published annually by the comptroller of the treasury.

SECTION 3. This act takes effect July 1, 2023, the public welfare requiring it, and applies to tax years beginning on or after that date.


SENATE BILL NO. 871

PASSED: April 19, 2023

  
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RANDY McNALLY  
SPEAKER OF THE SENATE

  
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CAMERON SEXTON, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 28<sup>th</sup> day of April 2023

  
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BILL LEE, GOVERNOR