

SENATE BILL 431

By Reeves

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 5, Part 6, relative to property damaged by
disaster.

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

SECTION 1. Tennessee Code Annotated, Section 67-5-603(a)(1), is amended by redesignating the last sentence of the subdivision as a new subsection (e).

SECTION 2. Tennessee Code Annotated, Section 67-5-603(a)(1), is amended by designating the existing language as subdivision (A) and adding the following as a new subdivision (B):

(B) If, between September 1 and December 31 of any year, a building or improvement is moved, demolished, or destroyed, or substantially damaged by fire, flood, wind, or any other disaster, and is not restored and no other improvement is constructed in its place before January 1 of the next year, the assessor of property shall make or correct the assessment of such property on the basis of the value of the property after the move, destruction, or substantial damage of the improvements, notwithstanding the status of the property as of the assessment date of January 1; provided, that for the year in which such improvement is moved, demolished, destroyed, or so damaged, the assessor of property shall prorate the assessment of the improvement for that portion of the year and apply it to the subsequent tax year. This subdivision (a)(1)(B) is effective retroactively to January 1, 2024.

SECTION 3. Tennessee Code Annotated, Section 67-5-603(d), is amended by deleting the language "subsection (a)" and substituting instead the language "subdivision (a)(1)(A)", and

deleting the language "subsection (d)" and substituting instead the language "subdivision (d)(1)".

SECTION 4. Tennessee Code Annotated, Section 67-5-603(d), is amended by designating the existing language as subdivision (1) and adding the following as a new subdivision (2):

(2) In the case of damage as a result of a disaster declared by the president of the United States, the annual assessment of an affected building or improvement in a county included in the presidential declaration must be prorated as otherwise provided in subdivision (a)(1)(B), for the actual time the building or improvement is destroyed and not replaced, or the actual time the building or improvement is substantially damaged, notwithstanding the building or improvement is restored or replaced by January 1 of the next year; provided, the total time the building or improvement is destroyed or damaged and not replaced or restored, exceeds thirty (30) days. The owner must apply for this relief to the assessor of property by January 1 of the next year using a form approved by the director of the state division of property assessments; provided, that for tax year 2024, the owner must apply by June 30, 2025. This subdivision (d)(2) is effective retroactively to January 1, 2024. This subdivision (d)(2) does not take effect as to any particular county or municipality unless approved by a two-thirds (2/3) vote of its governing body following the disaster being declared by the president of the United States.

SECTION 5. This act takes effect upon becoming a law, the public welfare requiring it.