

[Tenn. Code Ann. § 7-53-314](#)

Current through the 2018 Regular Session.

Tennessee Code Annotated > Title 7 Consolidated Governments and Local Governmental Functions and Entities > Local Government Functions > Chapter 53 Industrial Development Corporations > Part 3 Operation and Powers

7-53-314. Preparation and submission of economic impact plan for counties with a metropolitan government and a population exceeding 500,000.

(a) The corporation is authorized to prepare and submit to the governing body of the municipality for approval an economic impact plan in the manner described in this section.

(b) An economic impact plan shall be a written document and shall specifically identify the area to be included in the plan. The area to be included in the plan shall be located in the municipality and shall also include an industrial park within the meaning of [§ 13-16-202](#), or a project that is either owned by the corporation or with respect to which the corporation has loaned or will loan funds or has otherwise provided or will provide financial assistance. In addition to the industrial park or project, the area that is the subject of the economic impact plan may also include other properties that the corporation determines will be directly improved or benefited due to the undertaking of the industrial park or project. The economic impact plan shall:

(1) Identify the boundaries of the area subject to the plan;

(2) Identify the industrial park or project located within the area subject to the plan;

(3) Discuss the expected benefits to the municipality from the development of the area subject to the plan, including anticipated tax receipts and jobs created; and

(4) Provide that the property taxes imposed on the property, including the personal property, located within the area subject to the plan will be distributable in the manner described in subsection (c) for a period of time specified in the plan.

(c) Upon the approval of the governing body of the municipality of an economic impact plan with respect to an area, all property taxes levied upon property located within the area by any taxing agency after the effective date of the plan shall be divided as follows:

(1) That portion of the taxes that is equal to the amount of taxes, if any, that were payable with respect to the property for the year prior to the date the economic impact plan was approved, the base tax amount, by the municipality shall be allocated to and, when collected, shall be paid to the respective taxing agencies as taxes levied by the taxing agencies on all other property are paid; provided, that, in any year in which the taxes on any property are less than the base tax amount, there shall be allocated and paid to the respective taxing agencies only those taxes actually imposed; and

(2) Any excess of taxes over the base tax amount shall be allocated to and, when collected, shall be paid into a separate fund of the corporation established to hold the payments until applied for the purposes described in subsection (h).

(d) Notwithstanding subsection (c) to the contrary, an economic impact plan may be approved that allocates an amount greater than the base tax amount to the taxing agencies.

(e) An economic impact plan shall not provide for an allocation of taxes to the corporation for a period in excess of thirty (30) years.

(f)The governing body of a municipality may approve an economic impact plan by resolution, notwithstanding any local charter provision or other provision to the contrary. Prior to approval by the governing body of the municipality, the economic impact plan shall be submitted to the mayor of the municipality. If the area subject to an economic impact plan is located within the corporate limits of a city or town, the taxes that would otherwise be payable to the city, town or county that is not the municipality that created the corporation shall not be paid to the corporation unless the city, town or county has also approved the economic impact plan.

(g)Before the corporation submits an economic impact plan for approval to the governing body of the municipality that created the corporation or to any other city or county, the corporation shall hold a public hearing relating to the proposed plan after publishing a notice of the public hearing in a newspaper of general circulation in the municipality at least two (2) weeks prior to the date of the public hearing. The notice shall include the time, place and purpose of the public hearing, and notice of how a map of the area subject to the plan can be viewed by the public.

(h)All taxes allocated to the corporation pursuant to this section shall only be applied by the corporation to pay expenses of the board in furtherance of promoting economic development in the municipality, to pay the cost of projects, or to pay debt service on bonds or other obligations issued by the corporation to pay the cost of the projects. The corporation is authorized to pledge any or all amounts received by the corporation pursuant to this section to the payment of the bonds or other obligations.

(i)After the approval by the governing body of a municipality of an economic impact plan, the clerk or other recording official of the municipality shall transmit to the appropriate assessors of property and to each taxing agency to be affected, a copy of the description of all property within the area subject to the economic impact plan and a copy of the resolution approving that plan. If the plan is approved by any taxing agency other than the municipality, the clerk or other recording official of that taxing agency shall also provide a copy of the resolution approving the plan to the assessors of property and taxing agencies.

(j)Notwithstanding any other provision of this section to the contrary, taxes levied upon property within an economic impact area by any taxing agency for the payment of principal of and interest on all bonds, loans, or other indebtedness of the taxing agency, and taxes levied by or for the benefit of this state, shall not be subject to allocation as provided in subsection (c), but may still be levied against the property and, when collected, paid to the taxing agency as taxes levied by the taxing agency on all other property are paid and collected.

(k)This section shall only apply to any county having a metropolitan form of government and having a population in excess of five hundred thousand (500,000), according to the 2000 federal census or any subsequent federal census.

(l)In the event of any conflict between this section and the Uniformity in Tax Increment Financing Act of 2012, compiled in title 9, chapter 23, title 9, chapter 23 shall control.

History

[Acts 2008, ch. 770, § 2](#); [2008, ch. 971, § 1](#); [2011, ch. 239, §§ 1, 2](#); [2012, ch. 605, § 4](#).