



SENATE BILL 1766

By Pody

AN ACT to amend Tennessee Code Annotated, Title 7;  
Title 9; Title 12; Title 13; Title 66; Title 67 and Title  
68, relative to infrastructure development districts.

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

SECTION 1. Tennessee Code Annotated, Section 7-84-804, is amended by deleting the second sentence and substituting:

This part does not affect the operation and effect of chapters 32 and 33 of this title, and parts 1-7 of this chapter, which continue in full force and effect as separate and independent authority for the establishment and governance of a central business improvement or infrastructure development district.

SECTION 2. Tennessee Code Annotated, Section 7-84-811, is amended by deleting subsection (a) and substituting:

(a) Upon the filing of an initiating petition, each governing body of a host municipality required to receive filing of such petition must order a public hearing by the governing body to determine whether the infrastructure development district will be established.

SECTION 3. Tennessee Code Annotated, Section 7-84-811, is amended by deleting subsection (b) and substituting:

(b) Notwithstanding subsection (a), when a district must be approved by two (2) or more host municipalities, the governing bodies may hold one (1) or more joint public hearings, or the governing bodies may hold separate public hearings when a governing body makes approval contingent on the approval of another governing body.

SECTION 4. Tennessee Code Annotated, Section 7-84-814, is amended by deleting subdivision (7) and substituting:

(7) The maximum rate of levy of the special assessment that may be imposed;

SECTION 5. Tennessee Code Annotated, Section 7-84-815, is amended by deleting subsection (d) and substituting:

(d) The maximum term of any bonds, notes, or other debt obligations issued pursuant to this section to fund the costs of infrastructure, including any refinancing bonds, must not exceed thirty (30) years from the first issuance of bonds, notes, or other debt obligations for the purpose of funding infrastructure. For development projects with multiple phases of development, bonds may be issued for each phase of the development and each phase must not exceed thirty (30) years from date of issuance of the bonds for that phase.

SECTION 6. Tennessee Code Annotated, Section 7-84-817, is amended by deleting subsection (f) and substituting:

(f) Notwithstanding this part to the contrary, an establishment resolution may provide that a portion of special assessments be set aside for the actual cost of administrative expenses, including expenses incurred by the host municipality and the officers of the municipality, including the assessor of property, trustee, or other tax collecting official, in administering the collection and allocation of special assessments, including a reasonable allocation of overhead expenses.

SECTION 7. Tennessee Code Annotated, Section 7-84-827, is amended by deleting the language:

Each district established pursuant to this part must be dissolved by the governing bodies of the host municipality, no later than thirty (30) years from the date the district is established, or if earlier, immediately upon:

and substituting:

Each district established pursuant to this part must be dissolved by the governing bodies of the host municipality no later than thirty (30) years from the date that the last assessment is first levied, or if earlier, immediately upon:

SECTION 8. This act takes effect upon becoming a law, the public welfare requiring it.

Amendment No. 1 to SB1766

Briggs  
Signature of Sponsor

**AMEND Senate Bill No. 1766**

**House Bill No. 1681\***

by deleting Section 7 and substituting instead:

SECTION 7. Tennessee Code Annotated, Section 7-84-827, is amended by deleting the section and substituting instead:

Each district established pursuant to this part must be dissolved by the governing bodies of the host municipality no later than thirty (30) years from the date that the last assessment is first levied, or if earlier, immediately upon one (1) of the following occurring:

(1) Written petition filed by the owners of either seventy-five percent (75%) of the assessed value of the property in the district, based on the most recent certified city property tax rolls, or fifty percent (50%) of the owners of record within the district; provided, that dissolution must not occur prior to the payment in full and discharge of debt obligations secured by special assessment revenues of the district; or

(2) The payment and discharge of all outstanding bonds, notes, or other obligations payable solely from the special assessment revenues levied on the property within the district.

**AND FURTHER AMEND** by inserting the following new sections immediately preceding the last section and renumbering the subsequent section accordingly:

SECTION 8. Tennessee Code Annotated, Section 7-84-802(5), is amended by deleting the subdivision and substituting instead:

(5) "Host municipality" means:

(A) For a district the boundaries of which are not located entirely within a single incorporated town or city that:

(i) Levies and directly administers the billing of ad valorem real property taxes, each county within which the boundaries of the district are located; or

(ii) Levies, and has authorized and entered into contracts, agreements, or other arrangements directing the administration of, ad valorem real property taxes under the applicable provisions of title 6 and any municipal charter, each county within which the boundaries of the district are located; and

(B) For districts the boundaries of which are located entirely within a single incorporated town or city that:

(i) Levies and directly administers the billing of ad valorem real property taxes, such town or city; or

(ii) Levies, and has authorized and entered into contracts, agreements, or other arrangements directing the administration of, ad valorem real property taxes under the applicable provisions of title 6 and any municipal charter, such town or city;

SECTION 9. Tennessee Code Annotated, Section 7-84-820(d), is amended by deleting the subsection and substituting instead:

(d) A host municipality may:

(1) Manage the administration, in whole or in part, of a district;

(2) Delegate the administration, in whole or in part, of a district to the municipality currently administering the host municipality's ad valorem real property taxes. Prior to delegating district administration, in whole or in part, to any municipality currently administering the host municipality's ad valorem real property taxes, an interlocal agreement between the host municipality and the

municipality must be approved by the governing bodies of both the host municipality and the municipality; or

(3) Delegate the administration, in whole or in part, of a district to outside professional administrators.

(e) If district administration is delegated, in whole or in part, to an outside professional administrator, then the host municipality shall enter into a written contract with such administrator. The contract must require all costs associated with administration to be paid from special assessment revenues from within the district.

(f) As used in this section, "administration" includes:

- (1) The collection, remittance, and enforcement of assessments;
- (2) Any applicable continuing disclosure requirements;
- (3) Any duties related to title transfer of public infrastructure; and
- (4) Any other district-related duties deemed necessary by the host

municipality.

(g) The county trustee is not required to participate in district administration without an agreement between the county trustee and a host municipality regarding the administration of the infrastructure development district.

(h) Notwithstanding the fee payable to the host municipality, the host municipality may contract with outside professional administrators, and such costs may be included in the assessments.

SECTION 10. Tennessee Code Annotated, Section 7-84-822, is amended by deleting subsections (b) and (c) and substituting instead:

(b) Notwithstanding this part to the contrary, amounts collected by a host municipality or a municipality that has been delegated administration responsibilities pursuant to § 7-84-820, must not be allocated to the payment of a special assessment by an owner in the district until all taxes, penalties, and interest relating to real property

taxes imposed by any governmental entity with the power of taxation, including municipalities and special school districts, have been paid in full.

(c) The host municipality or a municipality that has been delegated administration responsibilities pursuant to § 7-84-820, may allocate any payment received by an owner that is designated to pay special assessments to the payment of taxes, penalties, and interest until such amounts are paid in full. Otherwise, a host municipality or a municipality that has been delegated administration responsibilities pursuant to § 7-84-820, shall collect and enforce special assessments in a district in the same manner as the collection and enforcement of real property taxes, including the authorization to bill special assessments to property owners within the district on the same invoice as ad valorem real property taxes.

SECTION 11. Tennessee Code Annotated, Section 7-84-823, is amended by deleting the section and substituting instead:

If any assessment is or becomes delinquent in a district, delinquency proceedings must be carried out in the same manner as delinquency proceedings for ad valorem real property taxes.