



SENATE BILL 2646

By Roberts

AN ACT to amend Tennessee Code Annotated, Title 7 and Title 48, relative to industrial development corporations.

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

SECTION 1. Tennessee Code Annotated, Section 7-53-103, is amended by designating the existing section as subsection (b) and adding the following new subsection (a):

(a) If necessary or convenient to carry out the purposes and provisions of this chapter, the board of directors of the corporation may initiate a merger with another corporation in the manner provided for public benefit corporations pursuant to title 48, chapter 61.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.

Amendment No. 2 to SB2646

Watson
Signature of Sponsor

AMEND Senate Bill No. 2646

House Bill No. 1878*

by deleting SECTION 2 and substituting:

SECTION 2. Tennessee Code Annotated, Section 7-53-305, is amended by deleting subdivision (a)(2)(A) and substituting instead:

(A) Notwithstanding this section to the contrary, and unless the municipality adopts an ordinance or resolution requiring that any agreement with respect to the payments in lieu of taxes entered into pursuant to this subdivision (a)(2) be approved by the municipality, a corporation may negotiate and receive from any lessee of the corporation, without any delegation from the municipality, payments in lieu of taxes with respect to a tax-credit housing project, if the payments are payable to all applicable taxing jurisdictions and:

(i)

(a) Are not less than the taxes that would have been paid to each such taxing jurisdiction for the tax year prior to the year the project became a tax-credit housing project; and

(b) The chief executive officer of the municipality has executed a letter supporting the project that is filed with the corporation; or

(ii)

(a) Are less than the taxes that would have been paid to each such taxing jurisdiction for the tax year prior to the year the project became a tax-credit housing project; and

(b) The chief executive officer of each affected taxing jurisdiction has executed a letter supporting the project that is filed with the corporation.

SECTION 3. Tennessee Code Annotated, Section 7-53-305, is amended by deleting subdivision (b)(1)(A) and substituting instead:

(A)

(i) The corporation has the authority to negotiate, accept, or waive from any of the corporation's lessees payments in lieu of taxes only upon receipt of a formal delegation of such authority from the municipality or municipalities that formed the corporation. Any such authorization must only be granted upon a finding by the municipality or municipalities that the payments or waiver of the payments are deemed to be in furtherance of the corporation's public purposes. The legislative body of the municipality or municipalities making the delegation may require the corporation to submit for approval any agreement with any of the corporation's lessees providing for the acceptance or waiver of payments in lieu of taxes.

(ii) Further, if the proposed agreement would result in payments in lieu of taxes being made to any taxing jurisdiction that are less than the taxes that otherwise would be payable to such jurisdiction, the corporation shall not enter into any such agreement until the corporation has given written notice of such agreement to the chief executive officer of each such taxing jurisdiction. Upon receipt of such notice, the chief executive officer may either:

(a) Notify the corporation that the agreement must be submitted to the legislative body of that taxing jurisdiction for approval or disapproval; or

(b) Notify the corporation that the chief executive officer does not object to the proposed agreement.

(iii) If the chief executive officer does not provide any notification to the corporation within ten (10) days of receipt of the notice from the corporation, then the corporation may proceed to enter into the proposed agreement.

(iv) If the chief executive officer requires that the agreement be submitted to the legislative body of the taxing jurisdiction, the corporation shall not enter into the agreement unless it is approved by such legislative body.

SECTION 4. Tennessee Code Annotated, Section 7-53-305, is amended by deleting subdivision (g)(1)(C) and substituting instead:

(C) The corporation has received prior, written approval from the county mayor and the legislative body of the county regarding payments in lieu of ad valorem taxes.

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