

RESOLUTION NO. 2001-36

TO URGE THE GENERAL ASSEMBLY TO ENACT
LEGISLATION TO AUTHORIZE A LOCAL-OPTION
REALTY TRANSFER TAX.

WHEREAS, many counties in the State of Tennessee are struggling to find sufficient revenue sources in order to meet the growing demands of their citizens for services which are vital and fundamental to the health, welfare, and safety of the residents of this state, to provide improvements to infrastructure required by population and economic growth, and to meet state mandates such as those required by the Basic Education Program; and,

WHEREAS, meeting the demands for capital improvements required by the standards and mandate of the Basic Education Program has been especially burdensome on the financial resources of county governments for that last few years, with a record amount of debt being incurred for school construction and renovation; and

WHEREAS, county governments are limited by state law regarding the forms of taxation and revenue generation which the county is authorized to use, leaving many counties overly dependant on the property tax as a primary source of revenue; and

WHEREAS, proposed legislation to authorize counties to levy a local option transfer tax would provide a desperately needed additional revenue source for counties by authorizing county legislative bodies to levy, by a resolution adopted by a 2/3 vote at two consecutive regular meetings, a tax on the privilege of recording instruments that transfer interests in real property in the office of the register of deeds in the same manner and amount as the state transfer tax; and

WHEREAS, this proposed legislation would be permissive and would not levy a tax, but merely authorize counties to levy a transfer tax if the county legislative body finds it is in the best interest of the county to do so;

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Weakley County, meeting in Regular session on this 16 day of January, 2001, that the Tennessee General Assembly is strongly urged to pass the proposed local option transfer tax legislation, in order to provide needed fiscal relief to county governments.

BE IT FURTHER RESOLVED, that the county clerk shall mail certified copies of this resolution to the members of the Tennessee General Assembly representing the people of Weakley County.

Adopted this 16 day of Jan., 2001.

Motion made by Westbrook and seconded by Phebus. Roll call vote was taken with a vote of 18 Yeas, 1 Nay, none passed and 1 absent. Resolution carried.

APPROVED:


County Executive

ATTEST:


County Clerk



Tennessee County Services Association

Representing Tennessee's County Executives, County Highway Officials, and County Commissioners since 1954

Bob Wormsley
Executive Director

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Pat Mitchell
Executive Secretary

MEMORANDUM

Date: October 26, 2000

To: County Executives
County Commission Chairs

From: Bob Wormsley
Doug Goddard

Subject: Realty Transfer Tax Legislation

At the recently concluded TCSA Annual Fall Conference, the Board of Directors recommended, and the membership adopted, a legislative platform for the upcoming year. The adopted platform included proposed legislation which would authorize county legislative bodies by resolution to adopt by 2/3 vote at two consecutive regular meetings a tax on the privilege of recording instruments transferring interest in real property in the office of the register of deeds in the same manner and at the same rate as the state transfer tax. As you will recall, similar legislation failed last year in the General Assembly.

This permissive legislation is vitally needed by most counties in Tennessee to relieve pressure on the growing over dependence on the property tax. Additionally, it would provide a viable alternative to an adequate facilities tax by spreading the burden over a broader base and at an overall lower rate/burden.

There were several reasons why this legislation failed last year. The grassroots support from county officials needed to pass a major bill such as this did not materialize; the Tennessee Association of Realtors (TAR) made it their number one priority to defeat the bill; the bill, as amended, excluded the majority of the 95 counties, which weakened support for the bill; and the bill contained a provision which caused the Tennessee Municipal League to oppose the bill.

We now have an opportunity to overcome all but one of the reasons cited above and pass this legislation in the first session of the 102nd General Assembly. Obviously, the TAR will still vigorously oppose this legislation. Their stated primary opposition to the bill was that the tax would slow housing sales. However, there is no evidence to support their argument.

Many legislators told us last year they would have supported the bill if they had received a resolution from their county legislative body requesting their support. Passing a resolution urging support for this legislation is an important first step in garnering legislative support. Enclosed is a draft resolution which we would encourage you to pass at your next regular meeting and forward to your members of the General Assembly after the November elections. We would also request that you furnish us a copy for our use in lobbying the bill.

Enclosure