

ORDINANCE NO. BL2019-1630

An ordinance amending Sections 5.06.050 and 5.06.060 of the Metropolitan Code of Laws pertaining to the requirements for tax increment financing plans.

NOW, BE IT ENACTED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. That Sections 5.06.050 and 5.06.060 of the Metropolitan Code of Laws shall be deleted and replaced with the following:

5.06.050 Use of incremental tax revenues.

All TIF loans authorized by a tax increment agency after the effective date of this section shall include provisions as follows:

1. Standard allocation of incremental tax revenues. The portion of incremental tax revenues that may be used to pay a TIF loan shall not be greater than seventy-five percent (75%); provided however that the tax increment agency shall be entitled to increase or decrease this percentage pursuant to criteria set forth in a written policy adopted by the tax increment agency.

2. Debt service taxes allocated to metropolitan government. Notwithstanding anything to the contrary in Section 5.06.050(1) of the Metropolitan Code of Laws, under all circumstances the debt service taxes shall be retained by the metropolitan government, or if received by a tax increment agency pursuant to tax increment statutes, shall be paid to the metropolitan government before any incremental tax revenues may be used to pay the principal and interest on TIF loans. The debt service taxes to be retained by or paid to the metropolitan government for each TIF loan shall be determined by multiplying the total taxes from all parcels generating incremental tax revenues pledged to secure the TIF loan by the debt service tax percentage applicable as of the date of the closing of the TIF loan.

5.06.060 Additional Plan Requirements.

All plans and amendments to plans approved after the effective date of this section shall include provisions as follows:

1. The plan shall comply with the requirements of Section 5.06.050 of the Metropolitan Code of Law, as amended from time to time.

2. Proceeds from all land sold by the tax increment agency shall be placed in a revolving fund where either: (a) the land was originally conveyed to the tax increment agency by the metropolitan government; or (b) the land was acquired in full, or in part, using such revolving fund assets. The revolving fund described in this section shall be designated to pay costs for acquisition of land in the plan area, for public improvements and facilities in the plan area, and for the implementation of the plan area where the land is located. The proceeds of such sale(s) shall not be used by the tax increment agency for projects or improvements in other plan areas without approval of the metropolitan council by resolution receiving twenty-one affirmative votes. The revolving fund will be held and managed by the tax increment agency. Any unexpended funds in the revolving fund at

the termination of a plan will be deposited to the general fund of the metropolitan government.

3. There shall be a mandatory periodic assessment of the activities and improvements eligible for tax increment financing under the plan.

(i) An assessment may be requested by the tax increment agency or the Metropolitan Council. The first assessment may be requested no earlier than seven (7) years after the adoption of the plan, provided however that the assessment must be completed within ten (10) years after the adoption of the plan. After the first assessment, subsequent assessments may be requested no earlier than seven (7) years after the previous assessment, provided however that each subsequent assessment must be completed within ten (10) years after the previous assessment.

(ii) Each assessment shall include a review of the impact and goals of the plan. For an assessment to be considered complete, the tax increment agency and the Metropolitan Council must agree on the activities and improvements that are eligible for tax increment financing under the plan. The Council's agreement shall be indicated by the passage of a resolution approved by a majority of the members to which the Council is entitled.

(iii) If any assessment is not timely completed as required in this section, the tax increment agency shall not approve any additional bonded or other indebtedness to be paid by incremental tax revenues under the plan, provided however that such a termination of new approvals shall not terminate the plan or have any impact on any previously approved TIF loans.

4. Either the tax increment agency or the Metropolitan Council may initiate a modification, change, or amendment to the plan subject to the approval of the other. If the Metropolitan Council initiates a modification, change, or amendment, the approval of the tax increment agency must be obtained before the third reading of the ordinance adopting such modification, change, or amendment.

Section 2. This ordinance shall take effect from and after its enactment, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

INTRODUCED BY:

Bob Mendes
Member of Council, At-Large