

Resolution No. RS2019-____

A resolution directing the Metropolitan Department of Water and Sewerage Services to make payments in lieu of ad valorem taxes.

WHEREAS, Tennessee Code Annotated § 7-34-115(a)(1)(I) provides that revenues derived from a public works may be paid to the municipality if the municipality so requests in lieu of ad valorem tax on the property of the public works within the corporate limits of the municipality not to exceed the amount of taxes payable on privately owned property of a similar nature; and,

WHEREAS, the Metropolitan Council adopted Substitute Resolution R96-177 on February 29, 1996 directing Metropolitan Department of Water and Sewerage Services (“Department”) to make an annual four million dollar (\$4,000,000) payment in lieu of tax which was subsequently pledged to pay debt service on the Sports Authority of the Metropolitan Government of Nashville and Davidson County Public Improvement Revenue Bonds (Stadium Project) Series 1996, Dated July 1, 1996; and,

WHEREAS, the Metropolitan Council has determined that such in lieu of tax payments should be made to help reimburse the Metropolitan Government for the services, improvements, facilities, and other operational support provided by the Metropolitan Government to the Department.

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

Section 1. That the Department shall make an annual payment in lieu of ad valorem taxes on property of the Department within the geographical jurisdiction of the Metropolitan Government to the general fund of the Metropolitan Government in the amount of ten million dollars (\$10,000,000) annually, which amount does not exceed the amount of taxes that would be due and owing for privately owned property of a similar nature based on the assessment formula and calculation attached to this Resolution and incorporated herein. The Fiscal Year 2019-2020 payment shall be made on the 30th day of June 2020. The Fiscal Year 2020-2021 and each fiscal year thereafter shall be made in equal monthly installments payable on the fifth business day of each month.

Section 2. That the Director of Finance is authorized to adjust the Department’s operating budget to give full effect to the annual payment in lieu of tax.

Section 3. This resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

RECOMMENDED BY:

INTRODUCED BY:

Scott Potter, Director
Metropolitan Water/Sewer Dept.

APPROVED AS TO AVAILABILITY
OF FUNDS:

Kevin Crumbo, Director
Finance

APPROVED AS TO FORM
AND LEGALITY:

Assistant Metropolitan Attorney

Members of Council

**METRO WATER SERVICES
IN LIEU OF TAX COMPUTATION
BOOK VALUE METHOD
FY ENDED 2020**

	GSD	USD	Totals
Tax Rate	\$2.76	3.15	
Appraisal Ratio	0.8477	0.8477	
Equalized Tax	\$2.34	\$2.67	
Percent of Assets in District*	71%	29%	100%
Fixed Assets	2,542,078,489.69	1,038,313,749.31	3,580,392,239.00
Less: Accumulated Depreciation	1,057,775,230.28	432,049,037.72	1,489,824,268.00
Net Book Value - 06/30/XX	1,484,303,259.41	606,264,711.59	2,090,567,971.00
Materials and Supplies	2,038,862.98	832,775.02	2,871,638.00
Total Real & Personal Assets	1,486,342,122.39	607,097,486.61	2,093,439,609.00
Utilities Tax Ratio	0.55	0.55	
Taxable Assessed Value	817,488,167.31	333,903,617.64	
Property Taxes	\$19,091,729.02	\$8,916,078.05	\$28,007,807.07

*Percentages determined by miles of sewer and water pipe inside and outside if the USD and GSD