

SUBSTITUTE ORDINANCE NO. BL2020-389

An ordinance establishing the tax levy in the General Services District for the fiscal year 2020-2021, declaring the amount required for the annual operating budget of the Urban Services District, pursuant to section 6.07 of the Metropolitan Charter, and repealing the initial tax levy adopted for fiscal year 2020-2021.

WHEREAS, the Metropolitan Government has received greater than anticipated sales tax revenue in the fourth quarter of Fiscal Year 2019-2020; and

WHEREAS, the Metropolitan Government had initially forecasted a shortfall of approximately \$200 million in taxes than originally budgeted for April, May, and June 2020. However, the actual shortfall is now anticipated to be approximately \$100 million less than forecasted; and

WHEREAS, in the tax levy adopted pursuant to Substitute Ordinance No. BL2020-287, the Metropolitan Council adopted a tax rate that amounts to a 34% increase over the prior fiscal year. Many citizens have expressed concerns about such a substantial tax increase, especially in the midst of the COVID-19 pandemic; and

WHEREAS, in Substitute Ordinance No. BL2020-286, the Metropolitan Council adopted a requirement that the Director of Finance provide the Metropolitan Council with an updated estimate of revenues, classified by source, to be received by the Metropolitan Government during FY2021. This updated estimate must be provided to the Council by August 15, 2020. If the Director of Finance determines that the revenues to be received by the Metropolitan Government during FY2021 will exceed the previous estimate, an adjustment to the tax levy should be considered; and

WHEREAS, the Metropolitan Government, in recognition of this higher than anticipated sales tax revenue, should reduce the tax levy initially adopted for Fiscal Year 2020-2021, while still recognizing the economic uncertainty caused by the ongoing COVID-19 pandemic.

~~WHEREAS, since the sales tax revenues during the fourth quarter of Fiscal Year 2019-2020 were significantly higher than projected during a period when most businesses were shut down due to the COVID-19 pandemic, the property tax rate should be adjusted to reflect the increase in the revised forecasted sales tax revenues for the Metropolitan Government for Fiscal Year 2020-2021 as the Metropolitan Government moves through the reopening phases, which will provide much needed assistance to taxpayers in meeting the financial strains that are caused by the COVID-19 pandemic.~~

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

Section 1. That the tax levy for the General Services District of the Metropolitan Government of Nashville and Davidson County for the fiscal year 2020-2021 on each \$100.00 assessed value of all property, real, tangible personal, intangible personal and mixed, within the General Services District, shall be ~~\$3.485~~ \$3.645 prorated and distributed as follows:

1. General Fund	\$ 1.587 <u>\$1.653</u>	per \$100.00
2. School Fund	\$ 1.186 <u>\$1.219</u>	per \$100.00
3. Debt Service Fund	\$.522 <u>\$.567</u>	per \$100.00
4. School Debt Service Fund	\$.190 <u>\$.206</u>	per \$100.00
Total Levy General Services District	\$ 3.485 <u>\$3.645</u>	per \$100.00

Section 2. That \$0.05 per \$100.00 of the revenue of the General Services District General Fund generated from this tax levy collected from the area of the Urban Services District will be deposited to the credit of the General Fund of the Urban Services District.

Section 3. Pursuant to Section 6.07 of the Charter, BE IT HEREBY DETERMINED AND DECLARED that the annual operating budget of the Urban Services District for the fiscal year 2020-2021 requires ~~\$123,598,200~~ \$122,741,861 by a property tax levy therein, and the Urban Council is hereby directed to levy a tax upon all property, real, tangible personal, intangible personal and mixed, within the Urban Services District of ~~\$0.433~~ \$0.430 per \$100.00 of assessed valuation, prorated and distributed as follows:

1. General Fund	\$0.359 <u>\$0.356</u>	Per \$100.00
2. Debt Service Fund	\$0.074	Per \$100.00
Total Levy Urban Services District	\$0.433 <u>\$0.430</u>	Per \$100.00

Section 4. That the tax levy as adopted by Substitute Ordinance No. BL2020-287 is hereby repealed.

Section 5. This ordinance shall take effect from and after its passage, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

APPROVED FOR PROPER BUDGET PROCEDURES:

INTRODUCED BY:

Kim McDoniel
Budget Officer

Angie Henderson

Member(s) of Council

APPROVED AS TO AVAILABILITY OF FUNDS:

Kevin Crumbo
Director of Finance

APPROVED AS TO FORM AND LEGALITY:

Robert E. Cooper, Jr.
Director of Law