

**Legislative Update**  
**Tennessee Association of Realtors®**  
**For the week ending April 18, 2008**

**REALTORS RESPOND TO TAR CALL TO ACTION**

On Monday, April 7, TAR issued a Call for Action (CFA) asking Realtors® to contact members of the House Local Government Subcommittee to tell them of our opposition to House Bill 4227, which would have allowed a new adequate facilities tax in Columbia. Specifically, the bill would allow \$1.50 per square foot of new residential development and \$3.00 per square foot for new commercial development. This request for new taxes is in addition to the impact fee that the city of Columbia asked the General Assembly to authorize in 1994.

Over the next 60 hours, Realtors generated approximately 300 emails to the 15-member committee – and with the technology of the GetActive system, all the emails were from Realtors® who lived in the legislator’s district! Overall, the Call to Action had an open rate of 25% and a response rate of 9% (a great turnout since 30% and 10% are typically considered excellent email response rates.)

The bill was taken “off notice,” effectively killing the bill, once all the responses poured in from Realtors®. The committee spent time discussing the agreement in the County Powers Relief Act of 2006, which allowed some high-growth counties to enact adequate facilities taxes for school construction and prohibited the use of a local option transfer tax. The committee pointed out to the city officials of Columbia, who were present for the meeting, that the other aspect of the County Powers Relief Act of 2006 was a four-year review period of all taxes on real estate. They also revealed that they would entertain the discussion of new real estate taxes in 2010.

**FURTHER DISCUSSION OF THE 2006 COUNTY POWERS RELIEF ACT**

Governmental research group the Tennessee Advisory Council on Intergovernmental Affairs (TACIR) has recently published a report on House Bill 885 from 2007. This legislation was requested by the Sevier County Commission and would have allowed a local option transfer tax in every county of Tennessee. TAR vigorously opposed the legislation and in 2007 had the legislation deferred. The House Local Government Subcommittee also asked TACIR to review the legislation and the impact of local option transfer taxes.

The report “Local Realty Transfer Taxes” is available online to review, and as expected, TACIR suggests allowing local governments to have unbridled taxing authority on real estate. A few items to keep in mind: First, TACIR is a government sponsored think-tank, and as charted by state law, several of the commissioners who sit on the council are members of local government. Larry Waters, the former Sevier County Executive, has been a very active member of TACIR, and it was Sevier County who asked for the ability to implement local option transfer taxes. Finally, most of the publications produced by TACIR are pro-government (unless they are asked to study an obvious problem situation), so the expectation was always that the organization would support implementation of HB 885.

If you would like to download and read the report for yourself, you may do so at [http://www.tennessee.gov/tacir/PDF\\_FILES/Taxes/local%20realty%20transfer%20tax.pdf](http://www.tennessee.gov/tacir/PDF_FILES/Taxes/local%20realty%20transfer%20tax.pdf) or to

see all of the recent TACIR publication, go to <http://www.tennessee.gov/tacir/recentpubs.htm>.

The bottom line of the previous two articles is that in 2010 it can be expected that all agreements are null and every real estate tax will be reviewed for potential enactment by the General Assembly. It is incumbent for TAR members to be aware of the situation, to participate in the political process and to make sure our voice is heard in Nashville and around Tennessee.

### **TAR LICENSE PLATE MOVING FORWARD**

TAR's effort to allow Realtors<sup>®</sup> to have their own specialized license plate has been received very well by the General Assembly. Senate Bill 2834, sponsored by Senator Jim Tracy (R, Shelbyville), passed the Senate 32-0 and picked up Senate co-sponsors Bill Ketron (R, Murfreesboro) and Paul Stanley (R, Germantown). The companion, House Bill 3770 sponsored by Representative Bill Harmon (D, Dunlap), also picked up co-sponsors Phillip Pinion (D, Union City), Curt Cobb (D, Shelbyville), Tom DuBois (R, Columbia) and Joe Pitts (D, Clarksville).

TAR's online petition supporting the legislation has also been very popular for Realtors<sup>®</sup> to show their support for having their own license plate. Over 2,100 Realtors<sup>®</sup> have signed the petition to date, not going unnoticed by the General Assembly. As mentioned before, 1,000 Realtors<sup>®</sup> will have to pre-register for the plate before they will go into production, and approximately 40% of the proceeds will be directed to TREEF for licensee education and consumer protection.

In a procedural move after passing the Senate, the license plate legislation was rolled into House Bill 2865, which is being referred to as the Omnibus License Plate Bill and is being sponsored by the chairmen of the House and Senate Transportation Committee (Senator Jim Tracy and Representative Phillip Pinion). Annually the General Assembly assigns one bill to be the legislation that handles a number of plate requests. The bill is scheduled to be heard in the House Finance, Ways and Means committee on Wednesday, April 23.

### **STATE HOUSE AND SENATE CANDIDATES**

April 9 was the deadline for candidates to file with the State of Tennessee to run for November election. If you are interested in seeing who has filed or if your legislator has an opponent, you may view the lists online at <http://state.tn.us/sos/election/cand/list.htm>.