



# Metropolitan Nashville and Davidson County, TN

## Legislation Text

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An ordinance amending Metropolitan Code Chapters 5.20 regarding the abatement of property taxes for certain improvements or restorations made to historic properties as authorized under the provisions of Tennessee Code Annotated Section 67-5-218.

WHEREAS, the Metropolitan Council approved Ordinance No. BL2019-3 on August 3, 2021, amending Metropolitan Code Chapters 5.20 and 17.40 to authorize the Metropolitan Government of Nashville and Davidson County to come under the provisions of Tennessee Code Annotated Section 67-5-218, thereby establishing a Historic Property Review Board empowered to abate property taxes relating to certain improvements or restorations made to historic properties; and

WHEREAS, calculations of the potential fiscal impact of the property tax abatements enabled under Tennessee Code Annotated Section 67-5-218 are inexact, given uncertainties as to the number of eligible property owners who may avail themselves of the abatement allowances and the value of the improvements and restorations made; and

WHEREAS, it is in the interests of the Metropolitan Government of Nashville and Davidson County to establish an annual maximum amount or cap upon the cumulative value of improvements made to, or restorations of, any structure for which historic property tax abatements may apply.

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

Section 1. That section 5.20.100 of the Metropolitan Code is hereby amended by modifying the section as follows:

### 5.20.100 - Historic Property Improvement and Restoration Tax Abatement Program.

A. The provisions of Tennessee Code Annotated Section 67-5-218 shall be applicable to the Metropolitan Government of Nashville and Davidson County as provided in this section.

B. The historic zoning commission as established by Article IX of Chapter 17.40 of the Metropolitan Code shall serve as the historic property review board for Nashville and Davidson County.

C. The historic property review board shall develop criteria for certification of historic properties pursuant to T.C.A. § 67-5-218(a)(2)(B).

D. The cumulative maximum value of improvements made to, or restorations of, any structure for which historic property tax abatements may apply pursuant to this Section in any one (1) fiscal year shall be no greater than ten million dollars.

~~D.~~ E. Subject to the provisions of this section, the historic property review board shall review and approve property tax abatements for improvements or restorations made to historic properties that meet the criteria for certification as established by the historic property review board or that meet other conditions for approval as established in T.C.A. § 67-5-218(a)(B)(3).

F. The provisions of this Section, including authorization for the establishment of a historic property review board and the abatement of property taxes, shall expire and be of no further force and effect as

of July 1, 2024, unless extended by resolution of the metropolitan council.

Section 2. Be it further enacted that this ordinance take effect immediately after its passage, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

#### Analysis

This ordinance amends Section 5.20.100 of the Metropolitan Code, which was recently adopted as part of Ordinance No. BL2019-3, to place a cap on annual property tax abatements and to implement a sunset provision. This ordinance makes various changes to the Historic Property Improvement and Restoration Tax Abatement Program. It states that the cumulative maximum value of improvements for which historic property tax abatements may apply in any one fiscal year will be no greater than \$10 million. Further, it would create a sunset for the Historic Property Review Board and the tax abatement program as of July 1, 2024, unless extended by a resolution of the Metropolitan Council.