Metropolitan Nashville and Davidson County, TN

Legislation Text

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A resolution urging the Tennessee General Assembly to enact legislation authorizing county governments to collect impact fees and dedicating a portion of the state real estate transfer tax to local infrastructure, all of which would support affordable housing and senior home repair programs.

WHEREAS, under the County Powers Relief Act, Tennessee counties are preempted from imposing new impact fees or local real estate transfer taxes absent state authorization; and

WHEREAS, Davidson County faces $15.5 billion in documented infrastructure needs, and existing property tax revenues are insufficient to meet this demand; and

WHEREAS, according to non-partisan think tank ThinkTennessee, city and county development taxes raised $58.5 million statewide in 2022, with limited impact on housing costs, demonstrating that modest, well-calibrated fees can generate revenue without discouraging development; and

WHEREAS, Tennessee's real estate-transfer tax revenues have grown by 134 percent over the past decade, from $110.7 million in FY2014 to $258.9 million in FY2024, suggesting capacity to dedicate a portion to infrastructure and affordable housing; and

WHEREAS, states across the country dedicate portions of their transfer taxes to affordable housing-16 of 34 states with such a tax already earmark revenue; and

WHEREAS, in addition, these revenues could also be directed to home repair programs, which would allow seniors to reside in dignity with safe, healthy, and accessible homes; and

WHEREAS, existing home repair programs offered by Metropolitan Development and Housing Agency, the Tennessee Housing Development Agency, and various non-profit partners can serve a limited number of households per year due to funding constraints; and

WHEREAS, additional revenue for senior home repair programs would not only preserve affordable housing, but also reduce public health costs by preventing falls, emergency hospital visits, and displacement of vulnerable seniors; and

WHEREAS, it is fitting and proper for the Metropolitan Council to both call for the Tennessee General Assembly to enact legislation to allow county governments to collect impact fees and dedicate a portion of the state real estate transfer tax all of which would support affordable housing and senior home repairs and resilience.

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

Section 1. That the Metropolitan Council hereby goes on record as urging the Tennessee General Assembly to enact legislation authorizing county governments to collect impact fees and dedicating at least three percent of the state real estate transfer tax to local infrastructure, affordable housing, and senior home repair programs.

Section 2. That the Metropolitan Council further requests that, if and when these revenues are received, the Metropolitan Government creates a dedicated fund for senior home repair and resilience to ensure seniors in Nashville and Davidson County have safe, healthy, and accessible homes.

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.