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Impact Fees Or Adequate Facilities Taxes Disclosure

NEW! Passed May 5, 2005 and **Effective July 1, 2005** there was an amendment to the Property Condition Disclosure Act that reads as follows:

CHAPTER NO. 171
SENATE BILL NO. 510
By Kilby, Ketron
Substituted for: House Bill No. 221
By Davidson

AN ACT to amend Tennessee Code Annotated, Title 66, Chapter 5, relative to residential property disclosures.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 66, Chapter 5, Part 2, is amended by adding the following as a new section: Section 66-5-211.

(a) In transfers involving the first sale of a dwelling, the owner of residential property shall furnish to the purchaser a statement disclosing the amount of any impact fees or adequate facilities taxes paid to any city or county on any parcel of land subject to transfer by sale, exchange, installment land sales contract, or lease with an option to buy.

(b) For the purpose of this section, unless the context otherwise requires:

(1) "Adequate facilities tax" means any privilege tax that is a development tax, by whatever name, imposed by a county or city, pursuant to any act of general or local application, on engaging in the act of development;

(2) "Development" means the construction, building, reconstruction, erection, extension, betterment, or improvement of land providing a building or structure of the addition to any building or structure or any part hereof, which provides, adds to, or increases the floor area of a residential or nonresidential use; and

(3) "Impact fee" means a monetary charge imposed by a county or municipal government pursuant to any act of general or local application, to regulate new development on real property. The amount of impact fees are related to the costs resulting from the new development and the revenues for this fee are earmarked for investment in the area of the new development.

SECTION 2. This act shall take effect July 1, 2005, the public welfare requiring it.

Please see the **NEW TAR Form** - [F83 Impact Fees Or Adequate Facilities Tax Disclosure](#)

Please see the list of [Frequently Asked Questions](#) about this new law.

Local Governments Currently Authorized by Local Acts to Implement Adequate Facilities Taxes and/or Impact Fees Current as of July 1, 2005

