



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

May 18, 2024

Development Tax Act

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

The University of Tennessee
County Technical Assistance Service
226 Anne Dallas Dudley Boulevard, Suite 400
Nashville, Tennessee 37219
615.532.3555 phone
615.532.3699 fax
www.ctas.tennessee.edu

Development Tax Act	3
Private Acts of 1997 Chapter 28	3

Development Tax Act

Private Acts of 1997 Chapter 28

WHEREAS, Cheatham County, Tennessee, has been one (1) of the fastest growing counties in the State of Tennessee for the past ten (10) years, and

WHEREAS, growth is expected to continue and accelerate; and

WHEREAS, this growth is anticipated to stimulate commercial, office, industrial and warehouse development in Cheatham County as well as the cities of Ashland City, Kingston Springs, Pegram and Pleasant View, all lying within Cheatham County; and

WHEREAS, Current projections show that:

- (1) County population will be forty-two (42,000) persons in year 2010, an increase of more than fifty-five (55%) from 1990 to 2010; there will be a demand for approximately five thousand (5,000) additional residential dwelling units between 1990 and 2010; and new residential and nonresidential development will consume additional acreage in Cheatham County, creating the need for additional facilities; and
- (2) Projected growth and land use development will cause a demand for county-provided capital facilities (schools, roads, jails, etc.) in an amount well in excess of forty million dollars (\$40,000,000) over the next fifteen (15) years alone; and
- (3) The county's present revenue-raising authority is limited and relies heavily on intergovernmental transfers, which are not subject to county control, and on property taxes, which would impose the costs of new growth on existing residents rather than on new residents and business which create the demand for the additional expenditures; and

WHEREAS, Cheatham County is committed to both present and future county residents to maintaining a level of public facilities and services commensurate with those presently provided; and

WHEREAS, the county's present population, employment base, tax base and budget cannot alone support the additional revenues needed to supply facilities to serve new growth without a substantial increase in the property tax on existing development; and

WHEREAS, the continued growth experienced by Cheatham County represents both an extraordinary economic opportunity for the State of Tennessee as well as a potential economic burden on existing residents of Cheatham County; and

WHEREAS, due to these unique circumstances, it is necessary and appropriate that Cheatham County be given authorization to extend its taxing power to enable the county to impose a fair and reasonable share of the costs of public facilities necessitated by new development on that development, so as not to create an unfair and inequitable burden on existing residents; and

WHEREAS, the most logical, fair and effective mechanism to accomplish the intended result is the imposition of a new privilege tax on new development in Cheatham County; now, therefore,

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

SECTION 1. This act shall be known and cited as the Cheatham County Development Tax Act.

SECTION 2. As used in this act, unless the context clearly requires otherwise:

- (1) "Building Permit" a permit for single or multi-family construction issued in Cheatham County, whether by the county or by any city therein; and
- (2) "Places of worship" means that portion of a building owned by a religious institution which has tax-exempt status, which is used for worship services and related functions; provided, that a place of worship does not include buildings or portions of buildings which are used for the purposes other than that for worship and related functions, or which are intended to be leased, rented or used by persons who do not have tax-exempt status; and
- (3) "Plat" includes any plat, plan, plot, replot or replat where the same creates additional lots; and
- (4) "Public building" means a building owned by the State of Tennessee or any agency thereof, a political subdivision of the State of Tennessee including, but not limited to, counties, cities, school districts and special districts, or the federal government or any agency thereof.
- (5) "Residential land development" means the development of any property for a dwelling unit or units, including, but not limited to, single or multi-family housing; and

(6) "Unit" means a part or portion of any single or multi-family housing with a room or rooms connected together constituting a separate, independent housekeeping establishment for owner occupancy, rental or lease on a daily, weekly, monthly or longer basis, physically separated from any other room(s) or dwelling units which may be in the same structure, and containing independent cooking and sleeping facilities including, but not limited to, condominiums and apartments.

SECTION 3. It is the intent and purpose of this act to impose a tax on new residential land development in Cheatham County, with a portion of the tax being payable prior to the recordation of any plat in the register of deeds office, and the balance being payable at the time of the issuance of a building or occupancy permit, thus ensuring and requiring the persons responsible for new development share the burdens of growth by paying their fair share and costs of new and expanded public facilities made necessary by such development. The governing body shall establish the percentages or amounts to be paid in accordance with Section 7(a) of this act.

As amended by: Private Acts of 2000, Chapter 145
Private Acts of 2011, Chapter 20

SECTION 4. Engaging in the act of land development for residential purposes within Cheatham County, except as provided in Section 6, is declared to be a privilege upon which Cheatham County may levy a tax at the rate set forth in Section 7.

SECTION 5. The governing body of Cheatham County, Tennessee, may by resolution, adopt administrative guidelines, procedures, regulations and forms necessary to properly implement, administer and enforce the provisions of this act.

SECTION 6. This act shall not apply to development of:

- (1) Public buildings;
- (2) Places of worship;
- (3) Barns or outbuildings used for agricultural purposes only;
- (4) Replacement structures for previously existing structures destroyed by fire or other casualty;
- (5) A structure owned by a non-profit corporation which is a qualified 501(c)(3) corporation under the Internal Revenue Code;
- (6) Non-residential development; or
- (7) Hotels or motels.

SECTION 7.

(a) For the exercise of the privilege described herein, Cheatham County imposes a tax on each lot of covered single-family development or in the case of multi-family development on each unit proposed for human habitation, in an amount to be set by the Cheatham County Legislative Body. The Cheatham County Legislative Body shall set or amend the percentage or amount of the tax to be paid prior to the recordation of the final plat of the development containing such lots or units with the balance being required at the time a building or occupancy permit is issued and obtained.

As amended by: Private Acts of 2000, Chapter 145
Private Acts of 2011, Chapter 20

SECTION 8. Proceeds from the tax levied herein shall be deposited into the county general fund and used to provide additional or expanded county services and facilities, and to reduce debt incurred or issued by Cheatham County. Collection of the tax herein levied shall be determined by the governing body of Cheatham County in accordance with Section 5 of this act.

SECTION 9. If a building permit is issued by a municipality within Cheatham County, the municipality shall, at the discretion of the municipality, before the issuance of a building permit or at the time a use or occupancy permit is issued, require evidence by a valid certificate executed by the appropriate officials of Cheatham County, Tennessee, that the full amount of tax due the county has been paid. The issuance of a building permit or a use or occupancy permit by any municipal official, without the appropriate certificate from the county indicating the tax has been paid, shall render the municipality liable to the county for the sum or sums that would have been collected by the county if the certificate of tax paid had been required by the municipality.

As amended by: Private Acts of 2011, Chapter 20

SECTION 10. The ability to impose this privilege tax on new development in Cheatham County is in addition to all other authority to impose taxes, fees, assessments or other revenue-raising or land development regulatory measures granted either by the private or public acts of the State of Tennessee, and the imposition of the tax is in addition to any other authorized tax, fee, assessment or charge and

shall not be deemed to constitute double taxation.

SECTION 11. Cheatham County shall not be required to share any revenues generated in accordance with the provisions of this act with any municipality lying within the county.

SECTION 12. The provisions of this act shall in no manner repeal, modify or interfere with the authority granted by any other public or private law applicable to Cheatham County. This act shall be deemed to create an additional method for Cheatham County to impose and collect taxes for the purpose of providing public facilities.

SECTION 13. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 14. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the County Legislative Body of Cheatham County. Its approval or nonapproval shall be proclaimed by the Presiding Officer of the County Legislative Body and certified to the Secretary of State.

SECTION 15. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 14.

Passed: April 7, 1997.

Source URL: <https://www.ctas.tennessee.edu/private-acts/development-tax-act>