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Sequence Number: 12-07-12
 Rule ID(s): 5345
 File Date: 12/12/12
 Effective Date: 3/12/13

Rulemaking Hearing Rule(s) Filing Form

Rulemaking Hearing Rules are rules filed after and as a result of a rulemaking hearing. TCA Section 4-5-205

Agency/Board/Commission:	State Board of Equalization
Division:	
Contact Person:	Kelsie Jones, Executive Secretary
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Revision Type (check all that apply):

- Amendment
- New
- Repeal

Rule(s) (ALL chapters and rules contained in filing must be listed. If needed, copy and paste additional tables to accommodate more than one chapter. Please enter only **ONE** Rule Number/Rule Title per row.)

Chapter Number	Chapter Title
0600-08	Exemptions
Rule Number	Rule Title
0600-08-.01	Application Form and Fees

Substance of rule amendments:

Rule 0600-8-.01 Application Form and Fees is amended by adding the following numbered paragraph:

(3) Notwithstanding the value of the property which is the subject of an application, the minimum fee only shall be due when application is made for exemption of property that is exempt at the time of transfer and is being transferred between affiliated institutions with no change in use.

Authority: T.C.A. §§67-1-305 and 67-5-212 (b).
 Legal Contact:

Kelsie Jones, Executive Secretary
 State Board of Equalization
 Ste. 1700 – 505 Deaderick Street
 Nashville, TN 37243-0280
 615/747-5379

Contact for disk acquisition: Kelsie Jones

The roll call vote by the Board on these rulemaking hearing rules was as follows:

Board Member	Aye	No	Abstain	Absent
Bennett				X
Button	X			
Hargett	X			
Lillard	X			
Roberts	X			
Slatery	X			
Wilson	X			

I certify that this is an accurate and complete copy of rulemaking hearing rules, lawfully promulgated and adopted by the State Board of Equalization on 10/15/12 and is in compliance with the provisions of TCA 4-5-222.

I further certify the following:

Notice of Rulemaking Hearing filed with the Department of State on: 9/20/11

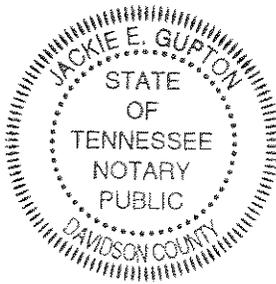
Rulemaking Hearing(s) Conducted on: 11/21/11

Date: 10-31-12

Signature: Kelsie Jones

Name of Officer: Kelsie Jones

Title of Officer: Executive Secretary



Subscribed and sworn to before me on: 10-31-12

Notary Public Signature: Jackie E. Gupston

My commission expires on: 8-17-15

All rulemaking hearing rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

Robert E. Cooper, Jr.

Robert E. Cooper, Jr.
Attorney General and Reporter

12-3-12
Date

Department of State Use Only

Filed with the Department of State on: 12/12/12

Effective on: 3/12/13

Tre Hargett
Tre Hargett
Secretary of State

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Public Hearing Comments

The Board received no comments on this rule.

Impact on Local Governments

Pursuant to T.C.A. 4-5-220 and 4-5-228 "any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments." (See Public Chapter Number 1070 (<http://state.tn.us/sos/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

The proposed amendment to Rule 0600-08-.01 abating property tax exemption application fees in certain cases of transfers between affiliated entities, would not significantly affect local governments because the fee inures solely to the state agency. The rule amendment abates the fee in the case of transfers between affiliated entities with no change in use, because the time and effort of processing these applications is significantly less than the typical application.

Regulatory Flexibility Addendum

Pursuant to TCA §4-5-401 et seq., the Board has reviewed these amendments for their impact on small business and determined the impact would be negligible. This conclusion is based on the fact small businesses are not eligible for the charitable and related property tax exemptions affected by the rules.

Additional Information Required by Joint Government Operations Committee

The following information is submitted in compliance with Tenn. Code Ann. §4-5-226:

(A) Brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule.

These rule amendments modify existing rules in Board procedures for processing religious, charitable and related property tax exemptions, limiting the fee to the minimum in cases where exempt property is transferred between related exempt entities with no change in use.

(B) A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto.

No federal law. State law is Tenn. Code Ann. §67-1-305 & 67-5-212..

(C) Identification of persons, organizations, corporations or governmental entities most directly affected by the rule, and whether the aforementioned urge adoption or rejection of the rules.

The rules affect primarily exemption claimants in the noted categories, none of whom offered comment on the rule amendments.

(D) Identification of any opinions of the Attorney General and Reporter or any judicial ruling which directly relates to the rules.

None.

(E) An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based.

The proposed amendment will somewhat reduce processing fees in these instances, but the circumstances are relatively unusual and therefore the aggregate amount is not significant.

(F) Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rules.

Kelsie Jones, Executive Secretary
State Board of Equalization
Ste. 1700, 505 Deaderick St.
Nashville, TN 37243-1402
615-747-5379

(G) Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees (including address and telephone number).

Same as above.

(H) Contact information

Same as above.

(I) Additional information relevant to the rules will be provided upon request of the committees or committee staff.

Will be provided upon request.

AMENDMENTS TO CHAPTER 0600-08 PROPERTY TAX EXEMPTIONS,
ADOPTED 10/15/12

'REDLINE' DEPICTION OF RULES AS AMENDED, PER TCA 4-5-226 (i):

0600-08-.01 APPLICATION FORM AND FEES.

(1) Persons applying for property tax exemption shall apply on a form approved by the Board and pay a fee to defray the expense of processing the application, as provided in this rule. The fee shall be proportionate to the value of the property as estimated by staff based on available information. The fee shall be thirty dollars (\$30) for property valued at less than \$100,000, forty-two dollars (\$42) for property valued from \$100,000 to less than \$250,000, sixty dollars (\$60) for property valued from \$250,000 to less than \$400,000, and one hundred twenty dollars (\$120) for property valued at \$400,000 or more. The fee shall be due upon the filing of the application.

(2) If the Board determines that the cost associated with processing exemption applications in a given year was less than the amount of fees paid, the excess of fees paid over cost shall be refunded ratably to each payor during the year.

(3) Notwithstanding the value of the property which is the subject of an application, the minimum fee only shall be due when application is made for exemption of property that is exempt at the time of transfer and is being transferred between affiliated institutions with no change in use.