

Amendment No. 1 to SB1755

Gresham  
Signature of Sponsor

**AMEND Senate Bill No. 1755\***

**House Bill No. 1757**

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1.

(a) As used in this section:

(1) "School personal property" means property that is:

(A) Personal property as defined in § 67-5-501;

(B) Owned by the county school system in a county in which a city proposes to open a new city school system pursuant to §§ 49-2-106 and 49-2-127 and the rules of the state board of education; and

(C) Located within the city proposing to open the new city school system;

(2) "School property" includes school personal property and school real property; and

(3) "School real property" means property that is:

(A) Real property as defined in § 67-5-501;

(B) Owned by the county school system in a county in which a city proposes to open a new city school system pursuant to §§ 49-2-106 and 49-2-127 and the rules of the state board of education; and

(C) Located within the city proposing to open the new city school system.

(b) The Tennessee advisory commission on intergovernmental relations (TACIR) is directed to perform a study on the constitutional and equitable transfer of school

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property to a proposed city school system and other issues associated with forming a new city school system. TACIR shall report its recommendations concerning the constitutional and equitable transfer of school property to the general assembly by the second Tuesday in January 2019. TACIR's recommendations shall include a process for determining the amount that a city must pay to fairly compensate the county for the school property the city seeks to obtain.

(c) In conducting the study under subsection (b), TACIR shall consider whether the following process for determining the amount that a city must pay for school property compensates the county equitably for the transfer of the school property:

(1) Before conducting a referendum under §§ 49-2-106 and 49-2-127 and the rules of the state board of education, the city shall identify all school property that the city seeks to acquire;

(2) The city legislative body shall hire a state-certified general appraiser to appraise each parcel of school real property that the city seeks to acquire;

(3) The county legislative body may hire, if it desires, a state-certified general appraiser to appraise each parcel of school real property that the city seeks to acquire;

(4) The city legislative body shall hire a certified public accountant or an appraiser with expertise in valuation of personal property to determine the value of the school personal property that the city seeks to acquire;

(5) The county legislative body may hire, if it desires, a certified public accountant or an appraiser with expertise in valuation of personal property to

determine the value of the school personal property that the city seeks to acquire;

(6)

(A) If the county legislative body does not hire an appraiser under subdivision (c)(3), then the appraised value set by the city's appraiser shall be considered the fair market value of the parcels of school real property; or

(B) If the county legislative body does not hire an accountant or appraiser under subdivision (c)(5), then the valuation of the city's accountant or appraiser shall be the fair market value of the school personal property;

(7)

(A) If both the city and county legislative bodies hire appraisers and the city and county legislative bodies cannot reach agreement on the fair market value of a parcel of school real property based on the fair market values set by their respective appraisers, then the city and county legislative bodies shall submit the parcel's valuation to binding arbitration; or

(B) If both the city and county legislative bodies hire accountants or appraisers and the city and county legislative bodies cannot reach agreement on an item of school personal property's fair market value based on the fair market values set by their respective accountants or appraisers, then the city and county legislative bodies shall submit the item's valuation to binding arbitration; and

(8) After the school property's total fair market value is obtained pursuant to subdivision (c)(6) or (c)(7), the amount the city is to pay for the school property

shall be calculated as the school property's total fair market value less the amount:

(A) The city and its taxpayers contributed to the county and the county school system toward the school property's acquisition or construction;

(B) The city and its taxpayers contributed for pre-kindergarten through grade twelve (pre-K-12) education in general throughout the county in the fifteen (15) years preceding the city's proposed acquisition; and

(C) School support organizations, as defined in § 49-2-603, for the schools that the city proposes to acquire, contributed to the county and county school system for school property in the fifteen (15) years preceding the city's proposed acquisition.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.