

Property Tax Freeze Act

Tennessee Code Annotated

67-5-705. Property Tax Freeze Act.

(a) This section shall be known and may be cited as the Property Tax Freeze Act.

(b) The purpose of this section is to provide for uniform and orderly administration of the property tax freeze program for eligible taxpayers in those jurisdictions adopting it. This section is not intended to displace other forms of property tax relief available at the time of its passage except as expressly provided in this section.

(c) As used in this section, unless the context otherwise requires:

(1) Base tax means the property tax due on the principal residence of a qualifying taxpayer at the time the jurisdiction levying the tax adopts a resolution or ordinance approving the property tax freeze under this section. If the taxpayer did not qualify or did not own an eligible residence when the freeze was adopted, base tax means the maximum property tax due on the taxpayer's eligible residence for the year in which the taxpayer became eligible on the basis of an approved application. If a taxpayer reapplies after acquiring a new residence or after a period of ineligibility, the base tax shall be recalculated for the year of reapplication and reestablishment of eligibility;

(2) Collecting official means the county trustee or, in the case of taxes due a municipality, the county trustee or other official responsible for collection of property taxes;

(3) Improvement means any change to a dwelling or dwelling lot that would properly warrant a change by the assessor in the assessed value of the property for the year or portion of the year in which the improvement is made; and

(4) Principal residence means the dwelling owned by the taxpayer and eligible as the taxpayer's legal residence for voting purposes. Program rules shall establish the maximum size limits for land that may qualify as a taxpayer's principal residence. The rules shall take into consideration lot size requirements under applicable zoning, as well as property actually used to support residential structures; provided, however, that the size limit shall not exceed five (5) acres. The tax freeze granted by this section shall only apply to the residence and no more than the maximum limit for land established by the rules.

(d) The legislative body of any county or municipality may by resolution or ordinance adopt the property tax freeze program provided in this section. The county or municipality may thereafter terminate the freeze program by resolution or ordinance; provided, however, that the resolution or ordinance terminating the program shall not have the effect of terminating the program until the following tax year.

(e) (1) Taxpayers seeking the property tax freeze shall apply annually to the collecting official by the deadline established in program rules, and applicants must qualify on the basis of age, income and ownership of eligible property. The collecting official shall determine whether requirements for eligibility have been met, and the collecting official's determination shall be final, subject to audit and recovery of taxes, including interest at the rates otherwise provided for delinquent taxes under [67-5-2010](#), if the applicant is later determined to have not been eligible. Any taxpayer who knowingly provides false information concerning the taxpayer's income or other information relative to eligibility for the program, commits a Class A misdemeanor.

(2) If the collecting official approves the application, property taxes due on the applicant's principal residence shall be the lesser of:

(A) The actual tax due; or

(B) The base tax; provided, that the base tax shall be adjusted to reflect any percentage increase in the value of the property determined by the assessor to be attributed to improvements made or discovered after the time the base tax was established. The base tax shall be recalculated in any year in which the actual tax due is less than the previously established base tax for the property, and the recalculated base tax shall apply until further recalculated pursuant to this part.

(f) (1) To qualify for the property tax freeze, the applicant shall be sixty-five (65) years of age by the end of the year in which the application is filed. The applicant shall further own and use the property as the applicant's principal residence for which the freeze is sought in the year of application or reapplication and through the deadline date for application or reapplication.

(2) In addition to the qualifications stated in subdivision (f)(1), the applicant's income, combined with the income of any other owners of the property, the income of applicant's spouse and the income of any owner of a remainder or reversion in the property if the property constituted the person's legal residence at any time during the year, may not exceed the limit stated in subdivision (f)(3). Income for purposes of qualification means income from all sources as defined by program rules.

(3) The income limit for the property tax freeze program shall be the greater of the weighted average of the median household income for age groups sixty-five (65) years of age to seventy-four (74) years of age and seventy-five (75) years of age or over who resided within the county as determined in the most recent federal decennial census, or the applicable state tax relief income limit established under [67-5-702](#). This limit shall be adjusted by the comptroller of the treasury to reflect the cost of living adjustment for social security recipients as determined by the social security administration and shall be rounded to the nearest ten dollars (\$10.00). The adjusted weighted average median household income level for each county shall be published annually by the comptroller of the treasury.

(g) (1) The comptroller of the treasury is authorized to perform income verification or other related services or assistance at the request of a county or municipality, if the county or municipality agrees to pay fees sufficient to reimburse the actual costs to the comptroller of the treasury in providing such services or assistance, unless or to the extent not appropriated by the general assembly.

(2) Financial records filed for purposes of income verification shall be confidential and shall not be subject to inspection under the Tennessee public records law, compiled in title [10](#), chapter 7, but shall be available to local or state officials who administer, enforce, or audit the tax freeze program or requirements imposed under this section.

(h) The property tax freeze program shall conform to any uniform definitions, application forms and requirements, income verification procedures and other necessary or desirable rules, regulations, policies and procedures not in conflict with this section, as may be adopted by the state board of equalization through the division of property assessments.

Acts 1979, ch. 407, §§ 1, 2; T.C.A., §§ 67-649, 67-674; Acts 2007, ch. 581, § 1; 2009, ch. 68, § 3; 2013, ch. 63, § 4; 2014, ch. 938, § 1; 2017, ch. 299, § 2.