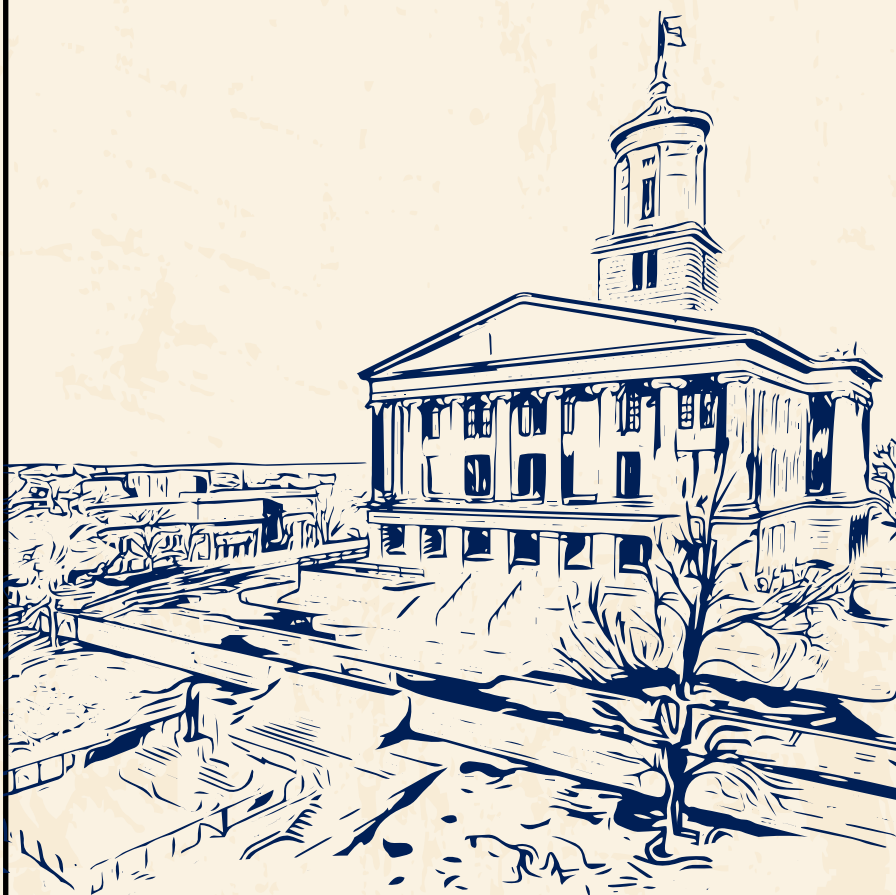




# 2019 TENNESSEE DAY ON THE HILL

## KEY ISSUES



Welcome to 2019 Tennessee REALTOR® Day on the Hill! Here are several topics/bills you may wish to address as you meet with your legislators.

Please remember to **thank your legislator** for the time and effort to represent their district and to discuss issues that concern our real estate industry.

As you meet with your legislators, **be polite, stick to topics of interest to REALTORS®, and avoid getting pushy or argumentative.** All legislators will not agree with our group on every bill, and if not, be pleasant and be sure to **report back to your lobbyist** any legislator(s) who have problems with bills that impact REALTORS®.

## 1. Professional Privilege Tax Repeals and Phase-Outs

Principal Brokers pay the professional privilege tax in Tennessee. Several bills filed this year seek to repeal or phase out the privilege tax. REALTORS® support these measures:

**SB315/HB338 — TAXES BUSINESS:** Phases out professional privilege tax.

**Sponsors:** Sen. Bo Watson, Rep. Jay Reedy

**Summary:** Declares the privilege tax is payable on June 1 of each tax year, with each tax year beginning June 1 and ending May 31. Decreases professional privilege tax from \$400 to \$300 annually for tax years ending on or after May 31, 2022. Repeals tax for tax years ending on or after May 31, 2025.

**SB491/HB39 — TAXES BUSINESS:** Phases out professional privilege tax.

**Sponsors:** Sen. Janice Bowling, Rep. James VanHuss

**Summary:** Reduces professional privilege tax each year beginning with the tax year that begins on and after June 1, 2019. Eliminates the professional privilege tax completely for the tax year ending on or after May 31, 2024.

**SB492/HB40 — TAXES BUSINESS:** Eliminates professional privilege tax.

**Sponsors:** Sen. Janice Bowling, Rep. James VanHuss

**Summary:** Eliminates professional privilege tax for the tax year ending May 31, 2020, and for any subsequent tax years.

## 2. Legislation Affecting Landlords

Many REALTOR® members serve as property managers, and REALTORS® support the rights of property owners. This is why Tennessee REALTORS® supports the following bills, which will make the service of process easier and allow a landlord to ask an individual to submit reliable documentation of a disability in order to have a service animal in a unit:

**SB401/HB33 — JUDICIARY:** Service of process

**Sponsors:** Sen. John Stevens, Rep. Clark Boyd

**Summary:** Adds a private process server to the list of individuals authorized to personally serve a copy of a warrant or summons on behalf of a landlord in an action for forcible entry and detainer to regain possession of the landlord's real property.

**SB1393/HB1190 — PROPERTY & HOUSING:** Makes exceptions for tenants with service animals

**Sponsors:** Sen. Mike Bell, Rep. Bryan Terry

**Summary:** Allows a tenant with a disability who requires the use of a service or support animal to request an exception to a landlord's policy that prohibits pets or requires payment for pets on the premises. The landlord may ask the individual to submit reliable documentation of the disability-related need for a service animal if the disability is not apparent or the necessity of the service animal is not known. If there is misrepresentation, or if inaccurate documentation is submitted, then the landlord may deny the request and the tenant could be in material noncompliance with the rental agreement.

*We oppose the following bills, which place a large burden on landlords:*

**SB1080/HB997 — PROPERTY & HOUSING:** Animals that are abandoned in vacated rental property

**Sponsors:** Sen. Art Swann, Rep. Bill Beck

**Summary:** Requires a landlord to inspect a vacated residential property within 72 hours of when the last tenant vacated for abandoned animals left at the rental property. Requires landlord to report any abandoned animals found on the vacated property to the county or municipal animal shelter, animal control agency or a similar agency. Specifies that it is a Class C misdemeanor for a landlord to fail to make the inspection or report.

**SB1005/HB1221 — CAMPAIGNS & LOBBYING:** Voter registration form provided by landlord and residential home sellers

**Sponsors:** Sen. Brenda Gilmore, Rep. Jason Potts

**Summary:** Requires a residential landlord or residential home seller to provide a lessee or buyer with the location and contact information for the office of the county election commission, and a voter registration form, at the time of the execution of the lease or sale.

### **3. Service of Process — Repossession of a Landlord's Property**

Affordable housing is already an issue in Tennessee. This is why REALTOR® members oppose the enactment of impact fees, transfer taxes or adequate-facilities taxes; and the legislation below, which would allow more counties to be eligible to enact an impact fee by reducing the threshold growth rate.

**SB1162/HB1488 — TAXES BUSINESS:** Threshold decennial county growth rate

**Sponsors:** Sen. Joey Hensley, Rep. Bob Ramsey

**Summary:** Reduces to 15 percent the threshold decennial county growth rate required before a county is authorized to levy a privilege tax on entities engaged in residential development of property to provide the county with an additional source of funding to defray the cost of providing school facilities.

*REALTORS® support broad-based taxes, just not taxes directly targeting the real estate industry. REALTORS® understand local governments are struggling for money to support growth, and REALTORS® are supportive of the following bills, which would provide funds for local governments, without a new tax on citizens:*

**SB555/HB188 — TAXES BUSINESS:** Removes requirement of general fund remittance of county register's commission

**Sponsors:** Sen. Art Swann, Rep. Dale Carr

**Summary:** Removes requirement that 52 percent of 5 percent commission retained by county registers for recordation tax be remitted to state treasurer and credited to state general fund.

**SB568/HB629 — TAXES PROPERTY:** Commission retained by county registers for collecting and reporting recordation tax

**Sponsors:** Sen. Janice Bowling, Rep. Rush Bricken

**Summary:** Removes requirement that 52 percent of the 5 percent commission retained by county registers for collecting and reporting recordation tax must be remitted to state treasurer and credited to state general fund.

**SB1158/HB1007 — TAXES SALES:** Share of state sales and use tax revenue deposited to state general fund

**Sponsors:** Sen. Ed Jackson, Rep. Dale Carr

**Summary:** Decreases the amount of the share of state sales and use tax revenue deposited to the state general fund from 29.0141 percent to 28.5262 percent. Increases the share appropriated to municipalities from 4.6030 percent to 5.0909 percent.

---

Again, thank you for participating in REALTOR® Day on the Hill! The staff will be here all day, and if you need help on any matter, please do not hesitate to ask.



RAMSEY FARRAR & BATES