



## Haywood County Commission

May 2026 – Resolution Number \_\_\_\_\_

### Payments in Lieu of Taxes (PILOTs) Authority, Accountability, and Payments

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**WHEREAS**, Industrial Development Boards (IDBs), are public nonprofit corporations created pursuant to TCA § 7-53-101 et seq. for the purpose of promoting industrial and economic development including the authority to facilitate tax abatement through agreements for Payments in Lieu of Taxes (PILOTs); and

**WHEREAS**, PILOT agreements result in the abatement of ad valorem property taxes that would otherwise be payable to Haywood County and its taxing jurisdictions; and

**WHEREAS**, the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) has found that PILOT agreements are, in effect, negotiated property tax reductions and should be treated as matters of public fiscal policy involving local governments. TACIR further emphasizes the importance of transparency, accountability, and participation by local governing bodies in the evaluation and approval of PILOT agreements; and

**WHEREAS**, the Brownsville-Haywood County Industrial Development Board (“IDB”), also known as the Brownsville–Haywood Economic Development Corporation (“BHEDC”), is a joint City–County entity formed in 2015 to promote local economic development; and

**WHEREAS**, by Resolution #022001 adopted in February 2020, the Haywood County Commission delegated authority to the IDB to grant PILOTs to Tractor Supply Company “and other companies”; and

**WHEREAS**, since the passage of Resolution #022001, the Megasite Authority of West Tennessee announced the Ford BlueOval SK project and related development, resulting in extraordinary changes to the County’s economic development opportunities as well as substantial obligations for essential services and infrastructure, and

**WHEREAS**, The Intergovernmental Funding Agreement was entered into in April 2023, by and among the State of Tennessee, acting through the Megasite Authority of West Tennessee, Haywood County, and the Industrial Development Board of the City of Brownsville and Haywood County, (IDB); and

**WHEREAS**, Under the Intergovernmental Funding Agreement, provisions for the operation of the West Tennessee Megasite, including the operations of the PILOT Lessees, requires the provision of full-time police protection, fire protection and emergency medical services to the

Megasite, the provision of which is: “intended to be funded in part by PILOT Payments. The County shall provide, or shall cause another municipality or authorized provider to provide, full-time police protection, fire protection and emergency medical services to the Megasite, at no additional cost to the Authority or its tenants”; and

**WHEREAS**, in 2023, when Haywood County entered into the Intergovernmental Funding Agreement with the Megasite Authority, the County relied upon public representations that manufacturing operations associated with the Ford BlueOval project would begin in 2025; and

**WHEREAS**, subsequent changes in project structure, scope, and timeline, including delays in manufacturing operations now anticipated no earlier than 2029, have materially impacted the County’s projected finances while the County nevertheless incurred obligations for infrastructure, public safety, emergency services, solid waste disposal, and repair of damaged county roads; and

**WHEREAS**, Haywood County has undertaken the development of a new high school campus with an estimated cost of One Hundred Million Dollars (\$100,000,000), and the County is expected to incur substantial long-term debt obligations associated therewith, including financing anticipated through a United States Department of Agriculture (USDA) loan program; and

**WHEREAS**, anticipated revenues associated with PILOT agreements connected to the Ford BlueOval SK development have been identified as a significant source for repayment of such public debt obligations and related educational infrastructure costs; and

**WHEREAS**, Haywood County is heavily reliant on the collection of ad valorem (property) taxes to fund essential government services and county debt, and requires sustainable and predictable revenue streams to fulfill its statutory and contractual obligations; and

**WHEREAS**, PILOTs, as negotiated reductions in property taxes, directly affect revenues available for essential public services and infrastructure related to community growth; and

**WHEREAS**, previous negotiations since 2023 between the County and the IDB have not resulted in formalized written agreements for PILOT authorizations and for sustainable funding for essential county services and infrastructure from PILOTs; therefore, the Haywood County Local Government Committee began in December 2025 the necessary follow through regarding the PILOT process, accountability, and payments; and

**WHEREAS**, IDBs are public nonprofit corporations established for limited statutory purposes and are distinct from elected county legislative bodies possessing appropriations authority over county tax revenues, and the appropriation and allocation of public funds remain legislative functions reserved to county and municipal governing bodies under Tennessee law; and

**WHEREAS**, since the 2020 Tractor Supply Resolution, the IDB has independently adopted as a formal policy the Economic Incentives Strategy approved June 6, 2024, including its Tax Abatement Matrix, which establishes parameters for PILOT eligibility and evaluation; and

**WHEREAS**, pursuant to provisions of TCA 7-53-305 and consistent with the TACIR findings, and reflecting the long-term interests of citizens and the County's fiscal fiduciary responsibility: The Haywood County Commission seeks to ensure appropriate review and benefits of PILOT agreements; promote accountability for economic development incentives; and provide for PILOT payments to the County to recover in part the reduction in property taxes necessary for essential public services and infrastructure; and

**WHEREAS**, the Haywood County Commission finds that formalized accountability, transparency, and distribution procedures regarding PILOT revenues are necessary to protect the County's fiscal stability and its ability to satisfy long-term public obligations incurred on behalf of its citizens;

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**NOW, THEREFORE, BE IT RESOLVED BY HAYWOOD COUNTY COMMISSION:**

1. **PILOT Policy and Matrix.** The Haywood County Commission hereby approves the use of the Economic Incentives Strategy dated June 6, 2024, including its Tax Abatement Matrix ("EIS Policy / Matrix"), as the policy framework for the evaluation of PILOTs by the IDB. The IDB shall follow the approved EIS Policy / Matrix when considering PILOT applications, including any extensions, renewals, or modifications under consideration for existing PILOTs. This policy document, prepared by VisionFirst Advisors and approved by the IDB on June 6, 2024, is incorporated herein by reference and attached.
2. **Haywood County Commission PILOT Committee.** A three-member County PILOT Committee ("CPC") is hereby established, composed of the County Mayor, the Chair of the County Commission (or Chair Pro Tempore if the Mayor serves as Chair), and the Chair of the Capital Improvement Planning Committee (or another County Commissioner appointed at-large by the County Commission).

The purpose of the CPC is to represent the fiscal, fiduciary, and policy interests of Haywood County government and its taxpayers in the review of proposed PILOT agreements. The CPC shall evaluate the projected public benefits and impacts of proposed PILOTs, assess community acceptability, provide information and recommendations directly to the County Commission, and recommend whether proposed PILOT agreements should be approved, modified, or denied.

The CPC shall promote accountability, transparency, and coordination between the County Commission and the IDB regarding PILOT matters affecting Haywood County. All meetings of the CPC, IDB, and committees, shall be conducted in accordance with applicable Tennessee open meetings and public notice laws. Proprietary or other confidential information protected by statute or by lawful non-disclosure agreements shall remain confidential to the extent permitted by law.

Additional responsibilities of the CPC are set forth in the following provisions.

3. **Community Acceptability.** Each proposed PILOT agreement, renewal, modification, or extension shall be evaluated for community compatibility and overall public impact. Community acceptability review is referred to as the “smell test” in the IDB’s EIS Policy.  
  
Such evaluation shall include consideration of environmental impact, infrastructure capacity, public safety, natural resource protection, and compatibility with existing land use and development plans. The IDB shall consult with the CPC, and, as appropriate, with relevant subject matter experts and local stakeholders, including public safety officials, qualified external advisors, and planning professionals in conducting this review.
4. **Ineligible Industries.** The IDB shall not approve a PILOT for any business or industry deemed ineligible under the EIS Policy / Matrix or not meeting Community Acceptability.
5. **Cost-Benefit Analysis.** Pursuant to TCA 7-53-305, no PILOT shall be approved, extended, renewed, or modified by the IDB without a documented cost-benefit analysis demonstrating that the anticipated public benefits outweigh the value of the tax abatement. This analysis shall be attached to the PILOT agreement presented to the IDB for approval and shall be submitted to the Haywood County Property Assessor and the CPC, along with the PILOT agreement, within thirty (30) days of IDB approval.
6. **Due Diligence Documentation.** The IDB shall conduct appropriate due diligence on each PILOT applicant, including documentation of the community acceptability criteria described in Item 3. Such diligence shall include, at a minimum, reasonable research into the company’s financial condition, ownership, compliance history, and overall suitability, including environmental considerations. Such documentation shall be furnished to the CPC.
7. **IDB and County Communication.** The proposed PILOT agreement, Cost-Benefit Analysis, Community Acceptability, and Due Diligence documentation shall be made available to the CPC at least twenty (20) days prior to IDB consideration. Written acknowledgment of receipt and review by the CPC shall be provided prior to final action by the IDB.
8. **Written Verification.** The CPC’s written confirmation shall constitute acknowledgment that the proposed PILOT appears consistent with the EIS Policy / Matrix, Community Acceptability, and Due Diligence standards. The PILOT may proceed without further action of the full County Commission, if all standards are deemed met and documented. Any negative recommendations shall be submitted to the full Commission for consideration. The written verification, signed by the CPC officials, shall be filed with the PILOT documentation with the County Clerk.
9. **Commission Action Required for Policy Deviations.** Any proposed PILOT that deviates from Community Acceptability, the EIS Policy / Matrix, or Due Diligence standards shall require prior approval by a vote of the full Haywood County Commission.
10. **Notification to County Commission.** The CPC shall notify the full Commission of a pending PILOT application, with respect to the elected officials serving as the county legislative body. At a minimum, notice shall be provided at least ten (10) days prior to IDB consideration on any proposed PILOT agreement with a new or existing company.

11. **Public Hearing.** Pursuant to TCA 7-53-305 (j) Before an IDB considers a PILOT agreement for approval, the IDB shall hold a public meeting relating to the proposed agreement after notice is provided by the IDB or governing body, as may be required by law, at least five (5) days prior to the date of such public meeting.
12. **Reporting Requirements and Compliance.** The IDB shall provide the County Commission with a written report on all active PILOT agreements at least annually, **on a fiscal year basis**, including information required by the Tennessee Comptroller of the Treasury, as well as:
  - a. Amount of capital investments made on a fiscal year basis
  - b. Number of remote and non-remote jobs created and retained
  - c. Average hourly wages for all employees
  - d. New Haywood County residents attributed to lessee
  - e. Additional local tax revenues generated
  - f. Any other measurable economic benefits
  - g. Compliance with the terms of the PILOT agreement
13. **Payment and Distribution of PILOT Revenues.** All payments made pursuant to PILOT agreements shall be administered in a manner that ensures transparency, accountability, and alignment with the fiscal needs, debt obligations, and fiduciary responsibilities of Haywood County and its governmental partners.

The Haywood County Commission affirms that PILOT revenues are intended to offset, in whole or in part, the impact of property tax abatements and to support the provision of essential public services and infrastructure.

Because PILOT payments are in effect negotiated payments of property taxes otherwise due to Haywood County and applicable municipalities, it is the policy of Haywood County that PILOT revenues shall be distributed to the respective taxing jurisdictions, with the IDB retaining approved administrative costs.

**Accordingly, the following payment framework shall apply unless otherwise approved by the County Commission:**

- (a) PILOT payments shall be collected by the IDB in accordance with applicable law and agreements.
- (b) The IDB may retain a reasonable portion of PILOT revenues to support its administrative and operational functions, subject to:
  - An administrative fee not to exceed five (5%) percent of annual PILOT Payments; and
  - A maximum aggregate annual cap of \$500,000 from all PILOT sources unless otherwise approved by the County Commission
- (c) All remaining PILOT revenues shall be distributed to Haywood County, the City of Brownsville, **and Town of Stanton**, as applicable, in proportion to their respective ad valorem tax rates, in effect at the time of the agreement, unless an alternative

allocation is expressly approved by the County Commission. Payments shall be remitted to the respective government bodies within forty-five (45) days after receipt by the IDB.

For clarity, based on current property tax rates, the proportional distribution of the ninety-five percent (95%) share is as follows:

- **Haywood County: - 53.70%** of total PILOT revenues
- **City of Brownsville - 41.30%** of total PILOT revenues
- **IDB: 5.00%** administrative fee

**The prorated distribution for any future PILOTS involving the Town of Stanton shall be determined based on the ad valorem rates in effect at the time of the agreement.**

PILOTS located outside municipal borders shall be distributed as follows:

- **Haywood County: 95.00%**
- **IDB: 5.00%** administrative fee

- (d) Each October, the IDB shall provide a full accounting of all PILOT revenues collected, retained, and distributed for the prior fiscal year, or more frequently upon request of the County Commission.

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**Effective Date: This resolution shall take effect upon its passage and approval, the public welfare requiring it.**

**Adopted and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2026.**

Chair, Haywood County Commission

Jeffery Richmond \_\_\_\_\_

Mayor, Haywood County

David M. Livingston \_\_\_\_\_

**Attest:**

Haywood County Clerk

Sonya Castellaw \_\_\_\_\_