



Haywood County Commission

June 2026 – Resolution Number _____

Payments in Lieu of Taxes (PILOTs)

Responsibilities, Appropriations, and Distributions

Whereas, The Haywood County Commission (“Commission”) has the statutory and fiduciary responsibility to appropriate revenues and fund operations, infrastructure, services, and debt obligations; and

Whereas, Payments in Lieu of Taxes (PILOT) revenues generated through the Ford/SK project at the West Tennessee Megasite are projected to exceed \$210 million over the remaining term of the agreement, as shown in Exhibit A; and

Whereas, planning for finances, capital improvements, and debt management requires a transparent predictable process for the distribution and appropriation of PILOT revenues under the authority of elected officials, and

Whereas, The Commission finds that PILOT distributions, annual reporting, accountability, and future PILOT approvals should be addressed through policy and interlocal agreements to ensure clarity, transparency, and coordination among governmental entities.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSION:

SECTION I.

Ford/SK PILOT Agreement - West Tennessee Megasite Authority

- A. The Commission finds that a predictable annual distribution of Ford/SK PILOT revenues to the County Trustee is necessary for the county budgeting and appropriations process.
- B. The Commission requests that the intergovernmental funding agreement governing the distribution of Ford/SK PILOT revenues be amended to provide an annual base allocation in the amount of \$500,000 for the IDB for its administrative expenses. Additional allocations for economic development initiatives and capital projects requested by the IDB shall be presented to the Commission for consideration through the annual budget process.
- C. All Ford/SK PILOT revenues remaining after payment of the annual base allocation to the IDB shall be distributed to the Haywood County Trustee for appropriation through the county budget process to support county operations, public safety services, debt service obligations, capital infrastructure, and other public purposes authorized by law.
- D. If amendment of the existing intergovernmental agreement is not feasible, the Commission authorizes the County Mayor and County Attorney to pursue an interlocal agreement with the IDB to implement the annual base allocation and establish procedures for the distribution of remaining Ford/SK PILOT revenues to the County Trustee.

- E. Any such interlocal agreement shall have an initial term of five (5) years and may be renewed upon mutual agreement of the parties. Prior to renewal, the parties shall review the effectiveness of the agreement, including the fiscal needs of each party, infrastructure obligations, and debt service requirements. Nothing herein shall be construed to require automatic renewal of the agreement.

SECTION II.

PILOT Agreements – Brownsville-Haywood IDB

Whereas, the Commission delegated authority to the IDB (Brownsville-Haywood Industrial Development Board) in 2020 to approve PILOT agreements pursuant to Tennessee law; and

Whereas, the Commission wishes to maintain that delegation while establishing procedures that promote transparency, accountability, and coordination between the County and the IDB; and

Whereas, PILOT revenues are derived from taxes that would otherwise accrue to local taxing jurisdictions and should therefore be distributed in a manner that primarily supports the governmental entities responsible for providing public services and infrastructure to residents and employers of Haywood County.

NOW, THEREFORE, instead of revoking that authority, the County Commission expresses its intent to enter into an interlocal agreement with the IDB so that the delegation of PILOT approval authority can continue, subject to the following conditions:

1. The IDB shall attach a cost-benefit analysis to each PILOT agreement as required by TCA 7-53-305 (b)(1)(C).
2. Because the citizens of Haywood County expect to know what economic benefits are received from the abatement of property taxes, the IDB shall provide the Commission a report each July identifying each active PILOT, the performance requirements, whether such requirements have been met, and any actions taken for noncompliance.
3. On or before July 31 of each year, The IDB shall provide the Commission an accounting of all PILOT revenues received and all expenditures made during the preceding fiscal year.
4. At least thirty (30) days prior to approval of any proposed PILOT agreement, the IDB shall notify the County Mayor as to whether (a) the proposed PILOT applicant meets the EIS Policy adopted by the IDB in 2024; and (b) the proposed PILOT is consistent with community compatibility, infrastructure capacity, land use/ zoning requirements, environmental considerations, and public safety impacts.
5. The IDB shall comply with all public notice and meeting requirements set forth in TCA § 7-53-305 (j) and other applicable provisions of law.
6. Unless otherwise provided by mutual written agreement, revenues generated from future IDB-administered PILOT agreements or extensions shall be distributed as follows:
 - a. Ninety percent (90%) to the local taxing jurisdictions; and
 - b. Ten percent (10%) to IDB for administrative expenses and economic development purposes.

The purpose of this distribution allocation is to ensure that the majority of PILOT revenues are directed to the local taxing jurisdictions whose revenues are being abated.

7. The County Mayor and County Attorney are authorized to negotiate and execute such interlocal agreements as may be necessary to implement the provisions and intent of this Resolution, subject to approval by the Commission.

SECTION III.

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_____