LGC DRAFT
7-11-2026

Haywood County Commission

July 2026 – Resolution Number ______

Establishing County Commission Approval Procedures for Payment in Lieu of Tax (PILOT) Agreements Pursuant to Tennessee Code Annotated § 7-53-305 As Amended by Public Chapter 987 of 2026

WHEREAS, T.C.A. § 7-53-305 authorizes a county legislative body to require that proposed Payment in Lieu of Tax (PILOT) Agreements be submitted to the legislative body for approval; and

WHEREAS, by Resolution No. 022001 adopted in 2020, the Haywood County Commission delegated certain authority to the Industrial Development Board (IDB) to negotiate and approve PILOT Agreements on behalf of the County, specifically in connection with the Tractor Supply project and other companies; and

WHEREAS, on June 8, 2026, the Haywood County Commission adopted a resolution establishing conditions under which future PILOT authority may be delegated to the IDB, and this July 2026 Resolution supplements, and does not replace, those previously adopted policy conditions; and

WHEREAS, Public Chapter 987 of 2026 amended T.C.A. § 7-53-305 to require notice to the County Mayor whenever a proposed PILOT Agreement reduces county tax revenues, and authorizes the County Mayor to require that the proposal be submitted to the County Legislative Body; and

WHEREAS, in light of this new amendment, the Haywood County Commission finds that all proposed PILOT Agreements reducing County tax revenues, including any extension, amendment, renewal, or modification thereof, should be reviewed and approved by the County Commission before becoming effective or being executed by any industrial development board.

NOW, THEREFORE, BE IT RESOLVED BY THE HAYWOOD COUNTY COMMISSION AS FOLLOWS:

SECTION 1. County Commission Approval Required as the Taxing Jurisdiction

Pursuant to the authority granted by T.C.A. § 7-53-305, any proposed Payment in Lieu of Tax (PILOT) Agreement, (including any extensions, amendments, renewals, or modifications) that would reduce County tax revenues, shall be submitted to and approved by the Haywood County Commission before the agreement may be executed.

SECTION 2. Submission to the County Mayor

The IDB shall provide written notice and all supporting documentation for any proposed PILOT Agreement to the County Mayor. The County Mayor shall promptly transmit the proposal to the County Commission and place the matter on the agenda of the next regular meeting of the County Commission or call a special meeting if necessary to ensure timely consideration.

SECTION 3. County Mayor Recommendation

The County Mayor may provide a recommendation regarding the proposed PILOT Agreement; however, the County Commission shall have final authority to approve or disapprove the proposed PILOT Agreement. The County Mayor shall not provide any notice or written approval that would permit execution of the proposed PILOT Agreement until the Haywood County Commission has approved the agreement pursuant to this Resolution.

SECTION 4. Notice to Industrial Development Board

The County Clerk shall provide a certified copy of this Resolution to the Industrial Development Board (IDB), and the IDB is hereby notified that County Commission approval is required for all proposed PILOT Agreements affecting Haywood County tax revenues.

SECTION 5. Prior Resolutions

This Resolution supplements other previously adopted County resolutions governing PILOT Agreements. Any prior resolution or part of a resolution shall be repealed only to the extent it is inconsistent or in conflict with the approval procedures established herein under current or future state laws.

SECTION 6. Severability

If any section or provision of this Resolution is declared invalid, the remaining provisions shall continue in full force and effect.

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

Adopted by the Haywood County Commission this _____ day of _________, 2026.

Chair, Haywood County Commission

Jeffery Richmond____

Approved: Mayor, Haywood County

David M. Livingston____

Attest:
Haywood County Clerk

Sonya Castellaw____

State of Tennessee

PUBLIC CHAPTER NO. 987

SENATE BILL NO. 2646

By Roberts

Substituted for: House Bill No. 1878

By Littleton

AN ACT to amend Tennessee Code Annotated, Title 7 and Title 48, relative to industrial development corporations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-53-103, is amended by designating the existing section as subsection (b) and adding the following new subsection (a):

(a) If necessary or convenient to carry out the purposes and provisions of this chapter, the board of directors of the corporation may initiate a merger with another corporation in the manner provided for public benefit corporations pursuant to title 48, chapter 61.

SECTION 2. Tennessee Code Annotated, Section 7-53-305, is amended by deleting subdivision (a)(2)(A) and substituting instead:

(A) Notwithstanding this section to the contrary, and unless the municipality adopts an ordinance or resolution requiring that any agreement with respect to the payments in lieu of taxes entered into pursuant to this subdivision (a)(2) be approved by the municipality, a corporation may negotiate and receive from any lessee of the corporation, without any delegation from the municipality, payments in lieu of taxes with respect to a tax-credit housing project, if the payments are payable to all applicable taxing jurisdictions and:

(i)(*a*) Are not less than the taxes that would have been paid to each such taxing jurisdiction for the tax year prior to the year the project became a tax-credit housing project; and

(*b*) The chief executive officer of the municipality has executed a letter supporting the project that is filed with the corporation; or

(ii)(*a*) Are less than the taxes that would have been paid to each such taxing jurisdiction for the tax year prior to the year the project became a tax-credit housing project; and

(*b*) The chief executive officer of each affected taxing jurisdiction has executed a letter supporting the project that is filed with the corporation.

SECTION 3. Tennessee Code Annotated, Section 7-53-305, is amended by deleting subdivision (b)(1)(A) and substituting instead:

(A)(i) The corporation has the authority to negotiate, accept, or waive from any of the corporation's lessees payments in lieu of taxes only upon receipt of a formal delegation of such authority from the municipality or municipalities that formed the corporation. Any such authorization must only be granted upon a finding by the municipality or municipalities that the payments or waiver of the payments are deemed to be in furtherance of the corporation's public purposes. The legislative body of the municipality or municipalities making the delegation may require the corporation to submit for approval any agreement with any of the corporation's lessees providing for the acceptance or waiver of payments in lieu of taxes.

(ii) Further, if the proposed agreement would result in payments in lieu of taxes being made to any taxing jurisdiction that are less than the taxes that otherwise would be payable to such jurisdiction, the corporation shall not enter into any such agreement until the corporation has given written notice of such agreement to the chief executive officer of each such taxing jurisdiction. Upon receipt of such notice, the chief executive officer may either:

(*a*) Notify the corporation that the agreement must be submitted to the legislative body of that taxing jurisdiction for approval or disapproval; or

(*b*) Notify the corporation that the chief executive officer does not object to the proposed agreement.

(iii) If the chief executive officer does not provide any notification to the corporation within ten (10) days of receipt of the notice from the corporation, then the corporation may proceed to enter into the proposed agreement.

(iv) If the chief executive officer requires that the agreement be submitted to the legislative body of the taxing jurisdiction, the corporation shall not enter into the agreement unless it is approved by such legislative body.

SECTION 4. Tennessee Code Annotated, Section 7-53-305, is amended by deleting subdivision (g)(1)(C) and substituting instead:

(C) The corporation has received prior, written approval from the county mayor and the legislative body of the county regarding payments in lieu of ad valorem taxes.

SECTION 5. This act takes effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 2646

PASSED: April 21, 2026

Randy McNally
RANDY McNALLY
SPEAKER OF THE SENATE

CAMERON SEXTON, *SPEAKER*
HOUSE OF REPRESENTATIVES

APPROVED this 19th day of May 2026

Bill Lee
BILL LEE, *GOVERNOR*