

A PROPERTY TAX CAP PUTS COMMUNITIES AT RISK

SB2064 (WATSON) / HB1873 (ZACHARY)

What You Need to Know

Tennessee's rapid growth has drawn new families to the state at an unprecedented pace. Towns and cities are working to balance this surge in population with the revenue needed to maintain services and infrastructure for residents.

Our municipal property tax rates are among the lowest in the nation. Local leaders are responsible stewards of tax dollars and must retain the ability to adapt to economic changes, address urgent needs, and maintain financial stability.

Enactment of a property tax cap will have an immediate and long-term negative impact on communities and the people who live there.

What's the Problem?

A property tax cap would limit the main revenue source towns and cities rely on to fund essential services and infrastructure. Smaller communities would be hit hardest, slowing economic progress and reducing opportunities for residents.

It would also create major financial risks by increasing the chance of violating loan terms, damaging credit ratings, and raising borrowing costs for municipalities and the state.

Cities could struggle to meet contract requirements and risk losing out on revenue, grants, and low interest loans.

In the end, local governments will have to raise other taxes, add new ones, or frequently increase property taxes within the cap, leaving residents and businesses paying more overall.

What's the Solution?

OPPOSE SB2064/HB1873 so that cities and towns can effectively manage growth, maintain infrastructure, and retain financial stability. A property tax cap would limit that ability and create longterm harm for communities and the people who live there.

