Original Budgetary Increase Request Summary Form

Submitted March 2008

INCREASE REQUEST SUMMARY
Current or New Programs
FY09 Proposed Budget

Fund-Org # 042-800081
Program Name: Trustee
Department: 800801

Provide a complete description of the increased or new services to be provided or other justification for additional expenditures over the maintenance level budget. Include number of additional customers served, enhanced services/benefits to customers, or the effect of not receiving increased funding. Present only one program increase request per summary. Although space is provided on supporting detail pages for notes and additional comments, only the narrative provided below will be presented in the Proposed Budget document.

The Tennessee State legislature in 2007 enacted The "Property Tax Freeze Act" code section 67-5-705 allowing jurisdictions to adopt this statute. The Act provides that Taxpayers seeking the property tax freeze shall apply annually to the collecting official (Trustee) by the deadline established in program rules, and applicants must qualify on the basis of age, income and ownership of eligible property. The collecting official shall determine whether requirements for eligibility have been met, and the collecting official's determination shall be final, subject to audit and recovery of taxes, including penalty and interest at the rates otherwise provided for delinquent taxes under § 67-5-2010, if the applicant is later determined to have not been eligible. Current Tax Relief administration and collection performed by the Trustee's office involves the use of four and one quarter full time equivalent staff members made up of both full and temporary positions and services approximately 8,700 taxpayers in Shelby County. Current information estimates that approximately 19,500 additional taxpayers may qualify for this new tax freeze program. This additional level and type of service to the elderly taxpayers of Shelby County will require an increase of four (4) full time equivilent staff members.

Note: Summary amounts are generated from supporting documents.		# of New Positions	Base Salaries	Fringe Benefits	TOTAL
SALARIES:	*Permananent*	4	153,798	48,166	$ 201,964
	Temporary	0	-	-	$ -
	TOTAL SALARIES	4	153,798	48,166	**$ 201,964**
O&M:					**0**
REVENUE: ***(subtract from cost)***					**0**
TOTAL INCREASE REQUEST:					**$ 201,964**

APPROVALS:

Program/Department Manager: Dem Gilley

Division Director:

SALARY INCREASE REQUEST DETAIL (Form PCB-6)
FY09 Proposed Budget

Fund-Org #	042-800081	**COST CENTER #**	E0801
Program:	042-800081 Trustee	**DATE SUBMITTED:**	2/11/08

Instructions: *Use this form to request "unapproved" salary increases for existing personnel, such as those for equity, unfunded reclassifications, restoration of previous funding reductions, or raises that exceed the 3% general increase. This form should also be used to request positions related to new programs, expanded current programs or additional Overtime in Account 5154. Justifications must also be included on the Summary page. Use additional pages as needed.*

1)

SALARY INCREASE REQUEST					
New Position ?	Yes	Position Title:	Supervisor B	FY09 Maintenance Budget	
Position #		Employee Name:		Increase Requested:	$ 42,774
Employee#		Effective Date:	07/01/2008	FY09 Adjusted Amount:	$ 42,774
Reason for Increase:	Legislated Elderly Tax Freeze/Relief Program expansion				

2)

SALARY INCREASE REQUEST					
New Position ?	Yes	Position Title:	Tax Collector	FY09 Maintenance Budget	
Position #		Employee Name:		Increase Requested:	$ 37,008
Employee#		Effective Date:	07/01/2008	FY09 Adjusted Amount:	$ 37,008
Reason for Increase:	Legislated Elderly Tax Freeze/Relief Program expansion				

3)

SALARY INCREASE REQUEST					
New Position ?	Yes	Position Title:	Tax Collector	FY09 Maintenance Budget	
Position #		Employee Name:		Increase Requested:	$ 37,008
Employee#		Effective Date:	07/01/2008	FY09 Adjusted Amount:	$ 37,008
Reason for Increase:	Legislated Elderly Tax Freeze/Relief Program expansion				

4)

SALARY INCREASE REQUEST					
New Position ?	Yes	Position Title:	Tax Collector	FY09 Maintenance Budget	
Position #		Employee Name:		Increase Requested:	$ 37,008
Employee#		Effective Date:	07/01/2008	FY09 Adjusted Amount:	$ 37,008
Reason for Increase:	Legislated Elderly Tax Freeze/Relief Program expansion				

5)

SALARY INCREASE REQUEST					
New Position ?		Position Title:		FY09 Maintenance Budget	
Position #		Employee Name:		Increase Requested:	
Employee#		Effective Date:		FY09 Adjusted Amount:	$ -
Reason for Increase:	Legislated Elderly Tax Freeze/Relief Program expansion				

TOTAL REQUEST THIS PAGE	$ 153,798

FRINGE BENEFIT CALCULATIONS
FY09 Increase Level Budget (Form PCB-7)

FUND-ORG # _____ COST CENTER # _____ Date: _____

PROGRAM: _____

Instructions *: List any position for which a salary increase has been requested on Form PCB-6.*

Fringe Benefits will be calculated automatically for the increase amount shown in Column D. Include $4840 in column F as Health Insurance for any new positions requested.

PERMANENT OR DURATIONAL EMPLOYEES					Pension	OPEB	FICA	MQFE	Group Life	LTD	OJI	Unemploy	Total
Position Number	Position Title	# of Positions	Salary Increase	Health Insurance	7.000% 5510	6.750% 5511	6.200% 5515	1.450% 5516	0.680% 5520	1.600% 5560	1.550% 5591	0.329% 5592	Fringe Cost
	Supervisor B	1	42,774	4,598	2,994	2,887	N/A	620	291	684	663	141	12,879
	Tax Collector	3	111,024	13,794	7,772	7,494	N/A	1,610	755	1,776	1,721	365	35,287
					0	0	N/A	0	0	0	0	0	0
					0	0	N/A	0	0	0	0	0	0
					0	0	N/A	0	0	0	0	0	0
					0	0	N/A	0	0	0	0	0	0
					0	0	N/A	0	0	0	0	0	0
					0	0	N/A	0	0	0	0	0	0
					0	0	N/A	0	0	0	0	0	0
TOTAL PERMANENT COST:		4	153,798	18,392	10,766	10,381	N/A	2,230	1,046	2,461	2,384	506	48,166

TEMPORARY EMPLOYEES					5510	5511	5515	5516	5520	5560	5591	5592	TOTAL
					N/A	N/A	0	0	N/A	N/A	0	0	0
					N/A	N/A	0	0	N/A	N/A	0	0	0
					N/A	N/A	0	0	N/A	N/A	0	0	0
					N/A	N/A	0	0	N/A	N/A	0	0	0
					N/A	N/A	0	0	N/A	N/A	0	0	0
					N/A	N/A	0	0	N/A	N/A	0	0	0
TOTAL TEMPORARY COST:		0	0	0	N/A	N/A	0	0	N/A	N/A	0	0	0

GRAND TOTAL:	4	153,798	18,392	10,766	10,381	0	2,230	1,046	2,461	2,384	506	48,166

Rules of the State Board of Equalization

Property Tax Freeze Program

RULES
OF THE
STATE BOARD OF EQUALIZATION

CHAPTER 0600-9
PROPERTY TAX FREEZE PROGRAM

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0600-9-.01 PURPOSE.

The purpose of these rules is implementation of the provisions of Public Chapter 581, Acts of 2007 which enacted the Property Tax Freeze Act. The Act allows the legislative body of any county or municipality to adopt a property tax freeze program under the provisions of the Act. The Act provided for the State Board of Equalization, through the Division of Property Assessments, to establish rules and regulations to provide uniform definitions, application forms, income verification procedures and other necessary or desirable rules, regulations, policies and procedures for the implementation of the Property Tax Freeze Program.

Authority: *Public Act 581, Acts of 2007, T.C.A. §§67-5-705.* ***Administrative History:*** *Original rule filed November 13, 2007; effective January 27, 2008.*

0600-9-.02 DEFINITIONS.

For purposes of the tax freeze rules and regulations:

(1) "Act" or "Tax Freeze Act" means the law codified as Tenn. Code Ann. § 67-5-705.

(2) "Affidavit" is hereby defined as a notarized statement under oath which specifies all pertinent data and contains the valid signature of all parties thereto.

(3) "Base Assessment" means the assessment as determined by the assessor of property used to determine the base tax.

(4) "Base Tax" as defined by Tenn. Code Ann. § 67-5-705(c)(1)

(5) "Collecting official" as defined by Tenn. Code Ann. § 67-5-705(c)(2).

(6) "Division" or "Division of Property Assessments" shall mean the Division of Property Assessments in the Office of the Comptroller of the Treasury created by Tenn. Code Ann. § 67-1-201.

(7) "Improvement" as defined by Tenn. Code Ann. § 67-5-705(c)(3).

(8) "Owner" means a person that has a present possessory interest in the property fee or life estate, but for the purposes of the income requirement, "owner" includes persons of any interest in the property, including holders of remainder interest, who use the property as their principal residence at any time during the year

(Rule 0600-9-.02, continued)

(9) "Principal residence" as defined by Tenn. Code Ann. § 67-5-705(c)(4). Principal residence shall be determined and limited as provided for in Rule 0600-9-.04.

(10) "Tax year" means the period of January 1 through December 31 of the year in which property taxes become due.

(11) "Taxpayer" is hereby defined to be the applicant, except for determination of income.

Authority: *Public Chapter 581, Acts of 2007, T.C.A. §67-5-705.* ***Administrative History:*** *Original rule filed November 13, 2007; effective January 27, 2008.*

0600-9-.03. ADOPTION AND TERMINATION OF PROGRAM BY LOCAL GOVERNMENT

(1) Adoption of Tax Freeze Program. The legislative body of any county or municipality adopting the property tax freeze program provided in Tenn. Code Ann. § 67-5-705 must do so by either resolution or ordinance. Upon adoption of such a resolution or ordinance, the clerk of the legislative body shall file a copy of the resolution or ordinance with the Division of Property Assessments within 45 days of adoption.

(2) Termination of Tax Freeze Program. The legislative body of any county or municipality which has adopted the property tax freeze program provided in Tenn. Code Ann. § 67-5-705 may terminate the program by adopting a resolution or ordinance terminating the program. The clerk of the legislative body must file a copy of the resolution or ordinance terminating the program with the Division of Property Assessments within 45 days of adoption. The collecting official shall remove all taxpayers under the tax freeze program for the tax year subsequent to the year in which the resolution or ordinance terminating the program is adopted.

Authority: *Public Chapter 581, Acts of 2007, T.C.A. §67-5-705.* ***Administrative History:*** *Original rule filed November 13, 2007; effective January 27, 2008.*

0600-9-.04 PRINCIPAL RESIDENCE CONSIDERATIONS.

(1) Maximum Land Size. The land subject to the tax freeze shall be limited to the portion of land used to support residential structures but no less than the minimum residential lot size required by applicable zoning. In no event may the land portion subject to the tax freeze exceed five (5) acres. For property not used exclusively for residential purposes, including farm, agriculture, forest or open space, only the portion of the land used to support the residential structures, such as that designated as the home site or improvement site on the assessment records, shall be eligible for the tax freeze; however, such land shall not exceed five (5) acres.

(2) Principal Residence. Collecting officials shall determine a taxpayer's principal residence in accordance with the principles set forth by Tenn. Code Ann. § 2-2-122. The tax freeze is limited to one qualifying property constituting the principal residence of the taxpayer. The taxpayer shall sign a statement that the property for which the tax freeze is sought is the taxpayer's principal residence for voting purposes and that the taxpayer has not submitted another property as the taxpayer's principal residence for any purpose in the jurisdiction, the State of Tennessee or any other state.

Authority: *Public Chapter 581, Acts of 2007, T.C.A. §67-5-705.* ***Administrative History:*** *Original rule filed November 13, 2007; effective January 27, 2008.*

0600-9-.05 AGE REQUIREMENT AND VERIFICATION.

(1) A taxpayer, in order to satisfy the property tax freeze minimum age requirement, must attain age sixty-five (65) on or before December 31 of the tax year for which the property tax freeze is requested.

(2) Acceptable evidences are:

(a) copy of birth certificate,

(b) copy of driver license,

(c) copy of Medicare card,

(d) copy of marriage certificate which states the taxpayer's age,

(e) copy of passport,

(f) copy of military id,

(g) copy of valid census record, or

(h) other evidence submitted and approved by the collecting official that offers reasonable proof of age of the applicant.

(3) Qualification under the state tax relief program provided for in Tenn. Code. Ann. § 67-5-702 shall be acceptable evidence of age.

Authority: *Public Chapter 581, Acts of 2007, T.C.A. §67-5-705.* ***Administrative History:*** *Original rule filed November 13, 2007; effective January 27, 2008.*

0600-9-.06 INCOME REQUIREMENT.

(1) A taxpayer, in order to satisfy the income requirement, must not receive a yearly income in excess of the statutory limit. The yearly income will be the total combined income of all property owners for the calendar year required for qualification or re-qualification.

(2) The annual income declared by the taxpayer is subject to audit control which will include, but is not limited to, comparison of the income amount to social security benefits received for the prior year. The collecting official must place emphasis on the declaration of *ALL* income.

(3) Annual income from all sources shall include, but is not limited to, social security payments after the medicare deduction, social security disability, supplemental security income, retirement and pension benefits after deduction of healthcare insurance premiums, veteran's benefits, worker's compensation, unemployment compensation, salaries and wages, alimony, total interest and total dividends. For income from a business, farm, rental property, estate settlement, sale of securities, or other comparable source, include only the net income or loss after expenses. Documentation of the loss must be provided with the application. Gain or loss from the sale of a principal residence, AFDC, child support, food stamps, and VA aid and attendance shall not be considered income. Except as otherwise provided by statute or these rules, determinations regarding the income of an applicant or owners of property shall be guided by the federal income tax requirements for determining

(Rule 0600-9-.06, continued)

income. When determining the income using a tax return, the adjusted gross income amount is used. This amount is added to any income sources specified above which may not be taxable by IRS standards.

(4) Social Security, railroad retirement benefits, and Veterans Administration benefits that are required to be paid to a nursing home for the care of the taxpayer, or co-owner(s), shall not be considered as income. Documentation completed by the nursing home administrator or person handling the taxpayer's business must be provided.

Authority: *Public Chapter 581, Acts of 2007, T.C.A. §67-5-705.* ***Administrative History:*** *Original rule filed November 13, 2007; effective January 27, 2008.*

0600-9-.07 INCOME VERIFICATION.

(1) Evidence of income is required and must accompany the application. Acceptable evidence of income shall be the following for applications:

(a) A copy of the taxpayer's federal income tax return for the year in which the qualifying income must be determined,

(b) An affidavit or a certified statement from the taxpayer given under penalty of perjury, that the taxpayer was not required to file a federal income tax return, or

(c) Qualification under the state tax relief program provided for in Tenn. Code. Ann. § 67-5-702.

(2) Evidence of income may also include other evidence submitted and approved or required by the collecting official such as bank statements or interest earned statements.

(3) The collecting official may require the taxpayer to sign any income verification authorization statement or form required by the division, Social Security Administration or the Internal Revenue Service.

Authority: *Public Chapter 581, Acts of 2007, T.C.A. §67-5-705.* ***Administrative History:*** *Original rule filed November 13, 2007; effective January 27, 2008.*

0600-9-.08 VERIFICATION OF OWNERSHIP AND RESIDENCY.

(1) Evidence of ownership and residency is required and must accompany the application. Acceptable evidence of ownership shall include, but not be limited to, a copy of the current year tax notice or receipt for each jurisdiction for which the tax freeze is requested. Acceptable evidence of residency shall include, but not be limited to, a copy of the taxpayer's voter registration card, if available. The collecting official may consider other evidence submitted by the taxpayer that offers reasonable proof of ownership and residency.

(2) For a new application, before completing the certification, the collecting official must establish that the taxpayer is an owner as shown on the current year tax notice or receipt and the type of ownership interest; or if the taxpayer's name does not appear on the tax notice or receipt, the qualifications of the individual to apply for the tax freeze and the type of ownership must be evidenced. In the event the deed cannot be located, the taxpayer must submit an affidavit explaining the circumstances under which the applicant became the owner of the property.

(Rule 0600-9-.08, continued)

(3) The taxpayer must establish ownership by evidence submitted no later than the deadline for filing the application or reapplication established under Rule 0600-9-.09.

(4) Other considerations of ownership verification are as follows:

(a) Life Estate. A holder of a life estate may be eligible for the tax freeze program. If the life estate is not shown on the tax notice/receipt, acceptable evidence must be provided. Acceptable evidence will be a recorded property deed, probated will or other legal instrument conveying the life estate.

(b) Mobile Home Owner. An eligible taxpayer owning and whose principal residence is a mobile home may qualify for the tax freeze program if the following is provided in addition to the taxpayer's application.

1. A title or bill of sale (if a title or bill of sale is not available, an affidavit of purchase or inheritance may be provided.);

2. In the event the taxpayer does not own the land, information from the assessor showing the assessment value of the mobile home; and

3. A copy of the tax receipt.

(c) If an eligible property tax freeze taxpayer is relocated due to illness or disability, the property tax freeze may continue if the recipient intends to return to the home when recovered sufficiently. In determining whether the recipient intends to return to the home, rental of the home does not of itself evidence an intent not to return. If the rental is month-to-month or otherwise short-term consistent with the expected absence, the recipient may nevertheless be deemed to have an intent to return to the home.

Authority: *Public Chapter 581, Acts of 2007, T.C.A. §67-5-705.* ***Administrative History:*** *Original rule filed November 13, 2007; effective January 27, 2008.*

0600-9-.09 APPLICATION PROCESS AND DEADLINES.

(1) The taxpayer must apply within thirty-five (35) days from the date taxes in the jurisdiction of the collecting official become delinquent for the tax year for which the freeze is sought to establish an initial base tax. A taxpayer who has established an initial base tax must reapply and re-qualify within thirty-five (35) days from the date taxes in the jurisdiction of the collecting official become delinquent for the year preceding the tax year for which the freeze is sought. Provided, however, that if the county trustee acts as the agent for receiving and approving applications on behalf of the municipality, the delinquency date for the county taxes shall be used in determining the deadline for the municipal application or reapplication. A taxpayer who fails to reapply or re-qualify within the time established forfeits eligibility for the program.

(2) For a new application, before completing the certification, the collecting official must establish through application the following:

(a) That the taxpayer is an owner and ownership has been established pursuant to Rule 0600-9-.08.

(b) That the taxpayer is 65 years or older or will be 65 years or older by the end of the year for which the tax freeze is sought.