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Henry J. Cullen, Chairman  
Loudon County Board of Commissioners  
206 Tansai Place  
Loudon, TN 37774

Dear Commissioner Cullen:

I have been asked for an opinion about the legality of the vote by the Loudon County Board of Commissioners (“the Board”) on the tax levy resolution during its meeting on June 24, 2023. The following is my opinion and recommendation.

Each fiscal year, the Board holds a Budget Adoption Meeting to fix the property tax rate, pursuant to Tenn. Code Ann. § 67-5-102(a)(1) and (2), which authorizes counties “to levy an ad valorem tax upon all property subject to this form of taxation” and states “[t]he amount of such tax shall be fixed by the county legislative body of each county.”

It has historically been the practice of the Board to fix property tax rates based on each \$100.00 of taxable property. Additionally, the Tennessee Comptroller of the Treasury states the tax rate is “expressed as an amount per \$100 of assessed value.” *Property Tax Reappraisal and Certified Tax Rate*, Tennessee Comptroller of the Treasury, <https://comptroller.tn.gov/boards/state-board-of-equalization/sboe-resources/certified-tax-rate.html> (last visited July 10, 2024).

On June 20, 2024, prior to the Board’s Budget Adoption Meeting for the 2024 fiscal year, a draft resolution fixing the tax rate for the fiscal year “beginning July 1, 2024” based “on each \$100.00 of taxable property” was sent via e-mail by the Chief Deputy Clerk to each member of the Board. It was also posted to the Loudon County Government website at <https://www.loudoncounty-tn.gov/documentsAndForms/meetings.php>.

During the Budget Adoption Meeting on June 24, 2024, while motioning to amend the draft resolution to change the combined property tax rate to \$1.7683, Commissioner Whitfield mistakenly used the phrase “on each \$100,000.00 of taxable property” instead of “on each \$100.00 of taxable property.” This misstatement is reflected in the draft minutes of the June 24<sup>th</sup> meeting.

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At the time of the motion, each member of the Board had the draft resolution, and it contained the correct “on each \$100.00 of taxable property” language.

After the motion was passed, the County Mayor, Chairman of the Board of Commissioners, and County Clerk all signed Resolution 062424-B fixing the tax rate for the fiscal year “beginning July 1, 2024” at “\$1.7683 on each \$100.00 of taxable property outside the city limits of Lenoir City, and \$1.3883 on each \$100.00 of taxable property inside the limits of Lenoir City. . . .”

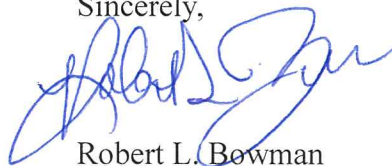
I contacted the County’s designated County Technical Service (“CTAS”) representative on July 15, 2024, and advised her of the foregoing. CTAS researched the issue and advised me that Resolution 062424-B is valid despite Commissioner Whitfield’s misstatement because “[t]he motion to amend the tax rate stated the correct change in the number of pennies on the tax rate,” and “the misstatement of \$100,000 [versus] \$100 value would have been evident since the \$100 of value was stated in the written resolution before [the Board].”

Thus, there is no need to take any formal actions to correct Commissioner Whitfield’s misstatement regarding \$100,000.00 versus \$100.00 of taxable property. The amended tax rate was correct. The mistake was solely limited to the taxable property amount. Therefore, Resolution 062424-B, signed by the County Mayor, Chairman of the Board of Commissioners, and County Clerk, fixing the tax rate for the fiscal year “beginning July 1, 2024” at “\$1.7683 on each \$100.00 of taxable property outside the city limits of Lenoir City, and \$1.3883 on each \$100.00 of taxable property inside the limits of Lenoir City,” is valid and effective as of July 1, 2024.

Although CTAS does not believe it is necessary, the Board could, but is not required to, move to ratify Resolution 062424-B as a precautionary measure when it approves the June 24<sup>th</sup> minutes at its next meeting.

If you have any further questions or concerns, please do not hesitate to contact me.

Sincerely,



Robert L. Bowman

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