



Municipal Technical Advisory Service
INSTITUTE *for* PUBLIC SERVICE

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Special Assessments

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Special Assessments

Reference Number: MTAS-1863

Revenue Class: Local Taxes

Fund: General

Account No.: 31930

Description: Municipalities have the power to design and execute construction and improvement or reconstruction and re-improvement of any street, avenue, alley, highway or public place including improvements or alterations for flood control, water management, soil erosion, and disaster relief and assess not less than two-thirds of the cost or expense of the work against the property abutting or adjacent to the street, avenue, alley, or any other public place that is improved. If 75 percent of the property owners whose lots about the proposed improvement petition for the work to be done, 100 percent of the cost of the project can be assessed to the property owners. T.C.A. § 7-32-118.

Authorization: T.C.A. § 7-32-101 *et seq.*

Requirements or Restrictions: The municipality needs to adopt an ordinance and hold a public hearing prior to making the improvements. The ordinance should describe in detail the nature of the intended work. After apportionments are made, the municipality must hold another hearing on objections to the assessments. T.C.A. § 7-32-121. Appeals to the assessment may be made to the circuit court. T.C.A. § 7-32-126. If any objections to an assessment to pay costs are made, the confirmation of the assessment shall require the unanimous approval of the members of the governing body present at the meeting at which the objection is considered. T.C.A. § 7-32-123.

Current Rate: Depends upon the cost of the project and the number and sizes of properties involved.

Frequency of Payment: Payments are due 30 days after the assessment is made final. At the request of the property owner, the assessment may be paid in five annual installments, and shall bear interest at the rate of 6 percent per annum, interest payable semiannually. T.C.A. § 7-32-133. An assessment levied in connection with a public facility may be paid back over thirty years. T.C.A. § 7-32-133.

Late Pay Penalty: If any property owner makes default in the payment schedule, all of the installments with interest and an additional sum equal to one-half the annual interest, shall become immediately due and payable T.C.A. § 7-32-137. After 60 days delinquency, the city recorder turns the collection over to the city attorney who may then attach a lien on the property. T.C.A. § 7-32-138.

Exemptions: The total assessment made against any lot or parcel of land shall not exceed one-half of the cash value (fair sale price of the lot and improvements on the lot if sold at a voluntary sale) of the lot and improvements. T.C.A. § 7-32-116.

Collection: Collected by the municipal tax collector following the assessment. The assessment is a lien on the property. T.C.A. § 7-32-131.

Use Restrictions: N/A

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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