

BUDGET AND FINANCE COMMITTEE MINUTES Chattanooga City Council July 25, 2023

Call to Order

Councilwoman Carol Berz, Committee Chair, called the meeting to order at 3:47 p.m. in the Assembly Room of the John P. Franklin, Sr. City Council Building. A quorum was present that also included Council Chair Raquetta Dotley, Council Vice Chair Jenny Hill, and Councilpersons Chip Henderson, Ken Smith, Darrin Ledford, Isiah Hester, Marvene Noel, and Demetrus Coonrod. Phil Noblett, City Attorney, and Melissa Bardoner, Council Support Specialist, were also present.

Other Participants in Attendance

Finance: Vickie Haley, City Finance Officer; Mayor's Office: Chris Anderson, Senior Advisor for Legislative Initiatives; and Administrative Hearing Officer: Mike Mallen.

Approval of Minutes

On motion of Councilman Smith and seconded by Councilwoman Noel, the minutes of the last meeting (June 27, 2023) were approved as published.

Updates on Topics from Previous Sessions:

STVR TAX RATES & TENNESSEE STATE LAW

- Ms. Haley advised there were not any updates regarding the law, as the Sevier County, Tennessee court case concerning STVR tax rates was still in the appeals process.
 - Mr. Noblett affirmed.
 - Councilman Ledford questioned whether the ruling would transfer over to R1 residential properties, even if owned by a large corporation.
 - Mr. Noblett responded.
 - Vice Chair Hill reminded Council that affordable housing is taxed at the commercial tax rate.
- Ms. Haley informed Council of the estimated difference in revenue that would result from taxing non-owner occupied STVRs at the 40% commercial rate instead of the 25% residential rate. She advised that TIF parcels and multi-family dwellings where the existing tax classification was unclear were also included in the estimate, so it might not be accurate.

Upon no further questions or comments, the issue was closed.

ENFORCEMENT OF UNLICENSED STVR'S & ADMINISTRATIVE HEARING OFFICER (AHO)

Mr. Anderson and Mr. Mallen presented the two updates together and touched on the following:

- AHO proceedings will be held in Courtroom 2 of the Chattanooga City Court, day & time TBD
- City Court Clerk's office will be handling the paperwork and administrative functions
- The amount of STVR applications received since the moratorium was lifted
- Establishing a list of priorities in conjunction with the City Attorney's Office and updating applicable ordinances accordingly
- Training of the inspectors: teaching them what to look for and routing the cases correctly

- Developments that have occurred since the AHO's appointment in June 2023.
- The training Mr. Mallen has undertaken since his appointment as AHO
- What Mr. Mallen hopes to have done by Labor Day
- Items that still need to be considered

Upon no further questions or comments, the issues were closed.

Adjournment

There being no further business, Councilwoman Berz adjourned the meeting at 4:10 p.m.