



State of Tennessee

PUBLIC CHAPTER NO. 835

SENATE BILL NO. 2010

By Tate

Substituted for: House Bill No. 1930

By Mark White, Coley, Camper, McManus, Cooper, Parkinson, Akbari, Hardaway, Shaw, Eldridge

AN ACT to amend Tennessee Code Annotated, Title 13, Chapter 6, relative to neighborhood preservation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 13-6-106(k), is amended by deleting the following language:

These costs as approved by the court shall be considered a first lien on the property, which, with the exception of those for federal, state, and local taxes and assessments, shall be superior to all prior and subsequent liens or other encumbrances associated with the building or the property. The interested party or receiver shall be responsible for recording a certified copy of the judgment with the county recorder in the county in which the property is located within sixty (60) calendar days after the date of the entry of the judgment. Once the lien is perfected and the owner has satisfied the lien, then the court shall order the receivership terminated.

and by substituting instead the following:

These costs as approved by the court shall be considered a first lien on the property, which shall be superior to all prior and subsequent liens or other encumbrances associated with the building or the property, including those for state and local taxes and assessments, provided that the property at issue has been found by the court to be an insolvent property and provided that the court, after a hearing, notice of which has been provided to proper state and local taxing authorities, has determined that such state and local taxes and assessments are uncollectible. The interested party or receiver shall be responsible for recording a certified copy of the judgment with the county recorder in the county in which property is located within sixty (60) calendar days after the date of the entry of the judgment. Once the lien is perfected and the owner has satisfied the lien, then the court shall order the receivership terminated. The county trustee shall be allowed a credit pursuant to § 67-5-1903(b)(1) for any local taxes and assessments which the court has deemed uncollectible pursuant to this section.

SECTION 2. Tennessee Code Annotated, Section 13-6-102, is amended by adding the following new subdivisions:

() "Insolvent property" means property subject to real property tax liens, fines or penalties, or to special assessments or improvement district liens, or other similar liens securing obligations in excess of the amount for which the property could reasonably be sold to a private purchaser at tax sale;

() "Uncollectible" means tax liens, fines or penalties, special assessments or improvement district liens, and/or other similar liens attached to real property for which there is no substantial likelihood of ever being collected by the lienholder in the use of reasonable efforts to collect them;

SECTION 3. Tennessee Code Annotated, Section 13-6-106(m), is amended by deleting the following language:

(m) The receivership is terminated at the time of sale. The proceeds of the sale shall first satisfy all federal, state, and local taxes and assessments or tax settlements. If the remaining sale proceeds are sufficient to satisfy the receiver's lien, then the receivership lien

shall be terminated. If the receiver's lien is not satisfied by the sale proceeds, the receiver's lien shall remain in effect until the lien is satisfied.

and by substituting instead the following:

(m) The receivership is terminated at the time of sale. The proceeds of the sale shall first satisfy the receiver's lien. If the sale proceeds are sufficient to satisfy the receiver's lien, then the receivership lien shall be terminated. If the receiver's lien is not satisfied by the sale proceeds, the receiver's lien shall remain in effect until the lien is satisfied. Proceeds in excess of the receiver's lien, if any, shall first be applied to satisfy all state and local taxes and assessments or tax settlements, and then to other liens in their order of priority.

SECTION 4. Tennessee Code Annotated, Section 13-6-105, is amended by deleting the section in its entirety and by substituting instead the following language:

This chapter shall only apply in any county having a metropolitan form of government which has a population in excess of five hundred thousand (500,000), or in any county having a population in excess of eight hundred thousand (800,000), according to the 2000 federal census or any subsequent federal census, or in any county having a population of not less than ninety-eight thousand two hundred (98,200) nor more than ninety-eight thousand three hundred (98,300) according to the 2010 federal census or any subsequent federal census.

SECTION 5. This act shall take effect upon becoming law, the public welfare requiring it.

SENATE BILL NO. 2010

PASSED: April 10, 2014



RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 29th day of April 2014



BILL HASLAM, GOVERNOR

ADDENDUM TO SENATE BILL 2010

This bill has an effective date of April 28, 2014 in accordance with Article III, Section 18 of the Constitution of the State of Tennessee.