

Amendment No. 1 to SB2823

Cohen  
Signature of Sponsor

AMEND Senate Bill No. 2823\*

House Bill No. 2834

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
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by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-5-2501, is amended by adding the following new language to be designated as subsection (c):

(c)

(1) The purpose of this legislation is to eliminate blight and urban decay, to promote the health, safety and welfare of all citizens, to reverse the spread of crime, thereby reducing public expenses devoted to policing these federally designated blighted areas, and expedite urban renewal.

(2) The court shall order a sale of the land for cash, subject to the equity of redemption.

(3) At all tax sales for properties located in a federally designated empowerment zone or renewal community and meeting the requirements of subdivision (c)(4) below, the clerk of the court, acting for the state, shall offer the sale of the property at public auction for a minimum bid amount equal to the lesser of the assessed value of the property, as determined by the county assessor for the most recent tax year of record, for that particular tax parcel, or the amount as ascertained pursuant to subdivision (a)(2) above.

(4) Properties eligible for a reduced minimum bid amount shall be:

(A) Commercial property, as identified by the county assessor designation, located in a federally designated empowerment zones or renewal communities; or

(B) Residential property, as identified by the county assessor designation, located in a federally designated empowerment zone or renewal community that is:

(i) Abandoned or vacant; or

(ii) Deemed in violation of local anti-neglect ordinance.

(5)

(a) Where no non-governmental bidder offers the same or larger bid, the county or municipality shall bid the minimum amount as ascertained in subdivision (c)(3) above; provided, that when the delinquent tax attorney for the county or municipality determines that the environmental risks are such that it is not in the best interests of the county or municipality for a minimum bid to be offered at the tax sale, the clerk shall not offer a bid on the property at the tax sale.

(b) Where a non-governmental bidder purchases the property at tax sale for a minimum bid based upon the assessed value of the property pursuant to subsection (c)(3) above, the amount paid in to the clerk of court as the final bid, shall be divided as follows: the court commission shall be prorated according to the sale amount, and the clerk of courts shall first receive that amount; a ratio shall be determined between county and municipal tax liens, in proportion to the amounts ascertained by the master at reference, and the balance of the amount paid for the property shall second, be distributed to the county trustee and municipality by ratio equal to the amounts due for delinquent taxes on such land, such that this amount is accepted in full satisfaction of the tax liens settled under that particular tax sale.

SECTION 2. Tennessee Code Annotated, Section 67-5-2702, is amended by adding the following new language to be designated as subsection (c):

(c) Persons entitled to redeem property sold pursuant to §67-5-2501(c), and situated in federally designated empowerment zones or renewal

communities, may do so by paying the monies to the clerk as required by §67-5-2703 and by filing any statement required by §67-5-2703(b) within six (6) months after entry of an order of confirmation of the tax sale by the court; a taxpayer may redeem property sold pursuant to §67-5-2501(c), and situated in a federally designated empowerment zone or renewal community, that has been previously redeemed by paying to the clerk the monies as required by §67-5-2703 within six (6) months after entry of an order of confirmation of the tax sale by the court. In which case, upon the entry of the order of redemption using the procedure outlined in §67-5-2704, the clerk shall disburse the moneys paid to redeem, plus interest at a rate of ten percent (10%) per annum computed from the date of the order of the previous redemption to the person previously redeeming as ordered by the court.

SECTION 3. Tennessee Code Annotated, Section 67-5-2503, is amended by adding the following new language to be designated as subsection (b):

(b) In order to redeem property which has been sold under §67-5-2501(c), and is situated in a federal designated empowerment zone or renewal community, any person entitled to redeem the property shall pay to the clerk of court who sold the property the amount owed for the delinquent taxes, interest, and penalties, court costs and any other court ordered charges, such amount having been set and identified in the master's reference report, and interest at a rate of ten percent (10%) per annum computed from the date of the sale on the entire purchase price paid at the sale.

SECTION 4. This act shall take effect upon becoming law, the public welfare requiring it.