

HOUSE BILL 37

By Hardaway

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 5, relative to delinquent tax sales.

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

SECTION 1. Tennessee Code Annotated, Section 67-5-2702, is amended by deleting the language “and having a population of less than four hundred thousand (400,000), according to the 1990 federal census or any subsequent federal census,” in subsections (a) and (b).

SECTION 2. Tennessee Code Annotated, Section 67-5-2402, is amended by adding the following language as a new subsection (c):

(c) The provisions of subsection (a) do not apply to any county having a charter form of government if such county has made a determination to begin collection of delinquent taxes during the same tax year in which such taxes became delinquent as provided in § 67-5-2402(d).

SECTION 3. Tennessee Code Annotated, Section 67-5-2402, is further amended by adding the following language as a new subsection (d):

(d) In any county having a charter form of government, at any time after March 1 of the same year in which the taxes first become delinquent, the trustee, if so directed by the county legislative body:

(1) Shall deliver the delinquent lists showing all unpaid land taxes to an attorney chosen by the trustee with the approval of the county mayor; and

(2) Cause the attorney to prepare and file suits in the chancery or circuit court within the time period directed by the county legislative body of such county for the collection of all delinquent land taxes, and all arrears of taxes due the state, county and municipality; and, so that delinquent and municipal taxes may

be collected at the same time as other taxes, it shall be the duty of the proper municipal officers to furnish the county trustee or the trustee's attorney certified lists of delinquent municipal taxes, unless otherwise provided.

SECTION 4. Tennessee Code Annotated, Section 67-5-2509(a), is amended by deleting the language "the two (2) year period of redemption" and by substituting instead the language "the period of redemption established in § 67-5-2702".

SECTION 5. Tennessee Code Annotated, Section 67-5-2101(b), is amended by deleting the words "In addition" and by substituting instead the language "Except as provided in subsection (c), in addition".

SECTION 6. Tennessee Code Annotated, Section 67-5-2101, is amended by adding the following language as a new subsection (c):

(c)

(1) As used in this subsection, "governmental entity" means the state, county or other political subdivision of the state.

(2) Notwithstanding the provisions of subsection (b), no suit shall arise against nor apply to a property owner on owner-occupied residential real property for any delinquent property taxes which were due and payable to a governmental entity that, in accordance with the following circumstances, becomes the owner of the property:

(A) The real property was the primary residence of the fee simple owner or owners;

(B) The property has not been pledged as collateral for any debt, mortgage or deed of trust;

(C) The fee simple owner or owners of the property deed the property to a governmental entity;

(D) The transaction occurs prior to the date the property is sold at a tax sale; and

(E) The governmental entity accepts the donated real property.

(3) Provided that the provisions of subsection (b) shall apply to the property owner for property taxes owing to a governmental entity other than the governmental entity which becomes the owner of owner-occupied residential property in accordance with the provisions of subdivision (2).

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.