

SENATE BILL 2766

By Ford, O.

AN ACT to amend Tennessee Code Annotated, Title 5;
Title 6 and Title 67, Chapter 5, relative to disposal
of certain properties acquired by local
governments.

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

SECTION 1. Tennessee Code Annotated, Section 67-5-2509(d)(4), is amended by designating the existing language as subdivision (A) and by adding the following language to be designated as subdivision (B):

(B) In addition to the provisions of subdivision (A), 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, in lieu of the sale to private purchasers as provided in subsection (b), the proper officers of the municipality or county may convey real property acquired by the municipality or county to a nonprofit community development corporation for the purpose of constructing or restoring the property and buildings located on such real property for public use or other use deemed appropriate by the municipality or county for the property conveyed. The property may be conveyed on terms deemed appropriate to the proper officers of the municipality or county, except that under no circumstances shall the nonprofit community development corporation be required to pay the taxes, penalties or interest for which the property was sold.

SECTION 2. Tennessee Code Annotated, Section 5-7-101, is amended by designating the existing language as subsection (a) and by adding the following language to be designated as subsection (b):

(b)

(1) In addition to the authorization in § 67-5-2509(d)(4)(B) for property acquired by the county at a tax sale 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, subject to the provisions of subdivision (2), the proper officers of the county, in lieu of following other established procedures for disposal of surplus property, may convey real property of the county declared to be surplus to a nonprofit community development for the purpose of constructing or restoring real property and buildings located on such property for public use or other use deemed appropriate by the county for the property conveyed.

(2) No property shall be conveyed pursuant to subdivision (1) if the property had been acquired by the county through its use of the power of eminent domain, and the acquisition was for a purpose other than a public use as defined pursuant to § 29-17-102(2).

(3) The property may be conveyed on terms deemed appropriate to the proper officers of the county.

SECTION 3. Tennessee Code Annotated, Title 6, Chapter 54, Part 1, is amended by adding the following language as a new, appropriately designated section:

§ 6-54-1__.

(a) In addition to the authorization in § 67-5-2509(d)(4)(B) for property acquired by a municipality at a tax sale 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, subject to the provisions of subsection (b), the proper officers of a municipality located in such county, in lieu of following other established procedures for disposal of surplus property, may convey real property of the municipality declared to be surplus to a nonprofit community development corporation for the purpose of

constructing or restoring the real property and buildings located on such real property for public use or other use deemed appropriate by the municipality or county for the property conveyed.

(b) No property shall be conveyed pursuant to subsection (a) if the property had been acquired by the municipality through its use of the power of eminent domain, and the acquisition was for a purpose other than a public use as defined pursuant to § 29-17-102(2).

(c) The property may be conveyed on terms deemed appropriate to the proper officers of the municipality.

SECTION 4. Tennessee Code Annotated, Title 67, Chapter 5, Part 2, is amended by adding the following language as a new, appropriately designated section:

§ 67-5-2__.

(a) Subject to the application requirements of § 67-5-212, real property located 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, owned by a nonprofit community development corporation acquired and held for the purposes established pursuant to Section 2 or 3 of this act, shall be exempt from the date such property is conveyed to the nonprofit community development corporation and for a period not to exceed eighteen (18) months or until the date the nonprofit community development corporation conveys the property to a subsequent user, whichever first occurs. If the property is not developed in the manner agreed to by the county or municipality, the property shall be encumbered by the full amount of taxes together with penalties and interest that would otherwise have been due.

(b) The provisions of this section shall be implemented in any county upon the adoption of a resolution by two-thirds (2/3) vote of the county legislative body.

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