SENATE BILL 2448

By Gardenhire

AN ACT to amend Tennessee Code Annotated, Title 26, relative to exemptions.

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

SECTION 1. Tennessee Code Annotated, Section 26-2-103, is amended by designating the current language as subsection (a) and by adding the following as a new subsection (b):

(b) An item shall not be eligible for the personal property exemption provided by this part, if the item has been purchased with or maintained by fraudulently obtained funds or if ownership of the item has been maintained using fraudulently obtained funds. A court shall be required to find by a preponderance of the evidence that an item was purchased with or maintained by funds obtained by defrauding another person or that ownership of an item was maintained by funds obtained by defrauding another person in order to disqualify the item from eligibility for the personal property exemption.

SECTION 2. Tennessee Code Annotated, Title 26, Chapter 2, Part 3, is amended by adding the following as a new section:

26-2-312.

Property shall not be eligible for the homestead exemption provided by this part, if the property has been purchased with or maintained by fraudulently obtained funds or if ownership of the property has been maintained using fraudulently obtained funds. A court shall be required to find by a preponderance of the evidence that the property was purchased with or maintained by funds obtained by defrauding another person or that ownership of the property was maintained by funds obtained by defrauding another person in order to disqualify the property from eligibility for the homestead exemption.

SECTION 3. This act shall take effect July 1, 2014, the public welfare requiring it.