

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2401 – SB 2397

March 29, 2016

SUMMARY OF ORIGINAL BILL: Requires a unit owners' association to give notice of its action to foreclose a lien on a unit property to the unit owner, all lienholders, other interested parties, or the nominee of record of any person or entity.

Authorizes a unit owners' association to collect on a lien initiated by a lien holder or the association in an amount up to the common expense assessments which would have been due in the absence of acceleration during the six months immediately preceding an action to enforce the lien. This amount shall not exceed one percent of the maximum principal indebtedness of a lien secured by the first mortgage or deed of trust.

Requires a foreclosure caused by a unit owner's association assessment lien to be subject to any mortgage or deed of trust encumbering the property.

Requires a foreclosure caused by non-payment of a mortgage or deed of trust to be subject to any association lien up to the amount set forth in this legislation.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (014969): Deletes all language after the enacting clause. Makes various changes to current Tennessee Code Annotated statutes relative to liens against condominium unit owners.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

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Assumption for the bill as amended:

- Under the provisions of this legislation, liens will be initiated and funds will be collected by private parties. No fiscal impact to state or local government.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumption for the bill as amended:

- The provisions of the legislation will not result in a significant impact to commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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