

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1254 - SB 1216**

March 25, 2015

**SUMMARY OF BILL:** Requires owners of a property interest to register the document related to the interest with the county register of deeds. Authorizes a judgment for unpaid property tax to be enforced against the debtor's other property. Authorizes enforcement of judgment through judgment liens, including durability, priority, and renewal, and makes such judgments no longer subject to the statute of limitation established by this chapter for unpaid property taxes. Authorizes local governments to retain all previous forms of enforcing debt payments for tax liens. Declares that property taxes remain a personal debt of the property owner or property owners as of January 1, and, when delinquent, may be collected by suit as any other personal debt. Declares that involved parties in tax proceedings have constructive notice of the property seizure. Requires 12 percent interest per year for redemption of property. Authorizes the court to determine when a redemption has been fully made. Declares that upon entry of an order of the court declaring that the redemption is complete, title to the parcel be restored. Authorizes lienholder who redeems the parcel to thereafter proceed to foreclose upon the parcel or otherwise enforce such lien. Generally limits challenges to delinquent tax sales.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Revenue – Up to \$100,000/Permissive**

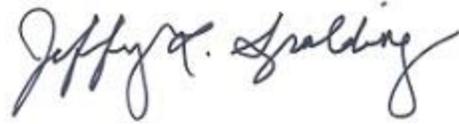
Assumptions:

- The bill is permissive in that it allows local governments options in enforcement.
- Based on information from the Comptroller of the Treasury (COT), the fiscal impact is not significant on state government operations.
- Based on information the County Technical Assistance Service (CTAS) and COT, by limiting challenges to tax sales for delinquent properties, this will return properties to the tax rolls more quickly, thus increasing local revenue.
- Due to unknown factors such as the number tax sale cases quieted through tools of this legislation, as well the frequency with which counties will use these tools, the fiscal impact of this bill cannot be determined with certainty. However, and based on information provided by the COT, the permissive and recurring increase in local revenue is estimated as an amount up to \$100,000 per year.

**CERTIFICATION:**

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

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Jeffrey L. Spalding, Executive Director

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