

HOUSE BILL 350

By Shaw

AN ACT to amend Tennessee Code Annotated, Title 29, Chapter 20 and Title 67, Chapter 5, relative to property bought by a county at a tax sale.

WHEREAS, the General Assembly requires a county to purchase property at a tax sale when no bidder offers at least the amount due for taxes, interest, penalties, costs, and fees, and, therefore, the county is performing a traditional government function; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 5, Part 25, is amended by adding the following as a new section:

(a) Whenever a county acquires property at a tax sale, any non-governmental entity holding a vested and duly recorded contractual right to payment of fees or assessments secured by such property retains such right; provided, that the county is not liable for the payment of any such fees or assessments, and the non-governmental entity may only enforce such contractual rights to payment through exercise of its lien rights against the property.

(b) A county is liable for the payment of the fees and assessments described under subsection (a) if the county makes actual use of the property purchased at the tax sale.

(c) A county is immune from liability in a suit arising from any contract or restrictive covenant that runs with the property.

(d) A county is not immune from liability in a suit under subsection (c) if the county makes actual use of the property purchased at the tax sale.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring
it.