

SENATE BILL 2586
By Cooper

AN ACT to amend Tennessee Code Annotated, Title 26, Chapter 2, relative to homestead exemptions.

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

SECTION 1. Tennessee Code Annotated, Section 26-2-301, is amended by adding the following new subsection (e):

An individual aged sixty-five (65) or over, regardless of whether the individual is the head of a family, shall be entitled to a homestead exemption upon real property which is owned and used by the individual, the individual's spouse, or a dependent, as a principal place of residence. The aggregate value of such homestead exemption shall not exceed seventy-five thousand dollars (\$75,000). Provided, however, individuals who jointly own and use real property as their principal place of residence shall be entitled to homestead exemptions, the aggregate value of which exemptions combined shall not exceed one hundred twelve thousand five hundred dollars (\$112,500), which shall be divided equally among them if the homestead exemptions are claimed in the same proceeding. Provided, further, if only one (1) of the joint owners of real property used as their principal place of residence is involved in the proceeding wherein homestead exemption is claimed, then the individual's homestead exemption shall be seventy-five thousand dollars (\$75,000). The homestead exemption shall not be subject to execution, attachment, or sale under legal proceedings during the life of the individual. Upon the death of an individual who is head of a family, any such exemption shall inure to the benefit of the surviving spouse and their

minor children for as long as the spouse or the minor children use such property as a principal place of residence.

SECTION 2. Tennessee Code Annotated, Section 26-2-304, is amended by adding the following language between the number “(\$5,000)” and the semicolon “;”:

except as provided for in Section 26-2-301(e),

SECTION 3. Tennessee Code Annotated, Section 26-2-309, is amended by adding the following language:

When the owner is a person over sixty-five (65) years of age and the real estate levied on is of greater value than seventy-five thousand dollars (\$75,000), and is so situated that it cannot be divided so as to set apart the homestead, the freeholders shall certify the fact, and the officer may proceed to sell the whole tract, and out of the proceeds he shall pay to the clerk of the court rendering the judgment, or condemning the land for sale, seventy-five thousand dollars (\$75,000), to be by him invested under the order of the court, in the purchase of a homestead for the debtor, and only the surplus over and above seventy-five thousand dollars (\$75,000), shall be applied to the payment of the execution.

SECTION 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

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