

HOUSE BILL 2567

By White

AN ACT to amend Tennessee Code Annotated, Title 13,
Chapter 6, relative to the Neighborhood
Preservation Act.

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

SECTION 1. Tennessee Code Annotated, Section 13-6-102(15)(A), is amended by deleting the language "direct and indirect".

SECTION 2. Tennessee Code Annotated, Section 13-6-102(15), is amended by deleting subdivisions (B) and (C).

SECTION 3. Tennessee Code Annotated, Section 13-6-106(c)(1), is amended by deleting the second sentence.

SECTION 4. Tennessee Code Annotated, Section 13-6-106(c)(2), is amended by deleting the language "tax sale or other".

SECTION 5. Tennessee Code Annotated, Section 13-6-106(e), is amended by deleting the language "subsection (h)" and substituting instead the language "subdivision (h)(1)".

SECTION 6. Tennessee Code Annotated, Section 13-6-106(f), is amended by deleting the language "subsection (h)" and substituting instead the language "subdivision (h)(1)".

SECTION 7. Tennessee Code Annotated, Section 13-6-106(g), is amended by deleting the first sentence and substituting instead:

If the actions pursuant to subsections (e) and (f) fail to abate the public nuisance, then the court may appoint a receiver to take possession and control of the subject parcel in order to execute a plan submitted by such receiver that complies with either subdivision (h)(1) or (2).

SECTION 8. Tennessee Code Annotated, Section 13-6-106(h), is amended by deleting the subsection and substituting instead:

(h)

(1) A public nuisance abatement plan, if submitted by an owner, interested party, or proposed receiver, must provide the following in writing:

(A) A detailed budget for abating the public nuisance;

(B) A projected timeline for abating the public nuisance;

(C) If repair and rehabilitation of the subject parcel are found not to be feasible, the cost of demolition of the subject parcel or of the portions of the subject parcel that constitute the public nuisance; and

(D) The terms, conditions, and availability of any financing that is necessary to abate the public nuisance or a show of sufficient assets.

(2) A stabilization plan, if submitted by a proposed receiver, must provide the following in writing:

(A) A detailed budget for stabilizing the subject parcel;

(B) A projected timeline for stabilizing the subject parcel; and

(C) The terms, conditions, and availability of any financing that is necessary to stabilize the subject parcel or a show of sufficient assets.

SECTION 9. Tennessee Code Annotated, Section 13-6-106(i)(1), is amended by designating the existing subdivision (i)(1)(D) as (i)(1)(E) and adding the following as a new subdivision (i)(1)(D):

(D) Pay all outstanding municipal fines, penalties, expenditures, and assessments and all amounts attributable to state and local taxes and assessments, including all outstanding amounts secured by delinquent property tax liens; and

SECTION 10. Tennessee Code Annotated, Section 13-6-106(i)(2), is amended by deleting the subdivision and substituting instead:

(2) The receiver shall file a report with the court every sixty (60) calendar days and, upon completion of work pursuant to the receiver's approved plan, shall file a final report with the court and move for the establishment of the amount of the receiver's lien. If the court finds that work pursuant to the receiver's approved plan has been completed, then the court must establish the amount of the receiver's lien and put the owner on notice that the owner has thirty (30) days from such finding to satisfy the receiver's lien in full. If the owner satisfies the receiver's lien in full during such time, then the receivership must be terminated by order of the court. An owner or interested party that satisfies a receiver's lien established pursuant to a receiver's completion of a stabilization plan pursuant to subdivision (h)(2) shall submit and complete a public nuisance abatement plan pursuant to subdivision (h)(1).

SECTION 11. Tennessee Code Annotated, Section 13-6-106(j), is amended by inserting the language "at auction" following the language "for sale" in the first sentence.

SECTION 12. Tennessee Code Annotated, Section 13-6-106(j)(2), is amended by deleting the language "lien sale shall" and substituting instead "auction must".

SECTION 13. Tennessee Code Annotated, Section 13-6-106(j)(3), is amended by deleting the subdivision and substituting instead:

(3) If the receiver has completed work pursuant to an approved stabilization plan authorized by subdivision (h)(2), then only bidders who have been certified by the court as qualified buyers may bid at the receiver's auction. The terms of the auction must include the requirement of a bond or other security, in an amount fixed by the court, ensuring abatement of the public nuisance within nine (9) months of the date of the closing of the sale to the qualified buyer. If a qualified buyer prevails at such an auction

and the qualified buyer's bid is approved by the court, then the receiver's plan pursuant to subdivision (h)(2) must be amended by the court to include supervision of the qualified buyer and reports to the court of the qualified buyer's progress until the abatement of the public nuisance is completed, at which time the receivership must be terminated by order of the court after a hearing on the receiver's motion for termination of the receivership.

SECTION 14. Tennessee Code Annotated, Section 13-6-106(j)(4), is amended by deleting the word "lien".

SECTION 15. Tennessee Code Annotated, Section 13-6-106(j)(5), is amended by deleting the first sentence and substituting instead:

When the successful bid is paid in cash, the amount of the minimum bid must be paid to satisfy the receiver's lien.

SECTION 16. Tennessee Code Annotated, Section 13-6-106(j)(6), is amended by deleting the second sentence.

SECTION 17. Tennessee Code Annotated, Section 13-6-106(j)(6), is amended by deleting the word "sale" in the third and fourth sentences and substituting instead "auction".

SECTION 18. Tennessee Code Annotated, Section 13-6-106(j)(6), is amended by deleting the language "The" in the fourth sentence and substituting instead "Except as provided in subdivision (j)(3), the".

SECTION 19. This act takes effect upon becoming a law, the public welfare requiring it.

Amendment No. 1 to HB2567

Crawford
Signature of Sponsor

AMEND Senate Bill No. 2591

House Bill No. 2567*

by deleting Section 1 and substituting instead:

SECTION 1. Tennessee Code Annotated, Section 13-6-102(15)(A), is amended by deleting the language "direct and indirect" and substituting instead the language "reasonable".

AND FURTHER AMEND by deleting Section 5 and substituting instead:

SECTION 5. Tennessee Code Annotated, Section 13-6-106(e), is amended by deleting the language "If the subject parcel" in the first sentence and substituting instead "If, after a hearing, the subject parcel" and by deleting the language "subsection (h)" in the third sentence and substituting instead the language "subdivision (h)(1)".

AND FURTHER AMEND by deleting Section 9 and substituting instead:

SECTION 9. Tennessee Code Annotated, Section 13-6-106(i)(1), is amended by designating the existing subdivision (i)(1)(D) as (i)(1)(E) and adding the following as a new subdivision (i)(1)(D):

(D) Pay all outstanding municipal fines, penalties, expenditures, and assessments and all amounts attributable to state and local taxes and assessments, including all outstanding amounts secured by delinquent property tax liens; provided, that, within thirty (30) days of being appointed, a receiver is required to fully satisfy all outstanding amounts secured by delinquent property tax liens; and

AND FURTHER AMEND by inserting the following new section immediately preceding the last section and renumbering the subsequent section accordingly:

SECTION __. Tennessee Code Annotated, Section 13-6-102, is amended by inserting the following as a new, appropriately designated subdivision:

() "Stabilization", with regard to a building, means the removal or correction of any conditions that are designed to secure, protect against, or prevent further deterioration of such building;