



## Legislative Report

Week of April 21

### Community Revitalization

#### **SB1800 / HB2260 Eminent domain - definition of blighted revised.**

**Sponsors** Sen. Stacey Campfield / Rep. Steve Hall

**Description** Narrows the definition of the areas that may be considered blighted for purposes of eminent domain. Adds to the definition of blighted property the requirement that the property in question must have been tax delinquent for a period of at least three years. Requires that prior to commencement of an eminent domain action to remediate blight, the owner of the property must be granted the opportunity to rehabilitate the property within a certain time constraints designated by law, or one year if no such constraints exist. Prohibits property from being considered blighted because of aesthetic conditions. Provides that the determination of a property as blighted shall not be a factor in the determination of another property as blighted. Provides that upon appeal by the property owner for the final judgment for damages, if the amount to be compensated to the owner is 40 percent greater than the last written offer by the condemning authority prior to filing the petition, the court shall award the owner reasonable attorney fees, expenses, and other related costs. If the amount to be compensated to the owner is a least 20 percent, but not more than 40 percent, greater than the last written offer, the court may award reasonable attorney fees, expenses, and other related costs.

**Amendment** SENATE JUDICIARY COMMITTEE AMENDMENT 1 (012997). SENATE JUDICIARY COMMITTEE AMENDMENT 2 (014160) exempts certain property from being found blighted. Removes the "loser pays" provision.

**Fiscal Note** (Dated February 25, 2014) Increase Local Expenditures - Exceeds \$5,000\* Other Fiscal Impact - The provisions of the bill could result in litigation costs for the state. It is unknown how often or to what extent those costs may occur; therefore a precise fiscal impact cannot be determined. Any increase in state expenditures is estimated to exceed \$5,000 per case. Due to multiple unknown variables, a precise impact to state and local government for any delay in initiating eminent domain proceedings cannot reasonably be determined.

**Senate Status** 03/26/2014 - Failed in Senate Judiciary Committee on a 4-2-1 vote after adopting amendments 1 (012997) and 2 (014160).

**House Status** 03/26/2014 - House Civil Justice Subcommittee deferred to summer study.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 13 and Title 29, relative to eminent domain.

#### **SB1859 / HB2215 Memphis city courts - waiver of certain fees.**

**Sponsors** Sen. Reginald Tate / Rep. Karen D. Camper

**Description** Allows courts in the city of Memphis to waive all or any portion of penalty and interest and attorney fees that are due on real property taxes upon finding that the property has been abandoned. by court order.

**Fiscal Note** (Dated March 15, 2014) Other Fiscal Impact - Due to multiple unknown variables, a precise fiscal impact to local government cannot reasonably be determined; however any impact will be permissive.

**Senate Status** 04/01/2014 - Taken off notice in Senate Judiciary Committee.

**House Status** 03/26/2014 - Taken off notice in House Civil Justice Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 6; Title 7; Title 66 and Title 67, relative to property.

**SB1860 / HB2214 Older Neighborhood Preservation Act - application.**

**Sponsors** Sen. Reginald Tate / Rep. Karen D. Camper

**Description** Makes the Older Neighborhood Preservation Act applicable to areas where a majority of the residential property was constructed 30 years or more prior to April 22, 2004, instead of 50 years or more prior to April 22, 2004.

**Amendment** Senate amendment 1 (015322) rewrites the bill. Establishes the "Neighborhood Preservation Nonprofit Corporation Act." Requires any corporation wishing to register as a NPNC to inform the county register of deeds of the real property the NPNC plans to apply its assets toward preserving and protected from blight, crime, and other purposes and to register with the secretary of state. Authorizes the secretary of state to charge a fee for acquiring the designation as a NPNC. Requires NPNCs to establish bylaws and apply all assets towards preserving and protecting the real property designated by the NPNC. The NPNC is eligible to apply for and receive grants from the Tennessee Housing Development Authority. Encourages local law enforcement to investigate and provide a report to any NPNC who reports suspicious activity on the NPNC designated property.

**Fiscal Note** (Dated March 15, 2014) Other Fiscal Impact - Due to multiple unknown variables, a precise impact to local government cannot be determined; however any impact will be permissive.

**Senate Status** 04/08/2014 - Senate passed with amendment 1 (015322).

**House Status** 04/15/2014 - House passed.

**Executive Status** 04/15/2014 - Sent to the speakers for signatures.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 5; Title 6; Title 7; Title 13; Title 29; Title 38; Title 48; Title 66 and Title 67, relative to protection of neighborhoods.

**SB2010 / HB1930 Neighborhood Preservation Act - priority of liens.**

**Sponsors** Sen. Reginald Tate / Rep. Mark White

**Description** Elevates the priority status of certain liens for court costs, expenses and receiver's fees levied relative to completion of a detailed development plan under the Neighborhood Preservation Act and the abatement of public nuisance.

**Amendment** SENATE AMENDMENT 2 (013802) deletes all language after the enacting clause. Requires court-approved costs to be paid to a receiver for abatement of a public nuisance to be considered a first lien on the property and superior to any prior or subsequent liens for any state or local taxes and assessments provided that the property has been found by the court to be an insolvent property and such state and local taxes and assessments are uncollectible. Requires the proceeds of the sale to first satisfy the receiver's lien. If the proceeds are sufficient to satisfy the receiver's lien, the lien will be terminated. If the proceeds are not sufficient, the lien will remain in effect. SENATE AMENDMENT 3 (014380) puts Madison County into the act.

**Fiscal Note** (Dated February 14, 2014) Other Fiscal Impact - Due to multiple unknown variables, a precise fiscal impact to state and local government cannot reasonably be determined.

**Senate Status** 03/13/2014 - Senate passed with amendments 2 (013802) and 3 (014380).

**House Status** 04/10/2014 - House passed.

**Executive Status** 04/14/2014 - Sent to governor.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 13, Chapter 6, relative to neighborhood preservation.

**SB2082 / HB2080 Financing food desert relief enterprises - pilot program.**

**Sponsors** Sen. Mark S. Norris / Rep. Harold Love Jr.

**Description** Creates a pilot program which allows the department of economic and community development to make grants and loans from the Fresh Food Financing fund (3F fund) to governmental entities for financing food desert relief enterprises in low-income, underserved areas. Terminates the pilot program January 1, 2030. Deposits the revenue generated by .0625 percent of the food sales tax rate levied on retail sales of sugar-sweetened beverages to the 3F fund for financing the grants and loans. Requires the department to report on the pilot program to the commerce and labor committee of the senate and the business and utilities committee of the house of representatives no later than February 1 of each year.

**Fiscal Note** (Dated February 17, 2014) Increase State Revenue - \$636,800/Each Year FY14-15 Through FY28-29/Fresh Food Financing Fund \$318,400/FY29-30/Fresh Food Financing Fund

Decrease State Revenue - Net Impact - \$607,500/Each Year FY14-15 through FY28-29/General Fund \$303,700/FY29-30/General Fund Increase State Expenditures - \$283,200/FY14-15 \$101,700/Each Year FY15-16 through FY28-29 \$50,900/FY29-30  
Decrease Local Revenue - \$29,300/Each Year FY14-15 through FY28-29 \$14,700/FY29-30  
SB 2082 - HB 2080

**Senate Status** 03/26/2014 - Taken off notice in Senate Government Operations Committee.

**House Status** 03/25/2014 - Taken off notice in House Health Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 3; Title 67, Chapter 4 and Title 67, Chapter 6, relative to creating the "Fresh Food Financing fund".

**SB2299 / HB1689 Penalties for landlords who fail to repair code violations.**

**Sponsors** Sen. Randy McNally / Rep. Dale Carr

**Description** Specifies that in every lease of residential premises, the landlord covenants to maintain the premises in compliance with the applicable health and safety laws of this state and any applicable ordinance of the local government in which the residential premises are located during the term of the lease, except when the violation is caused by the willful, malicious, or irresponsible conduct of the tenant, or person under the direction or control of the tenant. Also specifies that the parties to a lease of residential premises may not waive or modify the covenants imposed by this bill. Requires the landlord of residential premises to: (1) Disclose to the residential tenant either in the rental agreement or otherwise in writing prior to the commencement of the tenancy the name and address of the person authorized to manage the premises and the landlord of the premises or an agent authorized by the landlord to accept service of process and receive and give receipt for notices and demands; (2) Place a printed or typewritten notice containing the information required to be disclosed by this bill in a conspicuous place on the premises; and (3) Provide a copy of all outstanding inspection orders for which a citation has been issued, pertaining to a rental unit or common area, that specifies the code violations issued that the housing inspector identifies as threatening the health or safety of the tenant, and all outstanding condemnation orders and declarations that the premises are unfit for human habitation to: a tenant, either by delivery or by U.S. mail, postage prepaid, within 72 hours after issuance of the citation; a person before signing a lease of paying rent or a security deposit to begin a new tenancy; and a person prior to obtaining new ownership of the property subject to the order or declaration of an inspection. Requires a local governmental entity charged with enforcing the code claimed to be violated by a landlord to inspect the residential premises where the alleged violation is occurring upon the request of a residential tenant or housing-related neighborhood organization. After the local governmental entity has inspected the residential building, the inspector must inform the landlord or the landlord's agent and the residential tenant or housing-related neighborhood organization in writing of any code violations discovered during the inspection. The inspector must indicate on the inspection order whether the violation threatens the health or safety of a tenant or a prospective tenant. The local governmental entity must give the landlord or the landlord's agent at least 60 days to correct the violation and may issue reasonable extensions as necessary. Specifies that a landlord, agent, or person acting under the landlord's direction or control may not accept rent or a security deposit for residential rental property from a tenant after the leased premises have been condemned or declared unfit for human habitation by the applicable state or local governmental entity if the tenancy commenced after the premises were condemned or declared unfit for human habitation. Provides that an action to enforce this bill may be brought in chancery or general sessions court by a residential tenant of a residential building in which a violation is alleged to exist.

**Fiscal Note** (Dated March 10, 2014) Increase Local Expenditures - Exceeds \$10,000\*

**Senate Status** 03/11/2014 - Taken off notice in Senate Commerce & Labor Committee.

**House Status** 03/11/2014 - Taken off notice in House Business & Utilities Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 13; Title 16; Title 27; Title 39; Title 40; Title 66 and Title 68, relative to housing code violations of rented residential property.

**SB2307 / HB1987 Notice extended regarding improvement of blighted property.**

**Sponsors** Sen. Randy McNally / Rep. Art Swann

**Description** Gives owners of real property in counties and municipalities ten business days, instead of ten days, to clear any debris or garbage, or to fix up a vacant building after the local government sends notice to improve such blighted property. Gives any owner of a carrier engaged in transportation of property or utilities 20 business days instead of 20 days.

**Amendment** House Local Government Committee amendment 1 (011790) rewrites the bill. Includes in the definition of "project", in regards to industrial development corporations, a blighted property redevelopment project, or any project involving the renovation, elimination, rebuilding, repair,

remodeling, or demolition of blighted residential property; provided that the legislative body of the county or municipality where the corporation is located approved the project by two-thirds vote. Provides that upon two-thirds vote, a local legislative body may empower an authority to negotiate and accept the authority's lessees, payments in lieu of ad valorem taxes, upon meeting certain conditions. Further provides that no contract or other agreement of any kind shall permit payment in lieu of taxes to be waived or otherwise not assessed for a period of greater than 10 years. Requires the local legislative body to establish a blighted property review commission, which shall objectively make blighted real property recommendations to the local legislative body. Adds that a housing authority has the power to negotiate and accept from the authority's lessees, payments in lieu of ad valorem taxes subject to the requirements of this statute.

**Fiscal Note** (Dated February 9, 2014) NOT SIGNIFICANT

**Senate Status** 03/26/2014 - Senate State & Local Government Committee deferred to 04/01/14.

**House Status** 03/18/2014 - House Local Government Committee recommended with amendment 1 (011790).

**Caption** AN ACT to amend Tennessee Code Annotated, Title 5; Title 6; Title 7; Title 13; Title 29 and Title 68, relative to blighted property.

### **SB2315 / HB2142 Participation in the Tennessee Local Land Bank program.**

**Sponsors** Sen. Randy McNally / Rep. Gerald McCormick

**Description** Authorizes home rule municipalities and counties with a metropolitan form of government to participate in the Tennessee Local Land Bank pilot program.

**Amendment** HOUSE AMENDMENT 1 (013018) prohibits a corporation created pursuant to Chapter 30 from holding, maintaining, or managing any real property acquired through eminent domain by any county or municipality. Revises other provisions regarding the powers of such corporations. Senate amendment 3 (015778) adds applicability of the provisions of the original bill to Blount County and Sevier County. SENATE AMENDMENT 4 (015958) adds applicability of the provisions of the original bill to Blount County and Sevier County. Deletes subdivision (1) from Section 2(a) and by substituting language that gives any local government the authority to a create a corporation which is authorized to operate a land bank within the jurisdictional boundaries of the local government establishing the corporation.

**Fiscal Note** (Dated February 10, 2014) Increase State Expenditures - Not Significant Other Fiscal Impact - Due to multiple unknown factors a precise impact to local government cannot reasonably be determined, however any impact will be permissive.

**Senate Status** 04/07/2014 - Senate passed with amendments 3 and 4. Senate amendment 3 (015778) adds applicability of the provisions of the original bill to Blount County and Sevier County. SENATE AMENDMENT 4 (015958) adds applicability of the provisions of the original bill to Blount County and Sevier County. Deletes subdivision (1) from Section 2(a) and by substituting language that gives any local government the authority to a create a corporation which is authorized to operate a land bank within the jurisdictional boundaries of the local government establishing the corporation.

**House Status** 04/09/2014 - House concurred in Senate amendments 3 and 4.

**Executive Status** 04/15/2014 - Sent to governor.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 13, Chapter 30, Part 1, relative to the Tennessee Local Land Bank Pilot Program.

### **SB2320 / HB1468 Counties to donate property to non-profit organizations.**

**Sponsors** Sen. Randy McNally / Rep. John Ragan

**Description** Authorizes the county legislative body, upon a two-thirds majority vote, to donate or transfer any parcel of real property owned by the county to a nonprofit charitable organization located within the county. Requires the county legislative body to provide written guidelines that state when this type of property transfer or donation may be authorized. Provides that this type of property transfer must be to promote the general welfare of the residents of the county.

**Amendment** SENATE AMENDMENT 1 (013030) deletes all language after the enacting clause and rewrites the bill. Authorizes the county legislative body, upon a two-thirds majority vote, to dispose of real property at nominal cost by private negotiation and sale to a nonprofit corporation which has received 501(c)(3) status from the Internal Revenue Service, and whose purpose includes providing education and vocational training services to children and adults with disabilities.

**Fiscal Note** (Dated January 20, 2014) Other Fiscal Impact - Due to multiple unknown factors, a precise impact to local government cannot be determined; however, any fiscal impact will be permissive.

**Senate Status** 03/10/2014 - Senate passed with amendment 1.

**House Status** 03/17/2014 - House passed.

**Executive Status** 04/14/2014 - Enacted as Public Chapter 0635 effective April 4, 2014.

**Public Chapter 635**

**Caption** AN ACT to amend Tennessee Code Annotated, Title 5, Chapter 7 and Title 5, Chapter 9, relative to real property owned by a county.

**SB2463 / HB2447 Madison County - Neighborhood Preservation Act.**

**Sponsors** Sen. Lowe Finney / Rep. Johnny W. Shaw

**Description** Authorizes Madison County to utilize the Neighborhood Preservation Act.

**Fiscal Note** (Dated March 9, 2014) NOT SIGNIFICANT

**Senate Status** 03/26/2014 - Taken off notice in Senate State & Local Government Committee.

**House Status** 03/26/2014 - Taken off notice in House Local Government Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 13, Chapter 6, relative to the neighborhood preservation act.

**SB2488 / HB2035 Public nuisance claims - jurisdiction.**

**Sponsors** Sen. Steven Dickerson / Rep. Jason Powell

**Description** Assigns jurisdiction over public nuisance claims to courts designated as environmental courts by Chapter 212 of the Public Acts of 1993 or Chapter 667 of the Public Acts of 2002.

**Fiscal Note** (Dated March 2, 2014) NOT SIGNIFICANT

**Senate Status** 04/08/2014 - Senate passed.

**House Status** 03/27/2014 - House passed.

**Caption** AN ACT to amend Tennessee Code Annotated, Section 29-3-102, relative to actions that may be brought in courts designated as an environmental court.

## Eminent Domain

**SB959 / HB1199 Repurchase of property taken by eminent domain.**

**Sponsors** Sen. Randy McNally / Rep. John Ragan

**Description** Grants certain property owners, or their heirs or assigns, whose land is taken by eminent domain the right to repurchase such property if the condemning entity decides to sell the property within 10 years of the property being taken the property shall be first offered for sale to the person whom the property was taken. Establishes that the property owner has 30 days to sign an agreement to purchase the property. Requires local legislative bodies to conduct public hearings and a majority vote prior to taking property by eminent domain.

**Amendment** SENATE AMENDMENT 2 (015983) rewrites the bill. Requires, under certain circumstances, counties and municipalities selling property that was acquired by eminent domain to first offer the property to the previous owner from whom the property was acquired. Authorizes the former property owner to purchase the property for not less than fair market value, including costs; and declares if the former property owner has not purchased the property within 30 days, the property shall be offered for sale to the general public for an amount not less than fair market value. HOUSE AMENDMENT 1 (006398) deletes all language after the enacting clause. Requires, under certain circumstances, counties and municipalities selling property that was acquired by eminent domain to first offer the property to the previous owner from whom the property was acquired. Removes transferability of the right, from former property owners to heirs of former property owners, to terminate 10 years after the condemnation date, or one year from the determination that the property was not being used for its intended purpose. Authorizes the former property owner to purchase the property for not less than fair market value, including costs; and declares if the former property owner has not purchased the property within 30 days, the property shall be offered for sale to the general public for an amount not less than fair market value.

**Fiscal Note** (Dated: February 19 2013) Decrease State Revenue - \$100,000/Recurring/Highway Fund - Increase State Expenditures - \$10,000/Recurring/Highway Fund - Decrease Local Revenue - Exceeds \$10,000 - Increase Local Expenditures - Exceeds \$10,000/Mandatory\* - Exceeds \$10,000/Permissive.

**Senate Status** 04/10/2014 - Senate passed with amendment 2 (015983).

**House Status** 04/14/2014 - House concurred in Senate amendment 2.

**Executive Status** 04/17/2014 - Sent to governor.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 29, Chapter 17, relative to eminent domain.

**SB2028 / HB1830 Reorganizes eminent domain law.**

**Sponsors** Sen. Joey Hensley / Rep. Joe Carr

**Description** Reorganizes existing eminent domain law in Tennessee Code Annotated. Amends TCA Title 6; Title 7; Title 9; Title 11; Title 12; Title 13; Title 29; Title 42; Title 54; Title 59; Title 64; Title 65; Title 68; Title 69 and Title 70. Broadly captioned.

**Fiscal Note** (Dated February 10, 2014) NOT SIGNIFICANT

**Senate Status** 04/08/2014 - Senate passed.

**House Status** 04/16/2014 - House passed.

**Executive Status** 04/16/2014 - Sent to the speakers for signatures.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 6; Title 7; Title 9; Title 11; Title 12; Title 13; Title 29; Title 42; Title 54; Title 59; Title 64; Title 65; Title 68; Title 69 and Title 70, relative to eminent domain.

#### **SB2176 / HB2259 Eminent domain - right of first refusal by original property owner.**

**Sponsors** Sen. Stacey Campfield / Rep. Steve Hall

**Description** Requires the condemning authority, in instances where the governing body of the condemning authority determines that publicly owned property acquired by eminent domain has not been used and is no longer needed for a public use, to offer to sell the property to the owner from whom it was acquired. Specifies that such offer must be the lower of the original price adjusted for inflation or deflation or the current fair market value of the property.

**Fiscal Note** (Dated March 15, 2014) Decrease State Revenue - Exceeds \$20,000 Decrease Local Revenue - Exceeds \$20,000

**Senate Status** 01/29/2014 - Referred to Senate Judiciary Committee.

**House Status** 02/03/2014 - Referred to House Civil Justice Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 29, Chapter 16, relative to eminent domain.

## **Financial Institutions**

#### **SB1627 / HB1423 State trust companies - formation and operations changes.**

**Sponsors** Sen. Mark S. Norris / Rep. Gerald McCormick

**Description** Provides that certain requirements in the formation process for chartering a new state bank do not apply to the formation process for a state trust company and restructures the process for a corporation or limited liability company seeking to become a state trust company. Establishes the application process for incorporators or organizers applying for a charter and a certificate of authority for acting as a fiduciary from the commissioner of financial institutions to become a state trust company, and requires the commissioner to follow certain procedures to ensure compliance with the requirements in this statute. Requires the commissioner to examine a state trust company at least once in an 18 month period. Requires all state trust companies to be organized with capital of no less than \$500,000, or a greater amount if the commissioner requires it. Requires all state trust companies to be managed by a board of directors consisting of a minimum of five and a maximum of 25 members, and one of the members shall be the chief executive officer of the company. (12 pp). (Part of Administration Package)

**Amendment** Senate amendment 1 (012381) makes criminal history background checks for incorporators, organizers, and individuals controlling an entity acting as an incorporator mandatory, rather than permissive.

**Fiscal Note** (Dated January 29, 2014) NOT SIGNIFICANT

**Senate Status** 02/24/2014 - Senate passed with amendment 1.

**House Status** 03/24/2014 - House passed.

**Executive Status** 04/14/2014 - Enacted as Public Chapter 0642 effective July 1, 2014.

**Public Chapter** 642

**Caption** AN ACT to amend Tennessee Code Annotated, Title 45, Chapter 1 and Title 45, Chapter 2, relative to the regulation of trust companies.

#### **SB1988 / HB1757 Flexible Credit Act.**

**Sponsors** Sen. Steve Southerland / Rep. Cameron Sexton

**Description** Enacts the Flexible Credit Act, permitting a person, firm, or corporation to engage in the business of making loans upon meeting certain requirements. Authorizes a lender to make a loan under an open-end credit plan and charge borrowers fees and interest when appropriate; sets forth other rules regarding credit transactions between a lender and borrower. Establishes that only a person, firm, or corporation that has met certain standards, such as, but not limited to, obtaining a certificate of registration under the Industrial and Thrift Companies Act,

submitting to the commissioner of financial institutions an audited financial statement by July 31st of each year and possessing a net worth of at least \$2,000,000 at the time notice is provided to the commissioner, shall be authorized to engage in the business of making loans under this statute.

**Amendment** Senate Amendment 3 (014867) rewrites the bill and makes technical corrections. Enacts the "Flexible Credit Act." Defines "flex loan." Sets out licensure requirements for entities wanting to make flex loans. Gives regulatory authority to the Department of Financial Institutions to process applications, collect fees, and issue licenses. Allows a licensee to charge and collect a periodic interest rate not to exceed 24% per annum. The licensee may also charge fees to defray certain costs. No flex loan shall have an outstanding principle balance more than \$5,000. Sets out certain consumer protection provisions and compliances with other state and federal laws. Authorizes Commissioner to promulgate rules and regulations. Authorizes the Commissioner to suspend or revoke a license under certain circumstances. Allows an aggrieved party to file a complaint with the Department. Requires annual reporting by licensees. Makes allowances for a newly created entity to provide a balance sheet in lieu of an audited financial statement in its application. Authorizes the Commissioner to require criminal background checks and fingerprinting. Effective date of January 1, 2015. Senate Amendment 4 (016042) authorizes the department of financial institutions, in the department's sole discretion, to allocate a portion of the total amount collected in fees to the Tennessee Financial Literacy Commission. Prohibits any flex plan from having an outstanding principal balance in excess of \$4,000, whereas previously the bill provided a \$5,000 limit. Changes from two percent to three percent the per calendar month provision for such flex plans in TCA 45-12-11(e).

**Fiscal Note** (Dated February 18, 2014) NOT SIGNIFICANT

**Senate Status** 04/14/2014 - Senate passed with amendments 3 and 4.

**House Status** 04/15/2014 - House passed.

**Executive Status** 04/15/2014 - Sent to the speakers for signatures.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 45, relative to the Flexible Credit Act.

## Landlord Tenant

### SB1732 / HB1409 Execution of a writ of possession.

**Sponsors** Sen. Doug Overbey / Rep. William G. Lamberth

**Description** Allows a plaintiff, after the execution of a writ of possession, to place the defendant's personal property in an appropriate area clear of the entrance to the premises and at a reasonable distance from any roadway, but they are prohibited from disposing of the personal property of a defendant for 48 hours. Also, temporarily suspends the actions of any local government relative to the disposition of personal property for that 48 hour time period..

**Amendment** HOUSE AMENDMENT 1 (012881) makes the bill. Prohibits items taken from the home be placed out on the roadway. Requires items to be placed somewhere on the property. Places a 48 hour time frame for when the tenant can come get their items and after that time frame the landlord has the authority to do whatever they want with the property. Provides that the city and county are not liable for the personal property once the landlord places it on the property. Makes a technical correction.

**Fiscal Note** (Dated February 2, 2014) NOT SIGNIFICANT

**Senate Status** 02/27/2014 - Senate passed.

**House Status** 02/27/2014 - House passed with amendment 1.

**Executive Status** 03/19/2014 - Enacted as Public Chapter 0534 effective July 1, 2014.

**Public Chapter** 534

**Caption** AN ACT to amend Tennessee Code Annotated, Title 5; Title 6; Title 7; Title 29, Chapter 18, Part 1 and Title 66, relative to the disposition of personal property after the execution of a writ of possession.

### SB1787 / HB1573 Shortens termination time for landlords in breached rental agreements.

**Sponsors** Sen. Ferrell Haile / Rep. Sheila Butt

**Description** Decreases the amount of notice a landlord is required to give a tenant before terminating a rental agreement. It eliminates the initial 30 day notice requirement for termination of a rental agreement that is in breach. For reoccurring violations within a six month time period the required notice from a landlord to the tenant for termination of the rental agreement is reduced from 14 days to seven days, and if the breach cannot be remedied by payment or repairs the

landlord's notice of termination requirement is reduced from 30 days to 14 days.

**Fiscal Note** (Dated February 2, 2014) NOT SIGNIFICANT  
**Senate Status** 02/12/2014 - Senate passed.  
**House Status** 03/10/2014 - House passed.  
**Executive Status** 03/31/2014 - Enacted as Public Chapter 0593 effective March 28, 2014.  
**Public Chapter** 593

**Caption** AN ACT to amend Tennessee Code Annotated, Title 66, Chapter 28, relative to the uniform residential landlord and tenant act.

### **SB1788 / HB1408 Forcible entry and detainer actions - decreased appeal time period.**

**Sponsors** Sen. Ferrell Haile / Rep. William G. Lamberth

**Description** Allows a general sessions judgment for a forcible entry and detainer action to be appealed in three days instead of 10 days.

**Amendment** HOUSE BUSINESS & UTILITIES COMMITTEE AMENDMENT 1 (012722) allows for the appealing party to petition the judge for an execution of judgment in three days if it would result in an undue hardship to the defendant. In such a case, the judge may permit up to 10 days to appeal. Makes technical corrections in the drafting language. SENATE JUDICIARY COMMITTEE AMENDMENT 1 (013516).

**Fiscal Note** (Dated February 1, 2014) NOT SIGNIFICANT

**Senate Status** 03/18/2014 - Failed in Senate Judiciary Committee on a 4-4 vote after adopting amendment 1 (013516).

**House Status** 03/20/2014 - Taken off notice in House Calendar & Rules Committee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 27, Chapter 5, Part 1 and Title 29, Chapter 18, Part 1, relative to evictions.

## **Licensing and Regulation**

### **SB1503 / HB1397 Failure to alert police when meth is manufactured on property.**

**Sponsors** Sen. Mark Green / Rep. William G. Lamberth

**Description** Creates a Class B misdemeanor of intentionally failing to notify law enforcement within 24 hours of discovering that methamphetamine is being manufactured in or on property or structures. Specifically applies to the owner, manager, caretaker, person or employee who is charged with the care of that property, structure or room.

**Amendment** Senate amendment 1 (012182) rewrites this bill to make it a Class B misdemeanor criminal offense for any landlord, owner, manger, caretaker, agent of the owner or employee who knows or reasonably should know that methamphetamine has been manufactured or is being manufactured on real property or any building, structure, or room located on such property on or in which such person performs compensated labor or is employed to or has a duty or responsibility to care for or manage to intentionally fail to notify the appropriate law enforcement agency within 24 hours of acquiring such knowledge. The offense that this amendment creates will not apply to property that the person having a duty to report as described above owns or has a mortgage on, resides in and does not derive rental income from.

**Fiscal Note** (Dated January 27, 2014) NOT SIGNIFICANT

**Senate Status** 02/12/2014 - Senate passed with amendment 1.

**House Status** 03/24/2014 - House passed.

**Executive Status** 04/14/2014 - Enacted as Public Chapter 0640 effective July 1, 2014.

**Public Chapter** 640

### **SB1799 / HB1493 Disposal of asphalt roofing shingles.**

**Sponsors** Sen. Steve Southerland / Rep. Ryan Williams

**Description** Prohibits owners and operators of sanitary landfills located within a 25 mile radius of sites where asphalt roofing shingles are recycled pursuant to the issuance of a permit-by-rule from accepting, for disposal, loads of whole or processed asphalt roofing shingles. Requires the underground storage tanks and solid waste disposal control board to post on its website the name and address of each site at which the recycling of asphalt roof shingles is approved pursuant to the issuance of a permit-by-rule. Authorizes the board to promulgate rules and regulations in accordance with the UAPA to effectuate the purposes of this act.

**Amendment** House Agriculture & Natural Resources Subcommittee amendment 1 (013257) changes language in Section A stating that it refers to loads made primarily of asphalt shingles. Reduces the radius from 25 miles to 15 miles.



**Fiscal Note** (Dated January 29, 2014) NOT SIGNIFICANT

**Senate Status** 03/12/2014 - Taken off notice in Senate Energy, Agriculture & Natural Resources Committee.

**House Status** 03/05/2014 - Failed in House Agriculture & Natural Resources Subcommittee after adopting amendment 1.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 68, Chapter 211 and Title 68, Chapter 213, relative to solid waste disposal.

**SB2026 / HB1834 E-Verify required for of employers with more than six employees.**

**Sponsors** Sen. Joey Hensley / Rep. Joe Carr

**Description** Requires governmental entities and private employers with 6 or more employees to verify new hires using the E-Verify program.

**Fiscal Note** (Dated March 15, 2014) NOT SIGNIFICANT

**Senate Status** 01/29/2014 - Referred to Senate State & Local Government Committee.

**House Status** 03/19/2014 - Taken off notice in House State Government Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Section 12-3-309 and Title 50, Chapter 1, relative to employment.

**SB2051 / HB2297 Home improvement contractor licensing revisions.**

**Sponsors** Sen. Doug Overbey / Rep. Dennis Powers

**Description** Redefines certain terms in TCA: 62-06, relative to home improvement contractors, and changes other home improvement contractor licensing provisions. Removes the provision providing that no home improvement contractor's license may be required for an individual who performs labor or services for a home improvement contractor or subcontractor for wages or salary. Redefines "mortgage loan for home improvement" to mean a consumer credit mortgage loan transaction involving property located within this state regardless of the amount of the loan. Removes the provision establishing that if home improvement contractors in a county are exempted from licensure, due to a county exclusion, the legislative body of the county may, by a two-thirds majority vote, elect to make the provisions regarding home improvement contractors applicable to that county.

**Fiscal Note** (Dated March 7, 2014) Increase State Revenue - \$110,000/Board for Licensing Contractors  
Other Fiscal Impact - Assuming such increase in fee revenue, the Board for Licensing Contractors may reduce fees to more adequately and efficiently administer this licensing program.

**Senate Status** 03/18/2014 - Taken off notice in Senate Commerce & Labor Committee.

**House Status** 03/18/2014 - Taken off notice in House Business & Utilities Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 62, Chapter 6, Part 5, relative to home improvement contractors.

**SB2282 / HB2163 Enforcement of International Residential Code.**

**Sponsors** Sen. Steven Dickerson / Rep. Jason Powell

**Description** Prohibits the enforcement of Section 501.3 of the 2012 International Residential Code until January 1, 2016.

**Amendment** House amendment 1 (013581) rewrites the bill. Deals with unintentional consequences from international building codes; requires dry wall in crawl spaces and puts businesses at a competitive disadvantage. Authorizes state and local governments, when enforcing Section 501.3 of the 2012 International Residential Code (IRC), to not observe the exemption given to fuel-fired appliances prior to January 1, 2016.

**Fiscal Note** (Dated March 9, 2014) NOT SIGNIFICANT

**Senate Status** 03/31/2014 - Senate passed.

**House Status** 03/31/2014 - House passed with amendment 1 (013581).

**Executive Status** 04/17/2014 - Enacted as Public Chapter 0679 effective April 14, 2014.

**Public Chapter** 679

**Caption** AN ACT to amend Tennessee Code Annotated, Section 68-120-101, relative to section 501.3 of the 2012 International Residential Code.

**SB2318 / HB1789 Warranty requirements - HVAC systems.**

**Sponsors** Sen. Randy McNally / Rep. Roger Kane

**Description** Requires persons making an express warranty regarding an HVAC system to include language in the warranty that identifies the person making the warranty and language that conforms to certain federal standards. Requires warranty or product registration form to contain certain information regarding such warranty. Prohibits certain express warranties from being labeled as a warranty registration or warranty confirmation. Requires violations of this provision to be an unfair or deceptive act. Allows civil actions for such violations. Specifies civil damages for such action.

**Fiscal Note** (Dated February 18, 2014) NOT SIGNIFICANT

**Senate Status** 03/12/2014 - Taken off notice in Senate Commerce & Labor Committee.

**House Status** 03/12/2014 - Taken off notice in House Consumer & Human Resources Subcommittee.  
**Caption** AN ACT to amend Tennessee Code Annotated, Title 24 and Title 47, relative to warranties.

**SB2341 / HB2387 Allows notaries public to charge reasonable fees for their services.**  
**Sponsors** Sen. Jack Johnson / Rep. Vance Dennis  
**Description** Permits notaries public to charge reasonable fees and compensation for their services. Requires them to keep a record of their acts, attestations, protestations, and other instruments of publication in a well-bound book. Declares that notaries public are approved or accepted by, and not appointed by, the governor. Broadly captioned.  
**Amendment** Senate amendment 1 (015392) changes the effective date to October 1, 2014.  
**Fiscal Note** (Dated March 9, 2014) NOT SIGNIFICANT  
**Senate Status** 04/03/2014 - Senate passed with amendment 1 (015392).  
**House Status** 04/09/2014 - House concurred in Senate amendment 1.  
**Executive Status** 04/15/2014 - Sent to governor.  
**Caption** AN ACT to amend Tennessee Code Annotated, Title 2; Title 4; Title 8 and Title 18, relative to notaries public.

**SB2343 / HB2418 Fine for committing certain offenses related to smoke detectors.**  
**Sponsors** Sen. Bill Ketron / Rep. Dale Carr  
**Description** Increases the fine for committing certain offenses relating to smoke detectors from a fine up to fifty dollars to a fine of one hundred dollars.  
**Fiscal Note** (Dated March 7, 2014) NOT SIGNIFICANT  
**Senate Status** 01/29/2014 - Referred to Senate Judiciary Committee.  
**House Status** 03/18/2014 - Taken off notice in House Criminal Justice Subcommittee.  
**Caption** AN ACT to amend Tennessee Code Annotated, Title 37; Title 66 and Title 68, relative to smoke detectors.

**SB2413 / HB2276 Davidson County - residential landlord registration.**  
**Sponsors** Sen. Douglas Henry Jr. / Rep. Brenda Gilmore  
**Description** Requires any landlord registering in Davidson county to provide the landlord's or their agent's physical address to the department of codes and building safety. Also requires the landlord or their agent to notify the department if any such information changes, or if ownership of the dwelling units changes, within thirty (30) days of such change.  
**Amendment** House amendment 1 (013309) provides that landlords give contact information and give notice within 30 days following a sale of property.  
**Fiscal Note** (Dated February 21, 2014) NOT SIGNIFICANT  
**Senate Status** 04/10/2014 - Senate concurred in House amendment 1.  
**House Status** 04/07/2014 - House passed with amendment 1 (013309).  
**Caption** AN ACT to amend Tennessee Code Annotated, Title 13; Title 29, Chapter 3; Title 37; Title 39; Title 40; Title 55 and Title 66, Chapter 28, relative to residential landlord registration.

**SB2556 / HB2471 Bylaws of homeowners associations.**  
**Sponsors** Sen. Mae Beavers / Rep. Susan Lynn  
**Description** Expands the definition of an HOA's bylaws to include the HOA's financial statements and operating budget when a buyer, prior to purchasing property located in a PUD, requests that such bylaws be disclosed.  
**Fiscal Note** (Dated February 18, 2014) NOT SIGNIFICANT  
**Senate Status** 02/10/2014 - Referred to Senate Commerce & Labor Committee.  
**House Status** 03/18/2014 - Taken off notice in House Business & Utilities Subcommittee.  
**Caption** AN ACT to amend Tennessee Code Annotated, Title 13; Title 48 and Title 66, relative to homeowner's associations.

**SB2581 / HB2488 Notice of percolation testing.**  
**Sponsors** Sen. Todd Gardenhire / Rep. Mike Carter  
**Description** Increase the period of time, from 3 to 5 business days, required for applicants for subsurface sewage disposal permits to notify the department of environment and conversation when percolation testing.  
**Amendment** SENATE ENERGY, AGRICULTURE & NATURAL RESOURCES COMMITTEE AMENDMENT 1 (014246) deletes all language after the enacting clause. Requires water providers in Hamilton County to enter into contracts with wastewater treatment authorities prior to July 1, 2015, for the collection of sewer charges at a rate not to exceed \$1.50 per customer for each billing cycle. HOUSE AGRICULTURE & NATURAL RESOURCES SUBCOMMITTEE AMENDMENT 1.  
**Fiscal Note** (Dated February 21, 2014) NOT SIGNIFICANT  
**Senate Status** 03/27/2014 - Re-referred to Senate Calendar Committee.  
**House Status** 04/01/2014 - Taken off notice in House Agriculture & Natural Resources Committee.  
**Caption** AN ACT to amend Tennessee Code Annotated, Title 5; Title 6; Title 7; Title 65 and Title 68,

## Local Government

### **SB915 / HB964 Development standards for building permits.**

**Sponsors** Sen. Frank Niceley / Rep. Curry Todd

**Description** Creates vesting periods of five years in which certain regional and municipal development standards remain in effect from the date an application for building permit or approval of preliminary plat is submitted to the end of the vesting period or the last phase of development.

**Amendment** SENATE AMENDMENT 3 (001250) rewrites the bill. Establishes the "Vested Property Rights Act of 2014." Rewrites the bill. Establishes a vested property right for a development plan or building permit which would require locally adopted development standards in effect on the date of the approval of the development plan or building permit to remain the development standards applicable throughout the vesting period. Vesting periods for building permits begin at the date of issuance and shall remain in effect for the time period authorized by the issuing local government; development plans have an initial vesting period of three years. If the development occurs in phases, there shall be a separate vesting period applicable to each phase. A vested property right shall attach to and run with the applicable property and shall confer upon the applicant the right to undertake and complete the development and use the property under the terms and conditions of a development plan. Provides that if an applicant to a development plan obtains local government approval of a final development plan, secures any necessary permits, and commences site preparations within the vesting period, the vesting period shall be extended an additional two years to commence construction from the date to the expiration of the three year period. Clarifies that there is a 10 year cap for a single phase project and a 15 year cap on multi-phase projects. Makes technical corrections.

**Fiscal Note** (Dated: March 8 2013) Other Fiscal Impact - Due to several unknown factors associated with future property tax assessments, property developments, and property tax collections by local government, a precise fiscal impact cannot be determined; however, the net fiscal impact to local government is estimated to be not significant.

**Senate Status** 03/31/2014 - Senate passed with amendment 3.

**House Status** 04/02/2014 - House passed.

**Executive Status** 04/15/2014 - Signed by governor.

**Caption** AN ACT to amend Tennessee Code Annotated, Section 13-4-310 and Section 13-3-413, relative to development standards.

### **SB2107 / HB2383 Division of land to be submitted to planning commission for approval.**

**Sponsors** Sen. Janice Bowling / Rep. Susan Lynn

**Description** Requires all plats showing a division of land be submitted to the regional planning commission first to determine whether the plat must be approved by the regional planning commission or whether the plat is exempt from such approval. Provides details to such procedure. Requires a certificate to be filed with the plat in certain circumstances

**Fiscal Note** (Dated February 13, 2014) NOT SIGNIFICANT

**Senate Status** 03/04/2014 - Taken off notice in Senate State & Local Government Committee.

**House Status** 02/12/2014 - Referred to House Local Government Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 13, Chapter 3, Part 4 and Title 13, Chapter 4, Part 3, relative to recording plats of land division by the county register of deeds.

### **SB2108 / HB2380 Subdivision plat - bond and recording.**

**Sponsors** Sen. Janice Bowling / Rep. Susan Lynn

**Description** Requires the posting of a bond or other guarantee for unfinished streets and other infrastructure projects in an approved subdivision plat before a building permit may be issued. Requires that an approved subdivision plat be recorded in the county register of deeds before a building permit may be issued. Allows for a building permit to be issued from and after the time when the platting jurisdiction of any municipal planning commission has attached if the street corresponds in its location and its lines with a street shown on a street plat made and adopted by the commission.

**Amendment** HOUSE AMENDMENT 1 (013832) adds language to Section 1 of the bill that clarifies there would be no additional bond required and also clarifies that the subdivision stated shall not be construed to require duplicate bonds or additional bonds when an adequate bond for infrastructure is already in effect. SENATE AMENDMENT 2 (012680) makes technical changes by correcting a drafting error.

**Fiscal Note** (Dated February 13, 2014) NOT SIGNIFICANT  
**Senate Status** 04/16/2014 - Senate passed with amendment 2 (012680).  
**House Status** 04/16/2014 - House concurred in Senate amendment 2.  
**Caption** AN ACT to amend Tennessee Code Annotated, Title 13, Chapter 3, Part 4 and Title 13, Chapter 4, Part 3, relative to prerequisites for building.

**SB2110 / HB2070 Disclosure of whether a planned unit development is complete.**  
**Sponsors** Sen. Janice Bowling / Rep. Andrew Farmer  
**Description** Requires that prior to selling residential property located within a planned unit development (PUD) that any owner of the property disclose in writing whether the PUD is complete, and if the PUD is not complete, the date in which all property located in a PUD will be developed. Broadly captioned.  
**Amendment** Senate State & Local Government amendment 1 (014164) adds additional language requiring TACIR to conduct a comprehensive study on the law and regulations regarding homeowners associations. Requires the Secretary of State, Office of the Comptroller of the Treasury, and the Department of Commerce and Insurance to provide assistance to TACIR as needed for this study. Requires TACIR to submit a report to the Speakers of the House and Senate by January 1, 2015.

**Fiscal Note** (Dated February 13, 2014) NOT SIGNIFICANT  
**Senate Status** 04/07/2014 - Senate deferred to 04/10/14.  
**House Status** 03/26/2014 - House Local Government Subcommittee deferred to TACIR.  
**Caption** AN ACT to amend Tennessee Code Annotated, Title 5; Title 6; Title 7; Title 13; Title 48 and Title 66, relative to homeowners associations.

**SB2373 / HB2324 Annexing municipality - right to provide utility services.**  
**Sponsors** Sen. Mae Beavers / Rep. Susan Lynn  
**Description** Clarifies that an annexing municipality has the exclusive right to provide utility services in annexed areas if the municipality chooses to provide such services. Adds to the provisions governing water and wastewater treatment authorities that any party having an interest in the subject matter and aggrieved or prejudiced by the finding and adjudication of the water and wastewater treatment authority board may pray and obtain an appeal from the finding and adjudication to the utility management review board within 30 days of the water and wastewater authority treatment board's decision. Allows any party to appeal a decision of the utility management review board in the circuit court of the county in the manner provided by law for appeals from the court of general sessions, upon the execution of appeal bond as provided by law.  
**Fiscal Note** (Dated March 13, 2014) Increase Local Expenditures - Not Significant Other Fiscal Impact - A precise impact to the Office of the Comptroller of the Treasury cannot be determined.  
**Senate Status** 03/18/2014 - Taken off notice in Senate State & Local Government Committee.  
**House Status** 03/18/2014 - Taken off notice in House Business & Utilities Subcommittee.  
**Caption** AN ACT to amend Tennessee Code Annotated, Title 5; Title 6; Title 7; Title 13; Title 65 and Title 68, relative to utility services.

**SB2391 / HB2026 Annexation by ordinance abolished.**  
**Sponsors** Sen. Bo Watson / Rep. Mike Carter  
**Description** Abolishes annexation by ordinance at the initiative of the municipality unless authorized countywide by the county legislative body for the remainder of the twenty-year term of the comprehensive county growth plan ratified and approved immediately following enactment of Chapter 1101 of the Public Acts of 1998.  
**Fiscal Note** (Dated February 12, 2014) Increase Local Expenditures - Exceeds \$100/Permissive Other Fiscal Impact - Due to multiple unknown variables a precise fiscal impact to local government property tax revenue cannot be quantified.  
**Senate Status** 03/06/2014 - Withdrawn in Senate.  
**House Status** 02/20/2014 - Withdrawn in House.  
**Caption** AN ACT to amend Tennessee Code Annotated, Title 6, Chapter 51 and Title 6, Chapter 58, relative to annexation.

**SB2464 / HB2371 Abolishes annexation by ordinance.**  
**Sponsors** Sen. Bo Watson / Rep. Mike Carter  
**Description** Creates the "End of Forced Annexation in Tennessee Act". Abolishes annexation by ordinance at the initiative of the municipality.  
**Amendment** SENATE AMENDMENT 2 (014686) rewrites the bill. Removes the moratorium placed on municipal annexation. Establishes time frames and conditions for which municipalities may petition county legislative bodies for authorization to waive the requirement for a referendum prior to annexation by ordinance. Requires TACIR to complete a comprehensive review and evaluation of the efficacy of state policies established within TCA: Title 6, Chapters 51 and 58

and to submit a written report of findings and recommendations to the Speaker of the House of Representatives and the Speaker of the Senate no later than February 15, 2015. Prohibits the annexation of property used primarily for agricultural purposes without the consent of the owner of the property. Authorizes Davidson, Moore, and Trousdale counties to expand the area of their urban services districts using any method authorized by their charter. Authorizes a municipality to expand its urban growth boundary and annex a tract of land without a referendum under certain circumstances. SENATE AMENDMENT 1 TO 2 (014905) corrects typographical errors.

**Fiscal Note** (Dated February 12, 2014) Other Fiscal Impact - Due to multiple unknown variables a precise fiscal impact to local government property tax revenue cannot be quantified.

**Senate Status** 03/27/2014 - Senate passed with amendments 2 (014686) and 1 to 2 (014905).

**House Status** 04/02/2014 - House passed.

**Executive Status** 04/15/2014 - Signed by governor.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 6, Chapter 51 and Title 6, Chapter 58, relative to annexation.

### **SB2472 / HB2469 Moratorium on annexation by ordinance extended.**

**Sponsors** Sen. Mark S. Norris / Rep. Antonio Parkinson

**Description** Extends moratorium from May 15, 2014, to May 15, 2015, on annexation by a municipality by means of ordinance in order to annex territory being used primarily for residential or agricultural purposes. Extends study by TACIR until February 1, 2015.

**Fiscal Note** (Dated February 22, 2014) Increase State Expenditures " Not Significant Other Fiscal Impact - Due to multiple unknown factors, any change in local government property tax revenue cannot be determined.

**Senate Status** 03/24/2014 - Senate passed.

**House Status** 04/02/2014 - Taken off notice in House Local Government Committee.

**Caption** AN ACT to amend Tennessee Code Annotated, Section 6-51-122, relative to annexation.

## **Mortgages**

### **SB1067 / HB685 Judgment lien on real estate.**

**Sponsors** Sen. Charlotte Burks / Rep. Charles Curtiss

**Description** Clarifies that real property, not personal property, is addressed by the provision creating a judgment lien on real estate. Requires that any abstract of a judgment lien on real property that is recorded include certain information.

**Amendment** HOUSE AMENDMENT 1 (004153) rewrites the bill and provides the following in regard to the removal of invalid liens: (1) If a judgment, decree or other such document affecting title, possessions or use of property is registered as a lien against the property of a person, and such person is not the person against whom the judgment, decree or other document is entered, the lien may be removed by a court of competent jurisdiction upon a showing by a preponderance of evidence that it is not a valid lien against such property; (2) A person who successfully has a lien removed pursuant to this amendment may recover all damages incurred as a result of the judgment lien being filed on the property. The action will be against the person responsible for registering the judgment lien and damages will include the costs, including attorney fees, incurred in removing the lien; and (3) This amendment will not apply to a licensed attorney who prepares a document covered by this amendment in the course or representing a client. SENATE JUDICIARY COMMITTEE AMENDMENT 1 (006648) deletes all language after the enacting clause and rewrites the bill so as to provide a procedure for making a lien holder liable for court costs and attorney fees for wrongfully refusing to release a lien that was improperly filed against real property. Upon written request, a lien holder that obtains the lien against real property has 10 days to record a proper release of the lien if the property owner is not the person against whom the judgment, decree or other attachments, orders, injunctions, and other writs were entered. If the lien holder does not record the release within 10 days, then the lien holder may be liable to the party requesting the release for all reasonable expenses, attorney's fees, and the court costs incurred in the action. The bill does not apply to a licensed attorney who prepares a document covered by the bill in the course of representing a client.

**Fiscal Note** (Dated: March 7 2013) Not Significant.

**Senate Status** 04/09/2013 - Taken off notice in Senate Judiciary Committee after adopting amendment 1.

**House Status** 03/28/2013 - House passed with amendment 1.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 25, Chapter 5, relative to judgments.  
**SB1372 / HB1243 Redefines owner for purposes of mechanics' and materialmen's liens.**

**Sponsors** Sen. Todd Gardenhire / Rep. Richard Floyd

**Description** Redefines an owner regarding mechanics' and materialmen's liens to include lien claimants that seek to attach or sell under process, in addition to other types of owners.

**Amendment** HOUSE AMENDMENT 1 (004560) rewrites the bill. Makes changes to the Methods of Enforcement for Mechanics' and Materialmen's Liens. Specifies that liens shall be served upon the persons whose interests the prime contractor or the remote contractor seeks to attach and sell under process, with the owner(s) being given notice only of the filing of such warrant and writ of attachment. Specifies that when a bond has been provided with the lien being enforced by an action on the bond, the action shall be served upon the principal of the bond, rather than the owner(s). Specifies that these changes shall apply to any lien based on work or labor performed on or after the effective date of July 1, 2013. SENATE AMENDMENT 1 (012544) makes the bill. Makes changes to the Methods of Enforcement for Mechanics' and Materialmen's Liens. Specifies that liens shall be served upon the persons whose interests the prime contractor or the remote contractor seeks to attach and sell under process, with the owner(s) being given notice only of the filing of such warrant and writ of attachment. Specifies that when a bond has been provided with the lien being enforced by an action on the bond, the action shall be served upon the principal of the bond, rather than the owner(s). Specifies that these changes shall apply to any lien based on work or labor performed on or after the effective date of July 1, 2014. Makes technical corrections. SENATE AMENDMENT 3 (012955) makes technical corrections.

**Fiscal Note** (Dated: March 14 2013) Not Significant.

**Senate Status** 02/24/2014 - Senate passed with previously adopted amendments 1 (012544) and 3 (012955).

**House Status** 03/06/2014 - House concurred in Senate amendments 1 and 3.

**Executive Status** 03/31/2014 - Enacted as Public Chapter 0557 effective July 1, 2014.

**Public Chapter** 557

**Caption** AN ACT to amend Tennessee Code Annotated, Title 66, Chapter 11, relative to liens.  
**SB1628 / HB1424 Regulation changes of non-depository financial institutions.**

**Sponsors** Sen. Mark S. Norris / Rep. Gerald McCormick

**Description** Requires persons regulated and supervised by the department of financial institutions' compliance division to be assessed an annual supervision fee. Specifies that mortgage loan originators are exempt from the annual supervision fee. Specifies that the payment of the supervision fee shall be a condition of licensure or registration renewal. Clarifies that the supervision fee is nonrefundable. Specifies that the supervision fee includes annual licensing and registration fees and the costs for a routine examination or investigation of a licensee or registrant regulated by the compliance division. Requires a licensee or registrant to pay the actual expenses incurred for out-of-state examinations and inspections of books, records, and papers maintained out-of-state, in addition to the supervision fee. Specifies that the supervision fee will be \$500 for a person submitting an application to the compliance division for a new license or registration from July 1, 2015 through September 30, 2015. After that time, the supervision fee amount will be determined by the commissioner. Makes other changes concerning the regulation of non-depository financial institutions. (14 pp.) (Part of Administration Package)

**Amendment** Senate amendment 1 (012384) makes several technical corrections without making any substantive changes. House amendment 1 (013545) makes technical corrections and changes the date from June 30, 2015, to July 1, 2015 in which a licensee submitting renewal applications shall not pay a supervision fee.

**Fiscal Note** (Dated February 10, 2014) Other Fiscal Impact - The fiscal impact of the proposed legislation is dependent on the amount of the Department's budget attributable to the regulation and examination of the entities regulated by the Compliance Division and the number of licensees in each industry impacted by this legislation. Any such impact cannot be determined with reasonable certainty. However, based on information provided by the Department, it is estimated that any decrease in revenue in FY14-15 and FY16-17 and subsequent years will be not significant. There will be an indeterminable increase in revenue in FY15-16 due to several industries paying a combination of prorated license fees and partial-year actual and reasonable exam fees, per the current fee structure, as well as supervision fees per the new methodology outlined in this bill. According to the Department, if revenue is significantly higher than expenditures in FY15-16, the Department may seek to apply such surplus as a credit to the following years' budget, so the regulated industries are made whole over time for any excess paid during the FY15-16 transition year. 2 HB 1424 - SB 1628

**Senate Status** 04/07/2014 - Senate concurred in House amendment 1.

**House Status** 04/02/2014 - House passed with amendment 1 (013545).

**Caption** AN ACT to amend Tennessee Code Annotated, Title 45, Chapter 1; Title 45, Chapter 13; Title 45, Chapter 15; Title 45, Chapter 17; Title 45, Chapter 18; Title 45, Chapter 5 and Title 56, Chapter 37 relative to regulation and supervision of certain non-depository financial institutions.

**SB1939 / HB1458 High cost home lenders - fees limited for certain pay-off statements.**

**Sponsors** Sen. Jack Johnson / Rep. Jimmy A. Eldridge

**Description** Limits fee to \$10, instead of specifying a reasonable fee, that high-cost home loan lenders or servicers may charge for third or subsequent pay-off statement provided to a borrower in a 12-month period.

**Fiscal Note** (Dated January 22, 2014) NOT SIGNIFICANT

**Senate Status** 01/27/2014 - Referred to Senate Commerce & Labor Committee.

**House Status** 01/22/2014 - Referred to House Insurance & Banking Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 45 and Title 47, relative to consumer protection.

**SB2096 / HB2118 Proceeds of checks made payable to a deceased individual.**

**Sponsors** Sen. John Stevens / Rep. Cameron Sexton

**Description** Under present law (TCA 45-2-708), where no executor or administrator of a deceased depositor has qualified and given notice of the person's qualifications to a bank, the bank may, in its discretion, and at any time after 30 days from the death of the depositor, pay out of all accounts, maintained with it by the depositor in an individual capacity, all sums that do not exceed \$10,000 in the aggregate: (1) To the executor named in any will known to the bank; or (2) In the absence of knowledge of a purported will naming a surviving executor to: a creditor for expenses of the funeral; a creditor for the expenses of the last illness; the surviving spouse; and the next of kin. This bill adds that where no executor or administrator of a decedent has qualified and given notice of the person's qualifications to a bank, savings institution or credit union (referred to collectively in this summary as "bank"), or where the qualified executor or administrator of a decedent has been discharged and a check or checks made payable to the decedent is presented to the bank for payment or collection, the bank may, in its discretion, and at any time after 90 days from the death of the deceased, negotiate or send for collection and pay out the proceeds of one or more checks made payable to the deceased, whether written or electronic, all sums that do not exceed \$2,500 in the aggregate: (1) To the executor named in any will known to the bank whether probated or not; (2) To any personal representative appointed by a court whether active or discharged; or (3) In the absence of knowledge of a purported will naming a surviving executor or an administrator to the surviving spouse or next of kin. In the case of conflicting claims, the order of priority will be that set out above in (1)-(3). Specifies that the receipt of any, guardian, administrator or executor, duly appointed or qualified by the courts of this state, or any other state, or of any spouse or next of kin acknowledging the negotiation, payment or transfer of funds of a check, standing in the name of the person whose estate the fiduciary represents, will be a good and sufficient acquittance for payment or transfer and will constitute a valid defense in favor of the bank against the demands or claims of all parties. Directs banks to require any persons seeking to cash checks payable to a decedent as provided in this bill to deliver to the bank an affidavit; this bill details the minimum information that must be contained in the affidavit. This bill provides that the bank may, in its discretion, require any persons seeking to collect monies from a deceased depositor's account or accounts, as provided in TCA 45-2-708 (described above), to deliver to the bank an affidavit as provided in this bill. This bill also authorizes the bank to require any person who obtains funds from a deposit account pursuant to the above-described present law provision or to negotiate checks pursuant to this bill to provide an indemnity and guarantee to the bank in the amount of the funds obtained.

**Amendment** SENATE AMENDMENT 1 (012421) makes technical changes by adding the word "and" immediately after the language "estate" in Section 2 and Section 3 of the bill. HOUSE AMENDMENT 2 (013116) removes one comma.

**Fiscal Note** (Dated: February 6, 2014) NOT SIGNIFICANT

**Senate Status** 03/06/2014 - Senate concurred in House amendment 2.

**House Status** 02/27/2014 - House passed with amendment 2 (013116).

**Executive Status** 03/31/2014 - Enacted as Public Chapter 0597 effective March 28, 2014.

**Public Chapter** 597

**Caption** AN ACT to amend Tennessee Code Annotated, Title 3, Chapter 5; Title 4, Chapter 4; Title 45, Chapter 2; Title 45, Chapter 3 and Title 45, Chapter 4, relative to financial institutions.

**SB2105 / HB2181 Selling judgment debtor's property - commission allowed.**

**Sponsors** Sen. Dolores R. Gresham / Rep. Barrett Rich

**Description** Allows a sheriff to collect commission set and approved by the court as part of the reasonable expenses owed to the sheriff when selling a judgment debtor's property to satisfy a judgment lien pursuant to the rules of civil procedure. Broadly captioned.

**Fiscal Note** (Dated March 15, 2014) NOT SIGNIFICANT

**Senate Status** 04/01/2014 - Taken off notice in Senate Judiciary Committee.

**House Status** 02/04/2014 - Referred to House Civil Justice Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 8; Title 16; Title 25 and Title 26, relative to satisfaction of a judgment lien.

### **SB2334 / HB1864 Nonrecourse Mortgage Loan Act - covenants as a nonrecourse carveout.**

**Sponsors** Sen. Brian K. Kelsey / Rep. Steve McManus

**Description** Enacts the Nonrecourse Mortgage Loan Act, which prohibits post-closing solvency covenants from being used, directly or indirectly, as a nonrecourse carveout or as the basis for the claim or action against a borrower, guarantor, or other surety on a nonrecourse plan. Clarifies that the statute does not prohibit a loan secured by a mortgage on real property located in this state from being fully recourse to the borrower of the guarantor, including, but not limited to, as a result of a post-closing solvency covenant, if the loan documents for the loan do not contain nonrecourse loan provisions.

**Fiscal Note** (Dated February 17, 2014) NOT SIGNIFICANT

**Senate Status** 01/29/2014 - Referred to Senate Commerce & Labor Committee.

**House Status** 02/04/2014 - Referred to House Insurance & Banking Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 45; Title 47 and Title 66, relative to the nonrecourse mortgage loan act.

### **SB2399 / HB2208 Trustee to rescind a foreclosure sale.**

**Sponsors** Sen. Mark Green / Rep. Tim Wirgau

**Description** Authorizes a trustee within five (5) days of a foreclosure sale to rescind the sale, trustee's deed, or similar document of conveyance by filing an affidavit with the applicable register of deeds.

**Amendment** House amendment 1 (014393) rewrites the bill. Changes the commission that a court clerk may charge, in addition to fees required by statute, for selling real or personal property under decree of court and for receiving, collecting, and paying out the proceeds of such a sale. Allows a court clerk to charge a three percent commission on the amount of the sale. SENATE AMENDMENT 3 (016227) incorporates the changes described in the Summary for House Amendment #1. This amendment specifies that special commissioners who are appointed by a court to sell property will not be permitted to take a commission in excess of the amount of the fee that court clerks may charge for selling real or personal property under decree of court, and receiving, collecting, and paying out the proceeds. This amendment adds a requirement that judicial trust sales not occur on Sundays or state or federal legal holidays.

**Fiscal Note** (Dated February 19, 2014) NOT SIGNIFICANT

**Senate Status** 04/15/2014 - Senate passed with amendment 3 (016227).

**House Status** 04/16/2014 - House concurred in Senate amendment 3.

**Executive Status** 04/16/2014 - Sent to the speakers for signatures.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 8; Title 16; Title 21; Title 26 and Title 35, relative to the sale of property.

### **SB2448 / HB2359 Prohibited personal property and homestead exemptions.**

**Sponsors** Sen. Todd Gardenhire / Rep. Mike Carter

**Description** Prohibits a person from claiming property that was purchased or maintained with funds by fraud or the ownership of which was maintained with funds obtained by fraud, as part of the personal property or homestead exemptions.

**Amendment** House amendment 1 (013542) specifies that the item or property will not be eligible for the exemption "in whole or in part".

**Fiscal Note** (Dated February 17, 2014) NOT SIGNIFICANT

**Senate Status** 04/09/2014 - Senate passed.

**House Status** 03/17/2014 - House passed with amendment 1.

**Executive Status** 04/15/2014 - Sent to governor.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 26, relative to exemptions.

## **Property Taxes**



**SB1599 / HB1449 Supervision of reappraisals and revaluation programs.**

**Sponsors** Sen. Jack Johnson / Rep. Jeremy Faison

**Description** Removes the phrase "to the cost of which the state of Tennessee contributes", requiring the division of property assessments to be responsible for supervising and directing all reappraisals and evaluation programs, regardless of whether or not the state assists with a per-parcel grant in the local costs.

**Fiscal Note** (Dated January 28, 2014) NOT SIGNIFICANT

**Senate Status** 02/24/2014 - Senate passed.

**House Status** 02/26/2014 - Taken off notice in House State Government Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, Part 16, relative to reappraisal and revaluation programs.

**SB1671 / HB1390 Tax of property qualifying for low-income housing tax credit.**

**Sponsors** Sen. Steve Southerland / Rep. Jeremy Faison

**Description** Requires that property that qualifies for federal low-income housing tax credits be valued for property taxation based on the actual income derived from the property, and not the value adjusted based on the amount of any federal low-income housing tax credits awarded for the development of the property. To ensure valuation for purposes of taxation of a property that qualifies for federal low-income housing tax credits, obligates an owner to apply to the assessor before March first of each tax year. Requires the property owner to include information that may reasonably be required to determine that the property qualifies for appraisal.

**Senate Status** 04/08/2014 - Senate Finance, Ways & Means Committee deferred to TACIR for summer study.

**House Status** 04/08/2014 - House Finance Subcommittee referred bill to TACIR.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5,

**SB1677 / HB1448 Capitalization rate defined for greenbelt purposes.**

**Sponsors** Sen. Steve Southerland / Rep. David B. Hawk

**Description** Revises how the "capitalization rate" is determined by basing it on the average lending rate for agricultural land determined by the state board of equalization based on its most recent survey of lenders at the time of the calculation.

**Amendment** Senate amendment 1 (012760) changes entity referenced in the bill for publishing capitalization rates from the Tennessee agricultural statistics service to the Federal Farm Services Agency.

**Fiscal Note** (Dated January 26, 2014) Increase Local Revenue - Exceeds \$100,000/FY15-16

**Senate Status** 03/06/2014 - Senate passed with amendment 1.

**House Status** 03/10/2014 - House passed.

**Executive Status** 03/31/2014 - Enacted as Public Chapter 0589 effective January 1, 2015.

**Public Chapter** 589

**Caption** AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, Part 10, relative to the Agricultural, Forest and Open Space Land Act of 1976.

**SB2128 / HB2165 Changes to delinquent property tax procedures.**

**Sponsors** Sen. Jack Johnson / Rep. Charles M. Sargent

**Description** Alters various delinquent property tax procedures. Alters priority of claims against estates. Requires notice to assessor and trustee under certain additional circumstances. Alters assessment of penalties and interest. Allows official tax number to be used as concise description. Clarifies that property tax is not required to be filed as a claim in probate. Alters provisions regarding tax liens proceedings, tax liens enforcement, tax lien sales of property, and redemption of property. (13 pp.)

**Amendment** Senate amendment 1 (013451) states that upon the court declaring that the redemption is complete the sale shall be set aside and the lienholder who redeems the parcel may thereafter proceed to foreclose upon the parcel or enforce such lien.

**Fiscal Note** (Dated March 4, 2014) Increase State Expenditures - Not Significant Increase Local Expenditures - Not Significant Other Fiscal Impact - Due to unknown variables, the fiscal impact to local government revenue cannot be determined.

**Senate Status** 03/10/2014 - Senate passed with amendment 1.

**House Status** 04/14/2014 - House passed.

**Executive Status** 04/14/2014 - Sent to the speakers for signatures.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 30, Chapter 2 and Title 67, Chapter 5, relative to delinquent property taxes.

**SB2283 / HB1938 Continued property tax exemption-federally financed property.**

**Sponsors** Sen. Steven Dickerson / Rep. Gary Odom

**Description** Permits continued property tax exemption for property financed by certain federal programs, when the loan has been paid in full and the property continues to be used for elderly persons

or persons with disabilities.

**Amendment** Senate amendment 1 (013944) rewrites the bill. Extends the property tax exemption for nonprofit housing for low-income elderly or disabled persons funded by a loan made, insured, or guaranteed by the federal government, after such loan is paid. Requires owners of projects exceeding 12 units to agree to make payments in lieu of taxes (PILOT), not less than 25 percent of the amount of exemption, to the tax jurisdictions in which they are located. The provisions of the bill apply to applications approved after the effective date of the bill, applications pending or under appeal on the effective date, and to projects funded by loans whose exemptions are continued under the provisions of this bill.

**Fiscal Note** (Dated February 28, 2014) Decrease Local Revenue - Exceeds \$600,000/FY15-16 to FY18-19 Exceeds \$2,000,000/FY19-20 to FY48-49 Exceeds \$2,200,000/FY49-50 and Subsequent Years

**Senate Status** 04/09/2014 - Senate passed with amendment 1.

**House Status** 04/14/2014 - House passed.

**Executive Status** 04/14/2014 - Sent to the speakers for signatures.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, Part 2, relative to property tax exemptions.

### **SB2336 / HB2051 Increases in property tax rates higher than 25 percent - approval.**

**Sponsors** Sen. Brian K. Kelsey / Rep. Mike Sparks

**Description** Requires any increase in the property tax rate higher than 25 percent by a county or municipality to be approved through a referendum.

**Amendment** House Local Government Committee amendment 1 (013762) rewrites the bill to include "within a one year period" in Section 1.

**Fiscal Note** (Dated February 28, 2014) Forgone Local Revenue - Exceeds \$100,000 Other Fiscal Impact - The number of local governments who will elect to hold a special election for the purpose of increasing the property tax rate in excess of 25 percent is unknown; however the one-time increase in local expenditures associated with holding any special election is reasonably estimated to exceed \$10,000.

**Senate Status** 04/01/2014 - Taken off notice in Senate State & Local Government Committee.

**House Status** 04/02/2014 - Taken off notice in House Finance Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 67, relative to requiring a referendum for certain proposed property tax increases.

### **SB2376 / HB2058 Eliminates a requirement to pay greenbelt rollback taxes.**

**Sponsors** Sen. John Stevens / Rep. Andy Holt

**Description** Removes requirement that a person pay three years of greenbelt rollback taxes on property deemed ineligible for greenbelt classification due to the buyer or purchaser previously exceeding the maximum allowable acreage.

**Fiscal Note** (Dated February 8, 2014) Decrease Local Revenue - Exceeds \$75,000

**Senate Status** 01/30/2014 - Referred to Senate State & Local Government Committee.

**House Status** 04/14/2014 - Taken off notice in House Finance Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, Part 10, relative to greenbelt rollback taxes.

### **SB2507 / HB2236 Collection of fees - property included on delinquent tax lists.**

**Sponsors** Sen. Reginald Tate / Rep. Ron Lollar

**Description** Permits the county trustee, in counties having over 300,000 tax parcels to collect fees and costs, in addition to delinquent taxes, penalties and interest, on all property included on delinquent tax lists upon adoption of a resolution.

**Fiscal Note** (Dated February 21, 2014) Other Fiscal Impact " Due to multiple unknown variables, a precise fiscal impact to local government cannot be determined; however the permissive net increase in local government revenues is estimated to exceed \$10,000.

**Senate Status** 03/31/2014 - Senate passed.

**House Status** 04/02/2014 - House passed.

**Executive Status** 04/15/2014 - Signed by governor.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, Part 24, relative to the enforcement of tax liens.

### **SB2553 / HB2451 Correcting errors in the computation of a certified tax rate.**

**Sponsors** Sen. Ken Yager / Rep. Steve McDaniel

**Description** Allows the state board of equalization to correct an error in the computation of a certified tax rate. Makes corrected rate applicable to tax year in which the certified tax rate is calculated if the error is corrected before the tax billing date and in the next tax year if the error is corrected after the tax billing date.

**Fiscal Note** (Dated February 14, 2014) Decrease Local Expenditures " Exceeds \$200

**Senate Status** 04/15/2014 - Senate passed.

**House Status** 04/15/2014 - House passed.

**Executive Status** 04/15/2014 - Sent to the speakers for signatures.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 67, relative to tax neutral property tax rates.

**SB2599 / HB2503 Property tax relief program subject to appropriations.**

**Sponsors** Sen. Mark S. Norris / Rep. Charles M. Sargent

**Description** Specifies that the costs of the property tax relief program are subject to annual appropriations.

**Amendment** House amendment 1 (014487) rewrites the bill. Establishes that all taxpayers otherwise eligible for the property tax relief but who fail to apply for a refund or present a credit voucher for credit on their taxes by the date taxes in the jurisdiction become delinquent for that year, rather than within 35 days from the date, and shall be deemed ineligible for such relief for that tax year. Requires such applications or presentments of credit vouchers to be received by the Office of Division of Property Assessment by March 15, instead of May 5, following the last date such applications or presentments may be made, or within 15 days, instead of 30 days, from the deadline established above, whichever is later. Authorizes the comptroller of the treasury to uniformly adjust individual payments by a factor that will permit all timely claims to be paid within limits of the appropriation, if annual appropriations are insufficient to permit payments reflecting the income and value standards established in this part or in the annual appropriations act. House amendment 2 (015402) deletes all language after the enacting clause. Requires the Comptroller of the Treasury to uniformly adjust individual payments by a factor that will permit all timely claims to be paid within the limits of the appropriation, if the Comptroller determines that annual appropriations are insufficient to permit full payments of claims reflecting the income and value standards established in this part or in the annual appropriations act. Requires the Comptroller to, upon making this determination and calculating the appropriate factor, promptly notify local collecting officials and the Commissioner of Finance and Administration.

**Fiscal Note** (Dated February 19, 2014) NOT SIGNIFICANT

**Senate Status** 04/14/2014 - Senate passed.

**House Status** 04/10/2014 - House passed with amendments 1 and 2.

**Executive Status** 04/17/2014 - Sent to governor.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 67, relative to statutory revisions required for implementation of the annual appropriations act.

## Public Finance

**SB462 / HB552 Comptroller approval for local government debt changes.**

**Sponsors** Sen. Ken Yager / Rep. Charles Curtiss

**Description** Establishes that once debt has been issued by a public entity any change to the debt structure must first be approved by the comptroller of the treasury before the debt can be refunded, renewed, or extended. Requires the comptroller of the treasury to approve any debt before it is issued by a public entity.

**Amendment** SENATE AMENDMENT 1 (006158) deletes all language after the enacting clause. Directs the State Funding Board to study the need and cost for additional oversight by the state in the issuance, restructure, and refinance of debt by local government and local government instrumentalities and report any findings and recommendations to the General Assembly no later than February 15, 2014. HOUSE AMENDMENT 2 (011612) requires certain local governments or local government instrumentalities to obtain the approval of the comptroller of the treasury before issuing any balloon indebtedness on and after July 1, 2014. HOUSE AMENDMENT 3 (012559) makes technical corrections.

**Fiscal Note** (Dated: March 15 2013) Increase State Expenditures - \$205,800.

**Senate Status** 02/24/2014 - Senate concurred in House amendments 2 and 3.

**House Status** 02/13/2014 - House passed with amendments 2 and 3.

**Executive Status** 03/19/2014 - Enacted as Public Chapter 0529 effective July 1, 2014.

**Public Chapter** 529

**Caption** AN ACT to amend Tennessee Code Annotated, Title 9, Chapter 21, relative to issuance of local government debt.

**SB1465 / HB1695 Financially distressed home rule municipality: improvement plans.**

**Sponsors** Sen. Mark S. Norris / Rep. Ron Lollar

**Description** Authorizes the state funding board to classify as financially distressed a home rule municipality after an evaluation of the finances and operation of that municipality, provided that a report containing the audited financial statements has been submitted by the office of the comptroller of the treasury to the state funding board which designates the municipality as having met certain requirements to qualify as financially distressed. Provides that upon designation as a financially distressed home rule municipality, the state board may require the financially distressed municipality to propose a written improvement plan within 30 days to the office of the comptroller that properly addresses every area in which it is experiencing fiscal distress. Requires that a representative from the municipality and a representative from the office of the comptroller present the plan to the state funding board upon 30 days after the plan was submitted to the office of the comptroller. Authorizes the state funding board to determine whether the plan is feasible, make changes to the plan where they deem it necessary and mandate other requirements to ensure compliance. Provides that upon completion of the written improvement plan, with the comptroller's office certifying in writing that the municipality has complied with all recommendations and requirements, the municipality may request the state funding board to remove its fiscal distress status. Requires that in the event that the municipality is unable to comply with the written improvement plan, the state funding board shall inform the municipality in writing that its charter has been forfeited, and if there are any outstanding debts owed by the municipality, then the county where the municipality is located shall levy a special tax on the property within the boundaries of former home rule municipalities.

**Fiscal Note** (Dated February 10, 2014) NOT SIGNIFICANT

**Senate Status** 02/06/2014 - Withdrawn in Senate.

**House Status** 02/20/2014 - Withdrawn in House.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 8, Chapter 4 and Title 9, relative to financially distressed municipalities.

**SB1512 / HB1446 Revises provisions relative to public finance by local governments.**

**Sponsors** Sen. Ferrell Haile / Rep. Curtis G. Johnson

**Description** Provides that following the issuance or execution of a finance transaction by a public entity that must be presented to the state funding board, if an open meeting of the board is not scheduled within the 45 day period, the public entity shall give a copy of the information to be presented to each member on the board within the 45 day time period and present the information at the next scheduled meeting. Extends the applicability of TCA: 09 - 21 - Part 1 and Par 4, regarding the issuance of notes by local governments, to the authorization and issuance of debt by any local government under TCA: 09 - 21. Amends the requirements for a local government submitting a budget to the comptroller after the issuance of any debt. Broadly Captioned.

**Amendment** House amendment 1 (015203) requires certain local governments or local government instrumentalities to obtain the approval of the Comptroller of the Treasury before issuing any balloon indebtedness on and after July 1, 2014. Requires the Comptroller of the Treasury to approve or disapprove of the plan of balloon indebtedness submitted by a local government within 15 days of receipt.

**Fiscal Note** (Dated February 11, 2014) NOT SIGNIFICANT

**Senate Status** 04/09/2014 - Senate passed.

**House Status** 04/03/2014 - House passed with amendment 1 (015203).

**Executive Status** 04/15/2014 - Sent to governor.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 4; Title 7; Title 9; Title 11; Title 12; Title 13; Title 40; Title 41; Title 42; Title 49; Title 64; Title 65; Title 68 and Title 69, relative to public finance.

**SB1740 / HB1450 Canceling of bonds by state funding board.**

**Sponsors** Sen. Randy McNally / Rep. Steve McManus

**Description** Removes the provision allowing the state funding board to cancel bonds when a project was authorized to be financed with bonds but was financed in whole or in part with proceeds from a bond premium generated by the sale of bonds for another authorized project.

**Fiscal Note** (Dated March 2, 2014) NOT SIGNIFICANT

**Senate Status** 03/10/2014 - Senate passed.

**House Status** 04/09/2014 - House passed.

**Executive Status** 04/14/2014 - Sent to governor.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 9, Chapter 9, Part 2, relative to general obligation bonds of the state of Tennessee.

**SB1755 / HB1535 Approval for indebtedness by comptroller.**

**Sponsors** Sen. Randy McNally / Rep. Steve McManus

**Description** Requires a local government or local government instrumentality to obtain approval from the

state funding board prior to issuing any balloon indebtedness. Requires the state funding board to evaluate a plan of balloon indebtedness based on the plan's particular circumstances and to approve the plan only if the state funding board determines that the repayment structure is in the public's interest. Allows The state funding board to delegate the duty to approve the issuance of any proposed balloon indebtedness to the comptroller or the comptroller's designee.

**Fiscal Note** (Dated February 4, 2014) Increase State Expenditures - Not Significant Other Fiscal Impact - If a plan for the issuance of balloon indebtedness by a local government is rejected by the State Funding Board or the Comptroller of the Treasury, local government could incur a fiscal impact. The exact fiscal impact is indeterminable due to multiple unknown factors

**Senate Status** 01/23/2014 - Referred to Senate State & Local Government Committee.

**House Status** 01/22/2014 - Referred to House Local Government Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 7 and Title 9, Chapter 21, relative to local debt service requirements.  
BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

**SB1836 / HB1398 Prohibition of state funds to pay public debts of a municipality.**

**Sponsors** Sen. Bo Watson / Rep. Mike Carter

**Description** Prohibits state funds from being used to pay for the public debts of any municipality. Bill is broadly captioned.

**Amendment** HOUSE AMENDMENT 1 (011836) rewrites the bill. Clarifies that subsection (a) does not preclude any municipality from utilizing its allocation of state-shared taxes for the purpose of paying its public indebtedness. Defines "state-shared taxes" as taxes imposed and collected by the state pursuant to law and allocated among units of local government. HOUSE AMENDMENT 2 (014489) adds clarifying language that states that provisions of the bill would not limit the authority provided in Tenn. Code Ann., Title 9 Chapter 13, Part 2, or Title 9, Chapter 21, Part 7.

**Senate Status** 04/14/2014 - Senate passed.

**House Status** 04/02/2014 - House passed with amendments 1 (011836) and 2 (014489).

**Executive Status** 04/17/2014 - Sent to governor.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 6, Chapter 56; Title 9, Chapter 1; Title 9, Chapter 3; Title 9, Chapter 4 and Title 9, Chapter 21, relative to public indebtedness.

**SB2079 / HB2037 Public Employee Defined Benefit Financial Security Act of 2014.**

**Sponsors** Sen. Mark S. Norris / Rep. Steve McManus

**Description** Creates the Public Employee Defined Benefit Financial Security Act of 2014. Requires the treasurer to recommend to the TCRS board of trustees a funding policy with respect to TCRS. Requires the board to adopt a funding policy composed of certain components. Provides methodology for such policy. Requires certain local governments to develop a funding policy for financing obligations under the pension plan. Requires such funding policy to have certain components. (12 pp.)

**Amendment** SENATE AMENDMENT 1 (012439) allows political subdivisions that do not meet the annual funding progress percentage to file a plan of correction to the state treasurer for consideration. Details such plan's contents and procedure of approval. Alters definition of political subdivision. Requires level dollar amortization method to be used if pension plan has an unfunded accrued liability. Makes other technical corrections. SENATE AMENDMENT 2 (013050) clarifies the entities that may adopt a funding policy for a political subdivision and to which employees the political subdivision plan applies. HOUSE AMENDMENT 3 (014410) specifies that approval is required by the state treasurer when a political subdivision establishes certain benefits enhancements. Alters enforceable rights to benefits when the employee is subject to certain forfeiture actions.

**Fiscal Note** (Dated February 24, 2014) Other Fiscal Impact - There will be long-term cost savings accrue to local government entities not participating in the Tennessee Consolidated Retirement System as a result of this bill. However, these local governments will incur increased expenditures in the short-term as they will be required to make pension contributions much greater and earlier relative to current law. The extent of any increased expenditures in the short-term, as well as any resulting decreased expenditures in the long-term, cannot be quantified for such impacts are dependent upon several unknown factors.

**Senate Status** 04/16/2014 - Senate concurred in House amendment 3.

**House Status** 04/15/2014 - House passed with amendment 3.

**Executive Status** 04/16/2014 - Sent to the speakers for signatures.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 37, Part 3 and Title 9, Chapter 3, relative to financial security for public defined benefit pension plans.

**SB2515 / HB2340 Department of transportation monorail study.**

**Sponsors** Sen. Bill Ketron / Rep. Mike Sparks

**Description** Requires the department of transportation to study the construction, operation and financing of a monorail public transportation system along the Nashville Southeast Corridor on and along I-24. Requires the department to report findings to both transportation committees by February 1, 2015.

**Amendment** Senate amendment 1 (014008) rewrites the bill. Directs the Department of Transportation to conduct a preliminary study to determine the feasibility of a monorail public transportation system along the Nashville Southeast Corridor that connects downtown Murfreesboro to downtown Nashville along I-24. Requires the study to identify all public and private funding sources including amounts that can reasonably be anticipated and estimated costs and revenues. Requires the Department to report its findings and recommendations to the Senate Transportation and Safety Committee and the House Transportation Committee by February 1, 2015.

**Fiscal Note** (Dated February 18, 2014) Increase State Expenditures â€“ Exceeds \$200,000/One-Time/Highway Fund

**Senate Status** 03/24/2014 - Senate passed with amendment 1.

**House Status** 04/16/2014 - House passed.

**Executive Status** 04/16/2014 - Sent to the speakers for signatures.

**Caption** AN ACT relative to mass transportation.

**SB2543 / HB2458 Budget procedures.**

**Sponsors** Sen. Randy McNally / Rep. Charles M. Sargent

**Description** Authorizes grant payments under the grant assistance program for nursing home care to be made either monthly or quarterly. Requires the commissioner of finance and administration to assign the state employee staff responsible for administration of state insurance coverage.

**Fiscal Note** (Dated March 5, 2014) NOT SIGNIFICANT

**Senate Status** 02/10/2014 - Referred to Senate Finance, Ways & Means Committee.

**House Status** 02/12/2014 - Referred to House Finance Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 8; Title 9; Title 10; Title 11; Title 12; Title 13; Title 16; Title 17; Title 18; Title 29; Title 33; Title 37; Title 38; Title 39; Title 40; Title 41; Title 43; Title 45; Title 47; Title 48; Title 49; Title 50; Title 53; Title 54; Title 55; Title 56; Title 57; Title 58; Title 59; Title 60; Title 62; Title 63; Title 64; Title 65; Title 66; Title 67; Title 68; Title 69; Title 70 and Title 71, relative to statutory revisions required for implementation of the annual appropriations act.

**SB2544 / HB2459 Appropriations - FY 2014-2015.**

**Sponsors** Sen. Randy McNally / Rep. Charles M. Sargent

**Description** Earmarks a sum sufficient, from funds available the department of transportation, for the purpose of funding any general bill or resolution enacted by the 2014 session of the 108th general assembly, naming a highway or bridge in honor of a service member killed in action.

**Senate Status** 02/10/2014 - Referred to Senate Finance, Ways & Means Committee.

**House Status** 02/12/2014 - Referred to House Finance Subcommittee.

**Caption** AN ACT to make appropriations for the purpose of defraying the expenses of the state government for the fiscal years beginning July 1, 2013, and July 1, 2014, in the administration, operation, and maintenance of the legislative, executive, and judicial branches of the various departments, institutions, offices, and agencies of the state; for certain state aid and obligations; for capital outlay, for the service of the public debt, for emergency and contingency; to repeal certain appropriations and any acts inconsistent herewith; to provide provisional continuing appropriations; and to establish certain provisions, limitations, and restrictions under which appropriations may be obligated and expended. This act makes appropriations for the purposes described above for the fiscal years beginning July 1, 2013, and July 1, 2014.

**SB2596 / HB2501 Appropriations - Fiscal years beginning July 2013 and July 2014.**

**Sponsors** Sen. Mark S. Norris / Rep. Charles M. Sargent

**Description** Makes appropriations for fiscal years beginning July 1, 2013, and July 1, 2014.

**Amendment** House amendment 2 (015964) is the additional appropriations for FY 2014/2015. (27 pp.) House amendment 3 (014000) is the legislative amendment.

**Senate Status** 04/10/2014 - Senate passed.

**House Status** 04/10/2014 - House passed with amendments 2 and 3. House amendment 2 (015964) is the additional appropriations for FY 2014/2015. House amendment 3 (014000) is the legislative amendment.

**Executive Status** 04/10/2014 - Sent to the speakers for signatures.

**SB2597 / HB2500 Revises provisions regarding the annual appropriations act.**

**Sponsors** Sen. Mark S. Norris / Rep. Charles M. Sargent

**Description** Specifies that proceeds from the sale and conveyance of surplus real property or improvements used for state forestry or other operations of the department of agriculture, if not managed as state office buildings and support facilities revolving fund property, shall be deposited in a reserve for forestry facilities to be used for capital outlay for replacement facilities of the department and other capital outlay of the department. Increases salaries for chancellors, circuit court judges, and criminal court judges. Also increases salaries for district attorneys general. Revises other various statutory provisions required for implementation of the annual appropriations act. Broadly captioned.

**Amendment** House Amendment 1 (015981) deletes Section 6 of the original bill that states that the State Board of Equalization (SBOE), through the Division of Property Assessments, shall be charged with allocating appropriations for the implementation of Tenn. Code Ann. § 67-5-701, and that the Comptroller of the Treasury, or a designee, shall determine the method of implementation. Deletes Section 7 of the original bill that declares the costs of the 2 Property Tax Relief Program (PTRP) shall be subject to annual appropriations. Deletes Sections 8, 9, and 10 of the original bill that revises the salary structures for the District Attorneys General, Governor, chancellors, circuit court judges, and criminal court judges. Adds new language that authorizes the transfer of funds from the Department of Economic and Community Development, the Jobs Skills Fund, to the state General Fund for the purpose of funding operations of state government. Adds new language that establishes funding ratios between environmental fee revenue and state appropriations for the Divisions of Air Pollution Control, Radiological Health, Solid Waste Management, and Water Resources as follows: for the Division of Air Pollution Control, environmental protection fees, 89.9 percent, and state appropriations, 10.1 percent; for the Division of Radiological Health, environmental protection fees, 91.5 percent, and state appropriations, 8.5 percent; for the Division of Solid Waste Management, environmental protection fees, 77.1 percent, and state appropriations, 22.9 percent; and for the Division of Water Resources, environmental protection fees, 58.0 percent, and state appropriations, 42 percent. Changes the effective date to upon becoming law, the public welfare requiring it. SENATE AMENDMENT 2 (016295) revises present law regarding carry forwards and transfers of funds to the general fund. Under present law, certain carry forwards and transfers are authorized. However, present law provides that in the fiscal years ending June 30, 2009, and June 30, 2011, transfers may not be made from the following funds, reserve accounts or programs: (1) Department of transportation funds, reserve accounts and programs in the highway fund or other funds created or referenced in titles 54, 55, 57, 65 and 67, except as otherwise provided by law; (2) Department of commerce and insurance, emergency communications funds, created or referenced in title 7, chapter 86, part 1; (3) Department of commerce and insurance, state board of accountancy fund, created or referenced in title 62, chapter 1, part 1; (4) Department of commerce and insurance, division of regulatory boards fund, created or referenced in title 56, chapter 1, part 3; and (5) Department of health, health-related boards fund, created or referenced in title 63, chapter 1, part 1. This amendment revises the above provision to specify that carry forwards and transfers may not be made from the above for the fiscal year ending June 30, 2014, and to remove the emergency communications funds from those funds from which carry forwards and transfers are prohibited.

**Fiscal Note** (Dated February 27, 2014) Increase State Revenue - \$600,000/FY14-15/General Fund Reserve Increase State Expenditures - \$1,406,000/FY14-15 and Subsequent Years/General Fund Other Fiscal Impact - According to the Department of Finance and Administration, and based on the Governor's proposed budget document for FY14-15, the total reduction of various reserves and carry-forwards for the purpose of closing out FY13-14 will be \$140,423,700. Funding of \$1,406,000 is included in the Governor's proposed FY14 -15 budget.

**Senate Status** 04/10/2014 - Senate passed with amendment 2 (016295), which prevents funds from being taken from the health related boards.

**House Status** 04/15/2014 - House concurred in Senate amendment 2.

**Executive Status** 04/15/2014 - Sent to the speakers for signatures.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 8; Title 9; Title 10; Title 11; Title 12; Title 13; Title 16; Title 17; Title 18; Title 29; Title 33; Title 36; Title 37; Title 38; Title 39; Title 40; Title 41; Title 43; Title 45; Title 47; Title 48; Title 49; Title 50; Title 53; Title 54; Title 55; Title 56; Title 57; Title 58; Title 59; Title 60; Title 62; Title 63; Title 64; Title 65; Title 66; Title 67; Title 68; Title 69; Title 70 and Title 71, relative to statutory revisions required for implementation of the annual appropriations act.

**SB2600 / HB2502 Bond Issuance.**

**Sponsors** Sen. Mark S. Norris / Rep. Charles M. Sargent

**Description** Authorizes the state to issue and sell bonds and bond anticipation notes of up to \$167.6 million.

**Amendment** House amendment 1 (015963) deletes section four of the original bill. Authorizes the issuance of general obligation bonds in an amount not to exceed \$167,600,000 with proceeds allocated to the Department of Finance and Administration (\$31,700,000) for capital outlay projects, and (\$44,400,000) for grants to the Industrial Development Board of Montgomery County for the Hankook Tire Manufacturing Tennessee, LP project, and (\$8,000,000) for grants to the Industrial Development Board of the City of Gallatin for the Beretta U.S.A. Corp. project and to the Department of Transportation (\$83,500,000) for highway improvements.

**Fiscal Note** (Dated February 26, 2014) Increase State Expenditures - \$18,436,000 - First Year Debt Service \$273,188,000 Over life of the bonds \$167,600,000 Principal \$105,588,000 Interest

**Senate Status** 04/10/2014 - Senate passed.

**House Status** 04/10/2014 - House passed with amendment 1 (015963), which deletes section four of the original bill. Authorizes the issuance of general obligation bonds in an amount not to exceed \$167,600,000 with proceeds allocated to the Department of Finance and Administration (\$31,700,000) for capital outlay projects, and (\$44,400,000) for grants to the Industrial Development Board of Montgomery County for the Hankook Tire Manufacturing Tennessee, LP project, and (\$8,000,000) for grants to the Industrial Development Board of the City of Gallatin for the Beretta U.S.A. Corp. project and to the Department of Transportation (\$83,500,000) for highway improvements.

**Executive Status** 04/15/2014 - Sent to governor.

**Caption** AN ACT to authorize the State of Tennessee, acting by resolution of its funding board, to issue and sell its bonds and bond anticipation notes in amounts not to exceed one hundred sixty-seven million six hundred thousand dollars (\$167,600,000) for the purpose of providing funds to the Department of Finance and Administration and the Department of Transportation; to provide for acquisition of equipment and sites, and erection, construction and equipment of sites and buildings, expressly including the acquisition of existing structures for expansion, improvements, betterments, and extraordinary repairs to existing structures, for construction of highways, and repair, replacement or rehabilitation of bridges, and for grants to any county, metropolitan government, incorporated town, city, special district of the state, or any governmental agency or instrumentality of any of them; to make grants to industrial development corporations to provide for acquisition of equipment and acquisition, site preparation, erection, construction and equipment of sites and buildings; and infrastructure improvements and development; and to provide for the expenditure of said funds; to issue its debt in excess of the previously stated amount to fund discount and costs of issuance; and to provide for the expenditure of said funds. This act makes appropriations for an indefinite period of time for the purpose of allocating the proceeds of the bonds and notes authorized by this act.

## Taxes

### **SB2111 / HB1785 TVA - reapportionment of payment in lieu of taxes.**

**Sponsors** Sen. Doug Overbey / Rep. Michael Harrison

**Description** Reduces, from 48.500 percent to 48.495 percent, the apportionment of the Tennessee Valley Authority (TVA) payments in lieu of taxes received by counties and municipalities. Distributes the 0.005 percent difference to the development districts.

**Fiscal Note** (Dated February 4, 2014) Increase Local Revenue - \$13,600/Development Districts Decrease Local Revenue - \$13,600/Counties and Municipalities

**Senate Status** 01/29/2014 - Referred to Senate State & Local Government Committee.

**House Status** 01/27/2014 - Referred to House State Government Committee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 13, Chapter 14 and Title 67, Chapter 9, Part 1, relative to development districts.

### **SB2232 / HB2244 Establishes a local disaster relief fund.**

**Sponsors** Sen. Rusty Crowe / Rep. Andrew Farmer

**Description** Requires that upon the governor or the governor's designee's declaration of a state of emergency or declaration of disaster, the state treasurer shall allocate funds not to exceed \$8.5 million from the revenue fluctuation reserve and deposit the funds into the local disaster relief fund established by this bill. All monies in the fund shall be used solely for the purposes of making refunds of sales taxes to claimants pursuant to this bill. Creates a special agency



account in the state general fund to be known as the local disaster relief fund, which shall be composed of funds from the reserve for revenue fluctuations deposited in such amounts as determined by the treasurer pursuant to this bill and gifts, grants and other donations received. Provides that a claimant, as defined in the section, will be entitled to a refund equal to the total amount of state and local sales and use tax paid by the claimant to one or more retailers as a result of the claimant's purchases of major appliances, residential furniture, or residential building supplies from such retailers. Provides that the total amount refunded under this bill in connection with any one residence shall not exceed \$2,500. Details the process a claimant must follow to receive a refund under this bill. Authorizes the department of revenue to assess a civil penalty not to exceed \$25,000 against any person that knowingly files a false or fraudulent application for refund under this bill.

**Fiscal Note** (Dated March 5, 2014) Increase State Expenditures - \$1,562,500/FY13-14 \$3,379,400/FY14-15 \$3,357,900/FY15-16 and Subsequent Years

**Senate Status** 03/25/2014 - Taken off notice in Senate Finance Tax Subcommittee.

**House Status** 02/05/2014 - Referred to House Finance Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 9; Title 58 and Title 67, relative to disaster relief.

### **SB2337 / HB1913 Restrictions on the lease or conveyance of certain property.**

**Sponsors** Sen. Brian K. Kelsey / Rep. Ron Lollar

**Description** Places restrictions on the lease or conveyance of property. If real property owned by the state or any political subdivision of the state is leased or conveyed in any matter to a person, corporation or other business entity which has the purpose or effect of reducing the real or personal property appraisal and tax collection then conveyance or other transfer arrangement may not be for a period in excess of 30 years without approval from the county's legislative body unless the agreement requires the lessee to pay all real and personal property taxes to the county after the initial thirty-year occupancy period if such property was not owned by the state or any political subdivision of the state or other tax exempt entity. Furthermore, if any real property owned by the state or any political subdivision of the state is leased or conveyed in any manner to a person, corporation, or entity and the lease or other transfer arrangement is for a period of 50 years or more or the lease permits the lessee to acquire real property for a nominal sum at the completion of the term, then the leasehold interest shall be assessed as if the lessee were the owner.

**Amendment** House amendment 1 (014595) deletes the language "state or" in subsection (d) and (e). Senate amendment 1 (015699) removes any real property owned by the state from applicability of the provisions of the original bill. Deletes and rewrites subsection (e) in Section 1 of the original bill such that real property owned by any political subdivision of the state that is leased or conveyed in any manner, the entity receiving the property shall be assessed as if the lessee were the owner if the lease or other transfer agreement is for a period of 50 or more years or if the lease permits the lessee to acquire the real property for a nominal sum at or before the completion of the term.

**Fiscal Note** (Dated March 9, 2014) Increase Local Revenue - Exceeds \$10,000,000

**Senate Status** 04/15/2014 - Senate concurred in House amendment 1.

**House Status** 04/14/2014 - House passed with amendment 1.

**Executive Status** 04/15/2014 - Sent to the speakers for signatures.

**Caption** AN ACT to amend Tennessee Code Annotated, Section 67-5-203, relative to property tax exemptions for government property.

### **SB2465 / HB2496 Prohibited unspent funds - Tennessee State Revenue Sharing Act.**

**Sponsors** Sen. Bo Watson / Rep. Steve McDaniel

**Description** Prohibits certain unspent funds from carrying forward that are allocated pursuant to the "Tennessee State Revenue Sharing Act".

**Fiscal Note** (Dated March 8, 2014) Other Fiscal Impact - To the extent TACIR or CTAS ends a fiscal year with unspent funding; there will be a decrease in funding available to the applicable entity, and an increase in funding available for the general purposes of state government. To the extent TACIR and CTAS end a fiscal year with no unspent funding; the fiscal impact of the bill is considered not significant.

**Senate Status** 03/18/2014 - Senate Finance Tax Subcommittee recommended. Sent to Senate Finance, Ways & Means Committee.

**House Status** 02/12/2014 - Referred to House Finance Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 9, Part 1, relative to the "Tennessee State Revenue Sharing Act".

# Utilities

## **SB2151 / HB2269 Meters for apartment buildings.**

**Sponsors** Sen. Reginald Tate / Rep. Raumesh Akbari

**Description** Requires a utility to individually meter any newly constructed apartments on or after July 1, 2014 and prohibits master-metered designs for newly constructed apartment buildings. Requires a utility to provide notice to occupants in a master-metered apartment building prior to the discontinuance of service.

**Fiscal Note** (Dated March 14, 2014) NOT SIGNIFICANT

**Senate Status** 01/29/2014 - Referred to Senate State & Local Government Committee.

**House Status** 03/18/2014 - Taken off notice in House Business & Utilities Subcommittee.

**Caption** AN ACT to amend Tennessee Code Annotated, Title 7 and Title 65, relative to utilities.