

HOUSE BILL 2624

By Carr

AN ACT to amend Tennessee Code Annotated, Title 5;
Title 8; Title 13; Title 26 and Title 67, relative to
delinquent property taxes.

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

SECTION 1. Tennessee Code Annotated, Section 67-5-2506(a)(1), is amended by deleting the subdivision and substituting instead the following:

(1) When a parcel is sold for payment of delinquent taxes it must be sold pursuant to this chapter. This subdivision (a)(1) is procedural and remedial in its application and applies retroactively to the extent allowed by law.

SECTION 2. Tennessee Code Annotated, Title 67, Chapter 5, Part 9, is amended by adding the following as a new section:

67-5-905.

Subject to § 67-5-904, each item of tangible personal property required to be listed on the schedule as provided by this part is subject to a first lien securing the property taxes, interest, and court costs as may be levied upon the total assessment of tangible personal property.

SECTION 3. Tennessee Code Annotated, Section 67-5-2405(a), is amended by deleting the subsection and substituting instead the following:

(a) The delinquent tax attorney shall, not later than the last business day of March following the publishing of a notice pursuant to § 67-5-2401, file judicial actions for the collection of delinquent real and personal property taxes due the county and municipality as well as the interest and costs attached to and a part of the taxes, which taxes, interest, and costs are declared a first lien upon the assessed parcels of real and

personal property. The costs must include all expenses authorized by law or by the court, including attorney fees. The judicial actions must be brought in the names of the taxing entities that have certified a delinquent tax list with the delinquent tax attorney or the court.

SECTION 4. Tennessee Code Annotated, Section 67-5-2502(c)(1)(D), is amended by deleting the first sentence and substituting instead the following:

"Proceeding" or "tax proceeding" means a judicial proceeding filed by a governmental entity for the purpose of collecting delinquent property taxes owing the entity.

SECTION 5. Tennessee Code Annotated, Section 67-5-105, is amended by adding the following as new, appropriately designated subdivisions:

() "Actual notice" includes inquiry notice;

() "Inquiry notice" means knowledge of facts and circumstances sufficiently pertinent in character to enable reasonably cautious and prudent persons to investigate and ascertain as to the ultimate facts. Whatever is sufficient to put a person upon inquiry, is notice of all the facts to which that inquiry will lead when prosecuted with reasonable diligence and good faith;

SECTION 6. Tennessee Code Annotated, Section 67-5-2502(a)(4), is amended by designating the existing language as a new subdivision (a)(4)(A) and adding the following new subdivisions (a)(4)(B) and (a)(4)(C):

(B) Proof of delivery of summons, notice, or other correspondence filed or to be filed in the proceeding, by certified mail, return receipt requested, or by an alternative delivery service with return receipt requested, may also be proved by reference to the tracking records located on the website of the delivery service.

(C) The failure of a person accepting the mail provided by subdivision (a)(4)(B) to fully complete the receipt with a legible signature, a printed name, and delivery date, creates a presumption that the receipt was executed by the addressee or a person with authority or implied authority to accept mail and service of process for the addressee. However, the presumption may be rebutted in the manner set out in subdivision (a)(4)(A).

SECTION 7. Tennessee Code Annotated, Section 67-5-2504, is amended by adding the following new subsection:

(j) This section does not presuppose a valid vestiture of title in the purchaser at the tax sale.

SECTION 8. Tennessee Code Annotated, Section 13-6-105, is amended by designating the existing language as subdivisions (a)(1)–(a)(4) and adding the following as a new subsection (b):

(b) This chapter does not apply to:

- (1) Liens securing the payment of property taxes, interest thereon, and court costs in proceedings to enforce the lien;
- (2) Tax sales conducted pursuant to title 67, chapter 5;
- (3) Parcels sold or ordered by a court to be sold at tax sales; or
- (4) A requirement or provision in title 67.

SECTION 9. Tennessee Code Annotated, Title 13, Chapter 6, is amended by adding the following as a new section:

Notwithstanding this part to the contrary, a receiver's lien created under this part is secondary to a first lien securing property taxes.

SECTION 10. Tennessee Code Annotated, Section 13-6-106(c)(2), is amended by deleting the language "tax sale or other".

SECTION 11. Tennessee Code Annotated, Section 13-6-106(c)(1), is amended by deleting the third sentence and substituting instead the following:

The receiver's lien is a first lien on the subject parcel, which is superior to all prior and subsequent liens or other encumbrances associated with the subject parcel with the exception of liens securing the payment of property taxes as set out in title 67, chapter 5. Notwithstanding this chapter or another law to the contrary, the receiver's lien is secondary to the first lien securing property taxes.

SECTION 12. Tennessee Code Annotated, Section 13-6-106(j)(6), is amended by deleting the second sentence.

SECTION 13. Tennessee Code Annotated, Section 13-6-106(j), is amended by adding the following as a new subdivision:

(7) The sale procedures set out in this chapter do not apply to tax sales conducted pursuant to title 67, chapter 5.

SECTION 14. Tennessee Code Annotated, Title 13, Chapter 30, Part 1, is amended by adding the following as a new section:

This chapter does not apply to:

- (1) Liens securing the payment of property taxes, interest thereon, and court costs in proceedings to enforce the lien;
- (2) Tax sales conducted pursuant to title 67, chapter 5;
- (3) Parcels sold or ordered by a court to be sold at tax sales; or
- (4) A requirement or provision set out in title 67.

SECTION 15. Tennessee Code Annotated, Section 13-30-109, is amended by adding the following as a new subdivision:

(12) Bid at a tax sale conducted pursuant to title 67, chapter 5, subject to the same procedures and requirements applicable to other bidders. In addition, the

corporation may negotiate and complete purchases and leases of parcels purchased at tax sales by counties and cities, subject to the same procedures and requirements applicable to other governmental entities.

SECTION 16. Tennessee Code Annotated, Section 13-30-110, is amended by deleting subsections (f) and (g).

SECTION 17. Tennessee Code Annotated, Section 13-30-116(b), is amended by deleting the language ", in exchange for the deed of real property to the corporation".

SECTION 18. Tennessee Code Annotated, Section 67-5-2508, is amended by deleting the section and substituting instead the following:

(a) The priorities of a taxing entity purchasing a parcel at a tax sale pursuant to § 67-5-2501 must be to either return the parcel to the tax rolls or put the parcel to a use benefitting the public within a reasonably prompt period after purchasing the parcel.

(b) If no qualified newspaper is published in the county, then any notice required by this chapter may be posted on a website maintained by the taxing entity or the clerk of the court where the tax proceeding is pending. If no website is maintained by the taxing entity or clerk, the notice must be posted at the courthouse or other public building where such notices are frequently posted. The court in which the tax proceeding was filed may establish additional advertising requirements.

(c) If the bid of a purchaser from the taxing entity of a parcel purchased by the taxing entity at a tax sale which parcel is subject to a redemption period is greater than the proceeds of a subsequently approved redemption, the purchaser must bear the loss.

SECTION 19. Tennessee Code Annotated, Section 67-5-2509, is amended by deleting the section.

SECTION 20. Tennessee Code Annotated, Section 67-5-2510, is amended by deleting the section.

SECTION 21. Tennessee Code Annotated, Section 67-5-2507, is amended by deleting the section and substituting instead the following:

(a)

(1) The county mayor shall cause a certified copy of all orders confirming the sale of a parcel to the county pursuant to § 67-5-2501 to be recorded in the office of the register of deeds of the county. It is the duty of the county mayor of each county to take charge of all parcels purchased by the county at a delinquent tax sale pursuant to § 67-5-2501.

(2) The county legislative body may adopt regulations concerning sales of parcels purchased by the county at a delinquent tax sale. The regulations must be designed to promote a fair, effective, competitive, and transparent method of disposing of the parcels so as to attain the highest bid for each parcel. The regulations may include:

(A) That parcels may be sold on credit and the terms thereof;

(B) That parcels may be sold for amounts less than the full amount owing in the tax proceeding, the conditions upon which such a sale may take place, and whether such a sale shall be approved by the county legislative body;

(C) Other similar issues regarding the procedures of sale; and

(D) Procedures, terms, and conditions applicable to conveyances of a parcel pursuant to subsection (b).

(3)

(A) Unless otherwise required by the regulations adopted by the county legislative body, each parcel must be offered for sale with no minimum bid or approval by the county legislative body required.

(B) The county mayor may solicit offers for one (1) or more individual parcels or for all parcels on a list prepared pursuant to § 67-5-2511.

(C) Any solicitation of offers must contain a statement as to how and where offers may be filed, and must be published in a newspaper of general circulation in the county.

(4) The county is immune from liability for all dues, fees, and assessments secured by a lien upon the parcel purchased by the county at a delinquent tax sale if:

(A) Offers are solicited for the parcel;

(B) A minimum amount is not established for a sale of the parcel;

and

(C) An offer is not received within thirty (30) days of the publication of the solicitation in a newspaper of general circulation in the county.

(5)

(A) Upon a written offer being made to purchase a parcel the county mayor shall cause to be published a notice of the details of such offer with a description of the parcel. During the ten-day period following the date of such publication, if a person files with the county mayor or the county mayor's designee a written offer to increase the advertised offer by ten percent (10%) or more, the county mayor or designee shall give notice to those persons filing offers to appear at a certain time, date, and location and shall post the notice at a place available to the general public. At such time, date, and location, the county mayor or the county

mayor's designee shall conduct an auction of the parcel with the starting bid being the highest written offer received prior to the auction. All persons are eligible to offer bids at the auction. The highest bidder at such auction is the successful bidder. If no raise offer is timely filed, the original bidder is the successful bidder.

(B) The county mayor may approve the sale by internet sale of parcels purchased by the county at a delinquent tax sale pursuant to § 67-5-2501. Subdivision (a)(5)(A) may be waived by the county mayor as to parcels offered for sale by internet sale. The highest bidder at such internet auction is the successful bidder.

(6) The proceeds derived from retentions or conveyances of parcels purchased by the county at a delinquent tax sale pursuant to § 67-5-2501 must be applied in the following order:

(A) First, proceeds must be applied to reimburse the taxing entity for amounts paid by the taxing entity for the purchase of the parcel in the tax proceeding or which remain owing by the taxing entity;

(B) Any proceeds remaining after the application of proceeds provided by subdivision (a)(6)(A) must be applied first to unpaid attorney fees allowed in the tax proceeding, then to other unpaid court costs, and then divided on a pro rata basis based upon the taxes levied against the parcel by the county and any other taxing entity which has filed a proceeding as defined in § 67-5-2502;

(C) Any proceeds remaining after the application of proceeds provided by subdivisions (a)(6)(A) and (a)(6)(B) must be applied to pay other taxes and accrued interest, penalties, and court costs, owed to the

county and any other taxing entity on a pro rata basis, based upon the amounts of taxes owing each; and

(D) Any proceeds remaining after the application of proceeds provided by subdivisions (a)(6)(A)-(C) inure to the benefit of the county.

(7) Upon compliance with this section, the parcel must be released from all taxes, penalties, interest, and court costs owing all tax entities, up to the date of the conveyance subject only to any current year taxes that may not have been paid pursuant to this section.

(8) Any conveyance or retention of a parcel that occurs before the expiration of the redemption period provided in part 27 of this chapter remains subject to the right of redemption. A conveyance or retention of a parcel does not affect the redemption period applicable to the parcel.

(9) The county mayor is not required to seek approval of the county legislative body to supervise the sale and conveyance of each parcel unless:

(A) Otherwise required by the regulations adopted by the county legislative body; or

(B) The county legislative body has determined to retain or convey the parcel pursuant to subsection (b).

(b)

(1) The county legislative body may determine that it is in the best interest of the county to retain a parcel purchased by the county pursuant to § 67-5-2501 to use the parcel for a public purpose. The county may retain ownership of the parcel, or it may, subject to such terms as may be agreed upon, transfer ownership of the parcel to:

(A) A governmental entity, including a corporation created pursuant to the Tennessee Local Land Bank Program, compiled in title 13, chapter 30; or

(B) A nonprofit entity; provided, that the parcel is transferred in accordance with subdivision (b)(3).

(2) A document evidencing the determination of the county legislative body to retain ownership of a parcel in accordance with subdivision (b)(1) must be recorded in the office of the register of deeds.

(3) To be eligible to receive a parcel pursuant to subdivision (b)(1)(B), a nonprofit entity shall comply with the following requirements:

(A) The entity must be exempt from federal income taxation under § 501(a) of the Internal Revenue Code (26 U.S.C. § 501(a)), or an organization described in § 501(c) of the Internal Revenue Code (26 U.S.C. § 501(c));

(B) The entity shall agree that the conveyed parcel must be used by the entity for at least a reasonable period for the purposes for which the entity was chartered; and

(C) The entity is chartered to:

(i) Construct or to restore residential dwellings for the purpose of creating affordable and habitable housing for the disadvantaged and needy citizens of the community;

(ii) Construct or to restore historical properties or buildings in the community;

(iii) Operate or maintain a community garden in the community; or

(iv) Construct, operate, or maintain a park, memorial, or gathering place in the community, available for use by the general public.

(c) Conveyances of parcels must be made without warranties by the county.

Deeds must be executed by the county mayor. The execution of a deed constitutes a certification by the county that all procedures and rules of the county have been complied with and that all interest of the county in the parcel is being conveyed. The certification must not be overturned absent clear and convincing evidence of a substantial and material violation of a statutorily mandated requirement.

(d) If the county mayor determines, prior to the sale of a parcel, that there may be a defect in the title to the parcel, the county mayor may move the court in which the parcel was sold in the tax proceeding to take action to cure the defect. A diligent effort to give notice of any such motion must be made as to all interested persons as of the date of the filing of the motion.

(e) If a municipality does not authorize the county to convey its interest in tax parcels pursuant to § 67-5-1801(a), or if a municipality files a complaint to collect delinquent property taxes owing the municipality separate from the complaint filed by the county to collect delinquent property taxes owing the county, the municipality's governing body and chief executive officer shall dispose of the parcels purchased by the municipality at a delinquent tax sale, in accordance with this section and § 67-5-2511. In such event, the municipality's legislative body has the powers and duties of the county legislative body as set out in this section and § 67-5-2511; its chief executive officer has the powers and duties of the county mayor as set out in this section and § 67-5-2511; and the municipality stands in the place and stead of the county.

(f)

(1) As to a particular parcel conveyed to a county pursuant to § 67-5-2501, the county mayor may make an evaluation of the parcel to determine whether the value of the parcel or amount of money the county is likely to receive if the county sold the parcel, exceeds the financial or environmental risks associated with the parcel.

(2) If the county mayor determines that such risks exceed the value of the parcel, the county legislative body may adopt a resolution, by a two-thirds (2/3) vote, concurring in the county mayor's determination and directing the county mayor to request relief from the court in which the parcel was sold. Such relief must be sought by motion pursuant to Rule 60 of the Tennessee Rules of Civil Procedure filed within one hundred twenty (120) days after the entry of the order confirming the sale.

(3) If the court finds that the motion should be granted, the court may rescind its prior order upon such terms as are just. If the prior order is rescinded, title to the parcel must be deemed to have remained in that state that existed as of the date of entry of the prior order confirming the sale. The court has broad discretion to ensure that this subsection (f) does not result for any period of time in the creation of a parcel for which a person or entity does not have responsibility. The court may then appoint a special master and direct the special master to conduct a second sale of the parcel upon such terms and conditions as may be ordered by the court, including the reduction or elimination of the minimum bid which may be accepted at the sale.

(4) As an alternative to ordering a second sale or if a person does not present a bid at the second sale of the parcel, the court may thereafter approve a negotiated sale of the parcel upon such terms and conditions as may be ordered

by the court or such other relief as the court may order, including, but not limited to, the conveyance to a nongovernmental entity claiming contractual rights to dues or assessments pursuant to § 67-5-2516. The court may allow an additional fee to the delinquent tax attorney for services rendered in regard to a negotiated sale of a parcel as provided in this chapter.

(5) This subsection (f) applies to the risks of an individual parcel only and does not apply to the aggregated risks of all or multiple parcels bid in to the county pursuant to § 67-5-2501.

SECTION 22. Tennessee Code Annotated, Section 67-5-2511, is amended by deleting the section and substituting instead the following:

(a)

(1) The county mayor, with the assistance of the assessor of property, shall cause to be prepared and maintained, a listing of all parcels owned by the county acquired pursuant to § 67-5-2501.

(2) The chief executive officer of a municipality shall cause to be prepared and maintained, a listing of all parcels owned by the municipality acquired pursuant to § 67-5-2501; provided, however, that the listing may omit any property that is required to be listed by a county in accordance with subdivision (a)(1).

(3) Listings pursuant to this subsection (a) must be prepared annually by July 1. The listings must be published in a newspaper of general circulation in the county or posted on a website with a notice of the posting published in a newspaper of general circulation in the county.

(b) At least annually the county mayor shall determine if any additional parcels have been purchased by the county pursuant to § 67-5-2501. If so, the county mayor

shall publish the updated list in the same manner as the original list pursuant to subdivision (a)(3).

(c) Each list or notice published in accordance with this section must contain a solicitation for offers to purchase the parcels listed and a statement as to how and where such offers may be filed.

(d) However, parcels acquired by the county which are identified by the county mayor, or the mayor's designee as being in an area or zoning classification that would make the accumulation of larger areas advantageous to the reuse and redevelopment of the parcels may be excluded from the list of parcels required by this section, until a sufficient number of parcels or area has been acquired to improve the marketability and redevelopment profile of the parcels. This accumulation must not result in property being held without being marketed for more than five (5) years. A separate list of such designated parcels must be maintained by the mayor or the mayor's designee.

SECTION 23. Tennessee Code Annotated, Section 67-5-2501, is amended by deleting subsections (a) and (b) and substituting instead the following:

(a)

(1) The court shall order a sale of the parcel for cash, certified funds, cashier's check, money order, or automated clearing house transfer, as applicable. All sales are subject to the equity of redemption. Such sale may be conducted by internet sale in lieu of public outcry.

(2) At the sale, the clerk of the court, acting for the tax entity prosecuting the suit, shall bid the debt ascertained to be due for taxes, interest, and other costs and fees incident to the collection thereof, where no other bidder offers the same or larger bid; provided, that, when the legislative body of a tax entity determines that the environmental risks or financial liabilities associated with the

property are such that it is not in the best interests of the tax entity for a minimum bid to be offered at the tax sale, the clerk shall not offer a bid on the property at the tax sale.

(3)

(A) The tax sale proceeds must be distributed according to the following priorities:

(i) Amounts owing the delinquent tax attorneys prosecuting the cause; then

(ii) The costs of the proceeding exceeding the attorneys' fees; then

(iii) Amounts owing the taxing entities which are parties in the cause; then

(iv) Amounts owing to tax entities filing a claim for current and other delinquent taxes and interest due them as stated in claims filed in response to notices sent them pursuant to § 26-5-108 and § 67-5-2416 and for which no action has been filed pursuant to this chapter, divided prorated upon the amount of the base taxes due each; then

(v) Any other property taxes and expenses owing any taxing entity secured by a tax lien on the parcel; then

(vi) Any remaining proceeds must be distributed in accordance with § 67-5-2702.

(B) If there are not sufficient funds to pay all of the amounts stated in subdivisions (a)(3)(A)(i)-(iii), the tax liens of the taxing entities securing such amounts must lapse upon expiration of the redemption

period, it being the intent of the general assembly that a parcel sold at a tax sale be conveyed free of any remaining tax liens other than taxes levied for the current year. However, a taxing entity retains any personal right of action it may have against prior owners of the parcel.

(C) If the tax sale is subsequently invalidated or declared void, the lapsed tax liens must be reinstated retroactively.

(4)

(A) If a taxing entity purchases a parcel pursuant to this section, the taxing entity shall pay to the clerk all amounts owing as court costs, including the amount owing the attorney prosecuting the case, within sixty (60) days after the order confirming the sale becomes final. The taxing entity may by motion request the court for an extension of time in which to pay such amount. The court may grant such extension for such period as the court determines proper not to exceed three (3) years and may award interest to accrue during such extension at a rate determined by the court. In making such determinations, the court shall consider the financial condition of the taxing entity.

(B) If the taxing entity determines to retain the parcel, it shall within sixty (60) days of making such determination, pay to the clerk all remaining amounts owing on the parcel.

(C) If the parcel is subsequently transferred pursuant to § 67-5-2507 for an amount greater than the court cost paid pursuant to subdivision (a)(4)(A), such excess must be distributed pursuant to § 67-5-2507(a)(6) to the extent funds are available. Any remaining amounts

owing on the parcel must be dismissed by the court and the liens securing the same must terminate.

(b)

(1) The court may order the sale of all or a portion of the taxable personal property constituting a parcel secured by a tax lien. Such sale must be made according to such procedures as may be established by the court.

(2) Upon a tax proceeding being filed to enforce a tax lien against real or personal property, any requirement mandating the confidentiality of records pertaining to the parcel terminates.

SECTION 24. Tennessee Code Annotated, Section 67-5-2101, is amended by adding the following as a new subsection:

(c) Each person owning an interest in a corporate entity or similar organization, including, but not limited to, limited liability companies, limited partnerships, and other entities for which the owners of the entity are accorded limited liability for debts of the entity and that is, or is stated in the records of the office of secretary of state to be, an inactive, dissolved, revoked, or otherwise terminated entity, is jointly and severally liable with the entity, each other, and such other persons as may be liable, for all unpaid property taxes levied against parcels assessed to the entity, and such interest, attorney fees, and other court costs as may accrue on the same.

SECTION 25. Tennessee Code Annotated, Section 26-3-104, is amended by adding the following language at the end of the section:

However, the bond or security is not required if the execution is issued in a proceeding to collect delinquent property taxes as defined by § 67-5-2502(c)(1)(D).

SECTION 26. Tennessee Code Annotated, Section 8-8-202, is amended by adding the following language at the end of the section:

However, this section does not apply to summons, executions, or other orders of a court rendered in a proceeding to collect delinquent property taxes as defined in § 67-5-2502(c)(1)(D).

SECTION 27. Tennessee Code Annotated, Title 67, Chapter 5, Part 24, is amended by adding the following as a new section:

67-5-2412.

(a) In all proceedings defined by § 67-5-2502(c)(1)(D), for the collection of delinquent property taxes, an officer serving an execution issued in such proceeding shall conduct a search of the person of the defendant and such items and areas under the control of the defendant and shall seize such cash, property, and other assets belonging to the defendant, as is necessary to satisfy the execution and such additional fees as may be incurred by the officer. If the defendant objects to the search, the defendant shall reduce the defendant's objections to writing and give them to the officer. Thereupon, the defendant must be escorted by the officer to appear before a judicial commissioner or other official authorized to issue warrants, to state the defendant's grounds for the objection. The commissioner shall determine the validity of such grounds and either grant or refuse to allow the search. The commissioner shall retain the written objections of the defendant and the commissioner's written decision and deliver both to the clerk of the court from which the execution issued.

(b) The exemptions set out in §§ 26-2-113, 26-2-301, and 26-2-306 and such other laws that provide that exemptions do not apply to sales of property of the defendant in regard to sales for taxes include executions issued in proceedings defined by § 67-5-2502(c)(1)(D).

SECTION 28. Tennessee Code Annotated, Section 67-5-2502(c)(1)(A), is amended by adding the following at the end of the subdivision immediately preceding the semicolon:

The effort does not require the tax entity or delinquent tax attorney to obtain discovery as authorized by the Tennessee Rules of Civil Procedure, or otherwise.

SECTION 29. Tennessee Code Annotated, Section 67-5-2103, is amended by adding the following subsections:

(k) Section 67-1-707 does not apply to property taxes.

(l) Title 35, chapter 5 does not apply to property tax proceedings, tax liens, or the enforcement of such tax liens.

(m) An interested person shall not file as a defense, a counterclaim, a cross claim or for another purpose, a defense or cause of action not directly related to the tax proceeding, or a claim of a set off.

(n) The failure of a defendant or interested person in a tax proceeding to have exhausted all administrative remedies bars the defendant from contesting an issue in the tax proceeding that could have been decided in such manner.

SECTION 30. Tennessee Code Annotated, Section 67-5-2004(b)(1), is amended by adding the following as a new subdivision:

(H) This subsection (b) and the contract authorized in this subsection (b) does not repeal or modify a provision of this chapter.

SECTION 31. Tennessee Code Annotated, Section 67-5-2701(b)(2)(A), is amended by deleting the subdivision and substituting instead the following:

(A) The movant shall serve a copy of the motion to redeem upon the tax sale purchaser, each grantee of the tax sale purchaser's interest in the parcel, and all other interested persons as of the date the motion to redeem is filed, in the manner set forth in Rule 5 of the Tennessee Rules of Civil Procedure for pleadings not asserting new or additional claims for relief.

SECTION 32. Tennessee Code Annotated, Section 67-5-2701(c), is amended by deleting the subsection and substituting instead the following:

(c) Upon the filing of the motion to redeem and the payment of the required amount, the clerk shall within ten (10) days send a notice of the filing of the motion to redeem to the tax sale purchaser and each grantee of the tax sale purchaser's interest who has filed notice of the purchase and a mailing address with the clerk. The notice must be forwarded to the last known address of the addressee. The notice must state the amount paid at the time of the filing of the motion to redeem and refer the persons to this section.

SECTION 33. Tennessee Code Annotated, Section 67-5-2701(d), is amended by deleting the subsection and substituting instead the following:

(d) The purchaser may within thirty (30) days after the mailing of the notice of redemption, file a response seeking additional funds to be paid by the proposed redeemer to compensate the purchaser for amounts expended by the purchaser for the purposes set out in subsection (e). The response must specifically set out the basis for each category of additional funds claimed. The response may also allege that the motion to redeem was not properly or timely filed. If no response is timely filed, the court shall determine whether the redemption has been properly made, and if so, must cause an order to be entered declaring the parcel redeemed.

SECTION 34. Tennessee Code Annotated, Section 67-5-2701, is amended by adding the following sentence at the end of subdivision (e)(6):

If the court determines that disposition of a redemption motion has been unreasonably delayed, the court may decline or limit an award of additional interest under this subdivision (e)(6).

SECTION 35. Tennessee Code Annotated, Section 67-5-2415(g), is amended by adding the following sentence at the end of the subsection:

The phrase "appropriate notation of such fact by postal authorities" as used in this subsection (g), includes tracking records located on the website of the delivery service. If a copy of the tracking records is filed with the clerk confirming the delivery, the filing of the return receipt is not required.

SECTION 36. Tennessee Code Annotated, Section 67-5-2404, is amended by deleting the word "land" wherever it appears in subsection (a) and subdivision (b)(1) and substituting instead the word "property".

SECTION 37. Tennessee Code Annotated, Section 67-5-2410(a)(1)(B), is amended by deleting the word "land" and substituting instead the word "property".

SECTION 38. Tennessee Code Annotated, Section 67-5-2502(c)(1)(C), is amended by deleting the language ""Parcel"" and substituting instead the language ""Parcel" or "property"".

SECTION 39. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are severable.

SECTION 40. Sections 19, 20, 21, 22, and 23 take effect September 1, 2024, the public welfare requiring it. All remaining sections of this act take effect upon becoming a law, the public welfare requiring it.