

SENATE BILL 2462

By Akbari

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 3, Part 10; Title 39, Chapter 14; Title 47 and Title 66, relative to first-time home buyers.

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

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 10, is amended by adding the following new section:

(a) The department of finance and administration, in conjunction with assistance from the department of revenue and the Tennessee housing development agency, shall promulgate rules to establish a grant program to render assistance to first-time home buyers, utilizing federal funds allocated and state funds appropriated for such purposes.

(b) The rules promulgated under subsection (a) must include, but not be limited to, the following:

(1) The provision of a minimum fifteen thousand dollar (\$15,000) grant to first-time home buyers; and

(2) A requirement that:

(A) The home to be purchased with the grant money is the prospective home buyer's primary residence;

(B) The prospective buyer has never owned a home prior to applying for the grant; and

(C)

(i) The prospective buyer who is single cannot earn more than one hundred thousand dollars (\$100,000) per year to be eligible for the grant;

(ii) A prospective buyer who files the buyer's federal income taxes as head of household cannot earn more than one hundred fifty thousand dollars (\$150,000) per year to be eligible for the grant; or

(iii) Prospective home buyers filing their federal income taxes jointly cannot earn more than a combined two hundred thousand dollars (\$200,000) per year to be eligible for the grant.

(c)

(1) A home buyer who receives the grant must reside in the home purchased for a minimum of five (5) years from the date of closing the sale on the property.

(2) If the home buyer fails to satisfy the residency requirement under subdivision (c)(1) by either moving or selling the home prior to the end of the five-year period, then the buyer is automatically obligated to repay all or part of the grant money, with the amount owed to be decreased by the length of time the buyer resided in the home, at a rate to be set by the department.

(d) All rules promulgated to effectuate this section must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter

5.

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