

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2015 - HB 2063

February 2, 2022

SUMMARY OF BILL: Increases, from \$5,000 to \$35,000, the amount that must be held as homestead from the sale of real estate that is so situated that homestead cannot be set apart.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Tennessee Code Annotated § 30-2-209 provides that if real estate is so situated that the homestead cannot be set apart, the property shall be sold and \$5,000 of the sale's proceeds invested in real estate under the direction of the court having jurisdiction, or the court may order the payment of \$5,000 to the surviving spouse or minor children.
- The proposed legislation increases the amount of proceeds which is exempt from the sale of certain real estate from \$5,000 to \$35,000.
- Any fiscal impact to state government is estimated to be not significant.
- Tennessee Code Annotated § 26-2-306 provides that the homestead exemption does not apply to property tax liens; therefore, the proposed legislation will not impact property tax collections of local governments.
- It is estimated that the majority of homestead exemptions will be applied to debt between a private creditor and a property owner.
- Homestead exemptions could potentially apply to fines and fees assessed by a local government; however, the proposed legislation is not expected to result in any significant change in fines and fees which would have otherwise been collected, or will now be collectible, by local governments statewide in instances where a homestead exemption would, or previously did, apply.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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