

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2353 - SB 2523**

March 10, 2024

**SUMMARY OF BILL:** Requires the proceeds of the sale of real property that was escheated to the state due to the ownership of a sanctioned nonresident alien, sanctioned foreign business, sanctioned foreign government, or an agent, trustee, or other fiduciary thereof, be distributed first to the payment of authorized costs of the sale, then to the Attorney General (AG) for investigation and litigation costs, then to bona fide lien holders, and then to the person divested of the real property.

Exempts from the liability of assisting prohibited parties from acquiring real property: a title insurance company or licensed agent who is involved in a transaction in which a prohibited entity acquires real property; an FDIC insured state or national bank or an employee or subsidiary of that bank; a state or federal credit union insured by the national credit union administration or an employee of it; or an individual or entity licensed by the Department of Financial Institutions. Establishes that the responsibility for determining if an entity is subject to liability lies solely with the foreign entity and the AG and Reporter.

**FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The proposed legislation defines foreign adversary as an individual or government identified under 15 CFR 7.4(a), specifically China, Cuba, Iran, North Korea, Russia, and the Maduro Regime of Venezuela, and identified in the database maintained by the United States Department of Treasury, Office of Foreign Assets Control.
- Tennessee Code Annotated § 66-2-306(d)(2) currently requires the proceeds of the sale of real property that was escheated due to ownership of a prohibited entity to be used to pay court costs, and then paid to the person divested of the real property.
- Revising the distribution priority of such proceeds is not anticipated to significantly impact state or local revenue or expenditures.

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**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

Assumption:

- Any impact to commerce or jobs in Tennessee is estimated to be not significant.

**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

/cd