

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 191**

February 5, 2021

**SUMMARY OF BILL:** Removes Coffee County from certain liability based on contractual fees and restrictive covenants imposed by a non-governmental entity on properties purchased by the county at a delinquent property tax sale under certain circumstances.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Tennessee Code Annotated § 67-5-2501 provides the county shall make the first bid on certain properties in a delinquent property tax sale, and if no other bids are received, the county becomes owner of the property.
- The proposed legislation would:
  - Apply to properties purchased by Coffee County at a delinquent property tax sale upon which a non-governmental entity has a contractual right;
  - Authorize a non-governmental entity to only enforce contractual rights to such property through the exercise of a lien against Coffee County; and
  - Require Coffee County to pay contractual fees assessed against such property by the non-governmental entity if the county utilizes the property.
- Based on information provided by Coffee County, currently there are no properties which have been purchased by the County which have non-governmental contractual fees attached.
- It is reasonably assumed that any property purchased by Coffee County at a delinquent property tax sale which has such contractual fees attached will not be utilized for a county purpose; therefore, any fiscal impact to local government 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 "Bojan Savic". The signature is written in a cursive style with a large, prominent 'B' and 'S'.

Bojan Savic, Interim Executive Director

/lm