



February 25, 2021

SUMMARY OF BILL: Changes the definition of blighted area as it relates to certain properties which may be acquired by housing authorities through the use of eminent domain and authorizes such property owners to request certain court determinations. Authorizes housing authorities to acquire real property, which is not blighted, through negotiated sale and pay more than fair market value for redevelopment projects.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The extent and timing of any permissive decrease in local government revenue and expenditures cannot reasonably be determined due to multiple unknown factors.

Assumptions:

- Pursuant to Tenn. Code Ann. § 13-20-201, § 13-20-202, housing authorities are authorized to acquire, through the use of eminent domain, areas of blight, if such areas are determined to be detrimental to the safety and welfare of the community for purposes of redevelopment.
- The proposed language, for redevelopment projects:
 - Limits housing authorities to acquiring individual structures, not areas, which have received a citation for specific building code violations and failed to remedy the issue after two notices;
 - Authorizes property owners to seek a court determination regarding the condemnation's use to remediate blight; and
 - Authorizes housing authorities to acquire real property through a negotiated sale and pay more than fair market value for non-blighted property.
- Passage of the proposed legislation may result in:
 - A decrease in the number of redevelopment projects initiated by housing authorities;
 - Fewer acquisitions of blighted property by housing authorities; and
 - A decrease in local government revenue and expenditures associated with acquisitions.
- It is reasonably assumed that if redevelopment projects and the acquisition of blighted areas decreases, that housing authorities will not purchase non-blighted properties for purposes of redevelopment; therefore, any increase in local government expenditures is estimated to be not significant.

- A precise permissive decrease in local government revenue and expenditures is dependent upon multiple unknown factors, including but not limited to, the extent of properties which housing authorities will be unable to acquire due to building code violation requirements, the extent of any compensation which would have been supplied to the property owner prior to acquisition of such property in the absence of this legislation, and the extent of any revenue increase that would have been realized through various sources, such as increased property values of surrounding properties, as a result of such property redevelopment.

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, slightly slanted style.

Bojan Savic, Interim Executive Director

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