

House Bill 444 / Senate Bill 480

Tennessee Property Rights Protection Act

The Problem

Under Tennessee law, T.C.A § 29-17-102 (2)(C), housing authorities and community development agencies can use the power of eminent domain to take private property from its owner(s) and transfer that property to another private owner(s) for private redevelopment and private benefit in so-called “blighted areas.”

Under Tennessee’s broad definition of “blighted areas” such areas may contain individual properties that present no sign of blight. Both blighted and non-blighted properties in the aggregate are subject to eminent domain for private redevelopment.

The Solution

House Bill 444 and Senate Bill 480

Deletes the “**blighted area**” definition, T.C.A § 13-20-201, and replaces it with “**blighted property**” protecting non-blighted property from condemnation, preserving authority for housing authorities and community development agencies to condemn truly blighted property for redevelopment.

Provides property owners with the opportunity to correct building code violations before their property is determined to be blighted and subsequently condemned for private development.

Provides property owners standing to ask a court to make a determination of blight.

Preserves the authority of a housing authority or community development agency to designate a redevelopment area, purchase property through a negotiated sale, pay more than market value for property, contract with a third-party to negotiate purchase of property, and use eminent domain to acquire property for public use.

Preserves the authority of municipalities to establish Tax Increment Financing zones within redevelopment areas and to apply for grant funding to facilitate redevelopment and urban renewal.