



## **2014 Legislative Summary**

As the 108th General Assembly begins its push to adjourn sine die, many of the bills that TAA has been monitoring have reached their final outcome. A brief description and the most recent action of those bills is below.

*Please note, this list is not exhaustive. TAA has monitored some 25 bills. The below bills are those that have the greatest impact on the multifamily housing industry. These bills have also ceased movement through both legislative chambers. Some bills being monitored by TAA are still in progress.*

### **HB 671/SB 737**

As introduced, this bill allows a victim of domestic abuse, sexual assault, or stalking to terminate a lease or rental agreement if notice and documentation that tenant is a victim are presented to landlord. Additionally, this bill specifies that a perpetrator of certain offenses remains liable for rent and damages under rental agreement even if the perpetrator is ordered to vacate the premises by protection order.

This bill was assigned to the House Business and Utilities Committee and the Senate Commerce and Labor Committee. After being placed on and off the calendar several times by both the bill sponsor and committee members, Representative Hardaway took the bill off notice for good in the Business and Utilities Subcommittee's last meeting. The subcommittee and full committee are now closed. The bill made no movement in the Senate after its introduction.

### **HB 1408/SB 1788**

As introduced, this bill decreases, from 10 to three days, the amount of time in which to appeal a judgment from general sessions court in a forcible entry and detainer action.

This bill was assigned to the House Business and Utilities Committee and the Senate Judiciary Committee. After making its way through the House Business and Utilities Committee, the bill was re-referred to the House Civil Justice Committee where it passed on a voice vote to the Calendar and Rules Committee. However, the bill failed in the Senate Judiciary Committee. Consequently, the bill was taken off notice in the House Calendar and Rules Committee.

### **HB 1409/SB 1732**

This was TAA's legislative initiative for 2014. As enacted, the bill designates the area to place an evicted tenant's belongings on the property. It also clarifies that the property must only remain available to the former tenant for 48 hours; at the conclusion of the 48 hours, the landlord may discard the property. Additionally, the bill suspends, for the 48 hours after the execution of a writ of possession, the actions of any local government relative to the disposition of personal

property, and relieves both the landlord and the local government of liability for any damage to the former tenant's personal property. The bill shall take effect July 1, 2014.

This bill was assigned to the House Business and Utilities Committee and the Senate Judiciary Committee, and passed unanimously through both committees. The bill also passed unanimously on the House and Senate Floors with a vote of 93-0 and 29-0, respectively. The bill has been signed by the Governor, and has been assigned Public Chapter Number 534 by the Secretary of State.

#### **HB 1573/SB 1787**

As introduced, this bill shortens the period of time, after giving notice to a tenant for a breach in a rental agreement, in which a landlord may terminate a rental agreement under certain circumstances. Specifically, this bill removes the 30-day requirement from the 14-30 notice provision allowing the rental agreement to be terminated immediately upon the conclusion of the 14 days if the breach has not been cured; changes from 14 days to 7 days the notice requirement if the breach recurs within six months; and changes from 30 days to 14 days the notice requirement for breaches not remediable by the payment of rent.

This bill was assigned to the House Business and Utilities Committee and the Senate Commerce and Labor Committee, and passed out of both committees. The House bill passed on the Floor with a vote of 74 ayes, 16 nays and 1 present not voting. The Senate bill passed on the Floor with a vote of 24 ayes and 5 nays. Currently, the bill has been transferred to the Governor for his signature. The bill is effective upon becoming law unless specific notice requirements are stated in the rental agreement.

#### **HB 1689/SB 2299**

As introduced, this bill makes certain changes to encourage local governments to inspect rental properties and increases the penalties for landlords who fail to take corrective action to repair such code violations. In addition to many other provisions, this bill requires a local governmental entity charged with enforcing the code claimed to be violated by a landlord to inspect the residential premises where the alleged violation is occurring upon the request of a residential tenant or housing-related neighborhood organization. After the local governmental entity has inspected the residential building, the inspector must inform the landlord or the landlord's agent and the residential tenant or housing-related neighborhood organization in writing of any code violations discovered during the inspection. The local governmental entity must give the landlord or the landlord's agent at least 60 days to correct the violation and may issue reasonable extensions as necessary.

This bill was assigned to the House Business and Utilities Committee and the Senate Commerce and Labor Committee. After several meetings with the House Sponsor, Representative Dale Carr of Sevier County, the bill was taken off notice in the House and placed in General Sub in the Senate. An agreement was reached that TAA would work with the Gatlinburg City Attorney over the summer and fall to either resolve the issue with current law or draft legislation upon which both parties can agree.

### **HB 2269/SB 2151**

As introduced, this bill requires that all newly constructed apartments, on or after July 1, 2014, be individually metered. Utilities are prohibited by this bill from allowing master-metering designs for such newly constructed apartment buildings. This bill prohibits utilities from discontinuing service to master-metered apartment buildings constructed before July 1, 2014, without first providing notice to all occupants in such building. Additionally, an amendment was filed that would allow the apartment complex to be placed into a receivership if the management company failed to pay the utility bill for two consecutive months.

This bill was assigned to the House Business and Utilities Committee and the Senate State and Local Committee. After several meetings with the Senate Sponsor both in Nashville and in Memphis, the bill was taken off notice in the House committee and did not move in the Senate after its introduction. In Memphis, there is a local ordinance proposed by Memphis City Councilman Myron Lowery. Members of the Apartment Association of Greater Memphis have met extensively with the Councilman to express concerns regarding the proposal. While the state legislation has been taken off notice for the year, local efforts continue to either terminate the proposal or amend the language to only apply to condominiums.

### **HB 2418/SB 2343**

The original bill filed was a caption bill, meaning the amendment makes the bill. As amended, this bill does several things. First, the bill updates statutory terminology from “smoke detector” to “smoke alarm” in the code sections dealing with residential and residential rental properties. Second, the bill clarifies that all smoke alarms are only certified for use for 10 years and requires 10-year smoke alarms to be utilized. 10-year tamper proof battery operated alarms are only required when commercial power is not available. Specifically including the terminology “10-year smoke alarm” clarifies that smoke alarms may only be used for 10 years before they must be replaced. In settings where commercial power isn’t available and hardwiring of the alarm isn’t possible, the law now provides that the tamper proof 10-year lithium battery alarm shall be permitted. Finally, the bill clarifies the landlord-tenant responsibilities when it comes to smoke alarms. Furthermore, it requires a written acknowledgement that 10-year alarms are installed and functional. The tenant is responsible for regular testing and notifying the landlord of any failure or malfunction. If passed, the landlord can require reimbursement for any cost of replacing a damaged alarm or one that had been removed by the tenant.

This bill was assigned to the House Criminal Justice Committee and the Senate Judiciary Committee. After working with the lobbyist who represents the Tennessee Fire Services Coalition, the proponents of the bill, the bill was taken off notice in the House Criminal Justice Subcommittee and was assigned to General Sub in the Senate. An agreement was reached that TAA and TFSC would continue to work together over the summer and fall to draft a piece of legislation upon which both associations can agree.