



SB0592 Walley / HB0648 Jones

RESIDENTIAL RENTAL PROPERTY REGISTRIES

BACKGROUND

Tennessee's thriving economy, population growth, increasing home values, and strong rental returns have made the state a magnet for out-of-state real estate investors. While this trend has helped our state to realize significant benefits, it has also created unique challenges for local governments.

One such challenge relates to notification of non-resident property owners that elect to offer their residential properties for rent. Local governments can have a difficult time identifying and notifying non-resident property owners about problems affecting their rental properties. Imagine a property suffers damage as a result of a natural disaster such as high winds, heavy rain, hail or a tornado. Or imagine a home is damaged by fire. A property owner might also be the victim of vandalism or mischief. It is also possible that a tenant might be utilizing the owner's property to conduct illegal activities.

In each of these instances, quick and direct notification to the property owner is imperative. Unfortunately, the information available to local government is often insufficient to ensure direct and timely communication with a property owner. As a result, issues remain unresolved that allow dangerous conditions to continue that harm the owner's investment as well as that of surrounding owners

Current law, TCA, § 66-28-107, requires landlords to provide their name, phone number, and physical address to the local code enforcement office for each rental property they own. This information is collected in a registry, with a modest fee of up to \$10 per submission. This registry addresses many of the challenges of contacting non-resident owners. However, it only applies to Nashville.

To tackle this statewide issue, the Tennessee Municipal League Board of Directors directed League staff to file legislation that establishes a residential rental property registry that expands to municipalities across the state. With a rental registry, local governments can easily contact landlords or their agents to address issues before they spiral out of control. It streamlines the process of identifying property owners, improves communication of important information and details, improves tenant safety, and preserves community property values.

PROBLEM

Current law, TCA, § 66-28-107, applies only to Nashville, when municipalities statewide would benefit from a rental registry.

REMEDY

Expand current law to a state-wide application with a local adoption requirement. Retain the current provisions allowing respective code enforcement offices to charge a fee not exceeding \$10 per form submission. Allow locals to cap the number of forms that would be subject to the fee. Provide every local government the option of adopting a rental registry.

