MTAS Beginner's Guide to the Tennessee Slum Clearance Act

T.C.A § 13-21-101 et. seq.

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Introduction

Many cities in Tennessee continue to fight the issues of blighted properties and dilapidated structures. Some cities are fortunate to have a robust Building and Codes Department to handle these code enforcement cases.

For many other smaller cities however, they do not have a strong Building and Codes Department to address code enforcement violations. Some cities may have one or two code enforcement officers, but that is all. These code enforcement officers may write letters to the property owner and if they are lucky, the property owner cleans up the mess.

However, in many cases, the property owner refuses to take any action, leaving the city wondering what next steps it could take to address these dilapidated and unsafe structures.

This is where the Slum Clearance Act comes into play. Unlike a citation into city court, the Slum Clearance Act is not a judicial action. There is no judge, there are no punitive fines, and there are no court costs.

What the Slum Clearance Act does allow is the city to go through the processes of notices of violations, inspections, and hearings before a hearing officer (not a city judge). If the property owner is found to be in violation, then the city can order the property owner to repair or demolish the structure. If the property owner does not do that, then the city has the authority to repair or demolish the structure on its own.

If the city does the repair or demolition work, the city can seek reimbursement of the reasonable expenses incurred. So, while this is not the same thing as a fine or court costs, this is intended to make the city whole and hold the property owner financially responsible for the actions taken to clean up the property.

In this guide there are step by step instructions of the Slum Clearance Act. There are sample documents and ordinances that the city can use to implement the Slum Clearance Act to repair or demolish dilapidated and unsafe structures.

Forms can be customized to the city's liking. There are no State of Tennessee standardized forms so cities can tailor these forms to meet their needs or create their own forms. While the Slum Clearance Act discusses the law, unfortunately it does not address some of the internal procedures a city should take in carrying out this Act. This guide can help a city develop that process.

Step 1. Adopt the Slum Clearance Act into your city's code

The Slum Clearance Act is found in T.C.A. § 13-21-101 et. seq.

T.C.A. § 13-21-103 authorizes the city to adopt an ordinance adopting the Slum Clearance Act to regulate the unsafe and uninhabitable structures in the municipality.

Upon the adoption of an ordinance finding that conditions of the character described in § 13-21-102 exist within a municipality, the governing body of the municipality is hereby authorized to adopt ordinances relating to the structures within the municipality which are unfit for human occupation or use...

T.C.A. § 13-21-103.

The MTAS Sample Code includes this ordinance in Title 13, Chapter 2, Sections 201 through 214.

Your city may have adopted this Title 13, Chapter 2 in the past, but if it's been a few years, it is recommended looking at the most current version that reflects any changes in the law.

The MTAS Sample Code Title 13 is entitled Property Maintenance Regulations. Title 13 covers the following topics:

TITLE 13 PROPERTY MAINTENANCE REGULATIONS

- 1. MISCELLANEOUS.
 - a. 13-101. Smoke, soot, cinders, etc.
 - b. 13-102. Stagnant water.
 - c. 13-103. Weeds and grass.
 - d. 13-104. Overgrown and dirty lots.
 - e. 13-105. Dead animals.
 - f. 13-106. Health and sanitation nuisances.
 - g. 13-107. Violations and penalty.
- 2. SLUM CLEARANCE.
- 3. JUNKYARDS.
- 4. JUNKED MOTOR VEHICLES.

Two things about these Title 13 Property Maintenance Regulations need to be highlighted.

- (1) If a city adopts these regulations into its city code, these are citable offenses that can be heard in city court. However, because these items will be heard in city court, they are limited to a \$50 fine, court costs and litigation taxes. A city judge only has the power to assess monetary judgments against the defendant. The city judge does not have the authority to send a crew out to the property and clean it up or demolish a structure.
- (2) If the city wants to take direct action and clean up the property or repair or demolish a structure, it must use the Slum Clearance Act. The Slum Clearance Act is not considered a judicial proceeding. These actions do not come to a city court. Any monetary assessments made are for the expenditures needed to remedy or demolish the structure. There are no fines or court costs with these actions, but the city is allowed to seek reimbursement for these expenditures through a collection lawsuit, filing liens, or adding these expenses to the property's tax bill.

While there are several definitions in T.C.A. § 13-21-101, the following two definitions should be highlighted:

Owner - means the holder of the title in fee simple and every mortgagee of record;

Public Officer - means any officer or officers of a municipality or the executive director or other chief executive officer of any commission or authority established by such municipality or jointly with any other municipality who is authorized by ordinance adopted hereunder to exercise the power prescribed by such ordinances and by this part.

"Public Officer" is whoever the city's code authorizes to enforce these abatement issues. i.e., Codes Enforcement Officer is most common, but it can be others if the code says so.

A sample ordinance adopting Title 13, Chapter 2, Slum Clearance is provided here.

CITY/TOWN OF, TENNESSEE ORDINANCE NO
AN ORDINANCE AMENDING THE MUNICIPAL CODE BY ADDING CHAPTER TO TITLE, PROPERTY MAINTENANCE REGULATIONS IN ORDER TO REDUCE THE HAZARDS OF FIRE, ACCIDENTS OR OTHER CALAMITIES, LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES, OR DUE TO OTHER CONDITIONS RENDERING SUCH DWELLINGS UNSAFE OR UNSANITARY, OR DANGEROUS OR DETRIMENTAL TO THE HEALTH, SAFETY AND MORALS OR OTHERWISE INIMICAL TO THE WELFARE OF THE RESIDENTS OF THE TOWN AND PROVIDING FOR A PENALTY FOR ENFORCEMENT ¹
BE IT ORDAINED by the Board of Mayor and Aldermen of the City of as follows:
Section 1. Title, Property Maintenance Regulations, is hereby amended by adding Chapter to read in its entirety as follows:
CHAPTER 2
SLUM CLEARANCE
SECTION 13-201. Findings of board. 13-202. Definitions. 13-203. "Public officer" designated; powers.

13-204. Initiation of proceedings; hearings.

13-205. Orders to owners of unfit structures.

13-206. When public officer may repair, etc.

13-207. When public officer may remove or demolish.

13-208. Lien for expenses; sale of salvage materials; other powers not limited.

13-209. Basis for a finding of unfitness.

13-210. Service of complaints or orders.

13-211. Enjoining enforcement of orders.

13-212. Additional powers of public officer.

13-213. Powers conferred are supplemental.

13-214. Structures unfit for human habitation deemed unlawful.

13-201. Findings of board. Pursuant to Tennessee Code Annotated, § 13-21-101, et seq., the Board of Mayor and Aldermen finds that there exists in the city structures

¹ The authority for this model ordinance is granted in the Slum Clearance Act, T.C.A. §§ 13-21-101, et seq, and this ordinance uses language appearing in the law.

which are unfit for human occupation or use due to dilapidation, defects increasing the hazards of fire, accident or other calamities, lack of ventilation, light or sanitary facilities, or due to other conditions rendering such dwellings unsafe or unsanitary, or dangerous or detrimental to the health, safety and morals, or otherwise inimical to the welfare of the residents of the city.

13-202. Definitions.

- (1) "Dwelling" means any building or structure, or part thereof, used and occupied for human occupation or use or intended to be so used, and includes any outhouses and appurtenances belonging thereto or usually enjoyed therewith.
- (2) "Governing body" shall mean the Board of Mayor and Aldermen/City Council/City Commission (select one) charged with governing the city.
- (3) "Municipality" shall mean the City of ______, Tennessee, and the areas encompassed within existing city limits or as hereafter annexed.
- (4) "Owner" shall mean the holder of title in fee simple and every mortgagee of record.
- (5) "Parties in interest" shall mean all individuals, associations, corporations and others who have interests of record in a dwelling and any who are in possession thereof.
- (6) "Place of public accommodation" means any building or structure in which goods are supplied or services performed, or in which the trade of the general public is solicited.
- (7) "Public authority" shall mean any officer who is in charge of any department or branch of the government of the city or state relating to health, fire, building regulations, or other activities concerning structures in the city.
- (8) "Public officer" shall mean the officer or officers who are authorized by this chapter to exercise the powers prescribed herein and pursuant to Tennessee Code Annotated, § 13-21-101, et seq.
- (9) "Structure" means any dwelling or place of public accommodation or vacant building or structure suitable as a dwelling or place of public accommodation.
- <u>13-203. "Public officer" designated: powers.</u> There is hereby designated and appointed a "public officer," to be the building official of the city, to exercise the powers prescribed by this chapter, which powers shall be supplemental to all others held by the building official.
- 13-204. Initiation of proceedings; hearings. Whenever a petition is filed with the public officer by a public authority or by at least five (5) residents of the city charging that any structure is unfit for human occupancy or use, or whenever it appears to the public officer (on his own motion) that any structure is unfit for human occupation or use, the public officer shall, if his preliminary investigation discloses a basis for such charges, issue and cause to be served upon the owner of,

and parties in interest of, such structure a complaint stating the charges in that respect and containing a notice that a hearing will be held before the public officer (or his designated agent) at a place therein fixed, not less than ten (10) days nor more than thirty (30) days after the service of the complaint; and the owner and parties in interest shall have the right to file an answer to the complaint and to appear in person, or otherwise, and give testimony at the time and place fixed in the complaint; and the rules of evidence prevailing in courts of law or equity shall not be controlling in hearings before the public officer.

<u>13-205. Orders to owners of unfit structures.</u> If, after such notice and hearing as provided for in the preceding section, the public officer determines that the structure under consideration is unfit for human occupation or use, he shall state in writing his finding of fact in support of such determination and shall issue and cause to be served upon the owner thereof an order:

(1) If the repair, alteration or improvement of the structure can be made at a reasonable cost in relation to the value of the structure (not exceeding fifty percent (50%) of the reasonable value), requiring the owner, within the time specified in the order, to repair, alter, or improve such structure to render it fit for human occupation or use or to vacate and close the structure for human occupation or use; or (2) If the repair, alteration or improvement of said structure cannot be made at a reasonable cost in relation to the value of the structure (exceeding fifty percent (50%) of the reasonable value²), requiring the owner within the time specified in the order, to remove or demolish such structure.

13-206. When public officer may repair, etc. If the owner fails to comply with the order to repair, alter, improve and to vacate and close the structure as specified in the preceding section hereof, the public officer may/shall (select one) cause such structure to be repaired, altered, improved, and to be vacated and closed; and the public officer may/shall (select one)³ cause to be posted on the main entrance of any dwelling so closed, a placard with the following words: "This building is unfit for human occupation or use. The use or occupation of this building for human occupation or use is prohibited and unlawful"

13-207. When public officer may remove or demolish. If the owner fails to comply with an order, as specified above, to repair, remove or demolish the structure, the

² T.C.A. § 13-21-103(3)(A): "the ordinance of the municipality may fix a certain percentage of such cost as being reasonable for such purpose...."

³ T.C.A. § 13-21-103(4) makes such postings optional by using the word "may" but cities should require such postings due to potential liabilities for injuries that may occur if the structure later collapses or burns. See <u>Ford v. New Greater Hyde Park Missionary Baptist Church of Memphis</u>, No. W2006-02614-COA-R9CV, 2007 WL 4355490 (Tenn. Ct. App. Dec. 12, 2007)

public officer may cause such structure to be removed and demolished.

13-208. Lien for expenses; sale of salvaged materials; other powers not limited. The amount of the cost of such repairs, alterations or improvements, or vacating and closing, or removal or demolition by the public officer shall be assessed against the owner of the property, and shall upon the filing of the notice with the office of the Register of Deeds of _____ County, be a lien on the property in favor of the municipality, second only to liens of the state, county and municipality for taxes, any lien of the municipality for special assessments, and any valid lien, right, or interest in such property duly recorded or duly perfected by filing, prior to the filing of such notice. These costs shall be collected by the municipal tax collector or county trustee at the same time and in the same manner as property taxes are collected. If the owner fails to pay the costs, they may be collected at the same time and in the same manner as delinquent property taxes are collected and shall be subject to the same penalty and interest as delinquent property taxes. In addition, the town may collect the costs assessed against the owner through an action for debt filed in any court of competent jurisdiction. The city may bring one (1) action for debt against more than one or all of the owners of properties against whom said costs have been assessed and the fact that multiple owners have been joined in one (1) action shall not be considered by the court as a misjoinder of parties. If the structure is removed or demolished by the public officer, he shall sell the materials of such structure and shall credit the proceeds of such sale against the cost of the removal or demolition, and any balance remaining shall be deposited in the Chancery Court of _____ County by the public officer, shall be secured in such manner as may be directed by such court, and shall be disbursed by such court to the person found to be entitled thereto by final order or decree of such court. Nothing in this section shall be construed to impair or limit in any way the power of the city to define and declare nuisances and to cause their removal or abatement, by summary proceedings or otherwise. 13-209. Basis for a finding of unfitness. The public officer defined herein shall have the power and may determine that a structure is unfit for human occupation or use if he finds that conditions exist in such structure which are dangerous or injurious to the health, safety or morals of the occupants or users of such structure, the occupants or users of neighboring structures or other residents of the city of __. Such conditions may include the following (without limiting the generality of the foregoing): defects therein increasing the hazards of fire, accident, or other calamities; lack of adequate ventilation, light, or sanitary facilities; dilapidation; disrepair; structural defects; or uncleanliness.

<u>13-210. Service of complaints or orders.</u> Complaints or orders issued by the public officer pursuant to this chapter shall be served upon persons, either personally or by registered mail, but if the whereabouts of such persons are unknown and the same

cannot be ascertained by the public officer in the exercise of reasonable diligence, and the public officer shall make an affidavit to that effect, then the serving of such complaint or order upon such persons may be made by publishing the same once each week for two (2) consecutive weeks in a newspaper printed and published in the city. In addition, a copy of such complaint or order shall be posted in a conspicuous place on premises affected by the complaint or order. A copy of such complaint or order shall also be filed for record in the Register's Office of ______ County, Tennessee, and such filing shall have the same force and effect as other lis pendens notices provided by law.

13-211. Enjoining enforcement of orders. Any person affected by an order issued by the public officer served pursuant to this chapter may file a bill in chancery court for an injunction restraining the public officer from carrying out the provisions of the order, and the court may, upon the filing of such suit, issue a temporary injunction restraining the public officer from taking action pending the final disposition of the cause; provided, however, that within sixty (60) days after the posting and service of the order of the public officer, such person shall file such bill in the court. The remedy provided herein shall be the exclusive remedy and no person affected by an order of the public officer shall be entitled to recover any damages for action taken pursuant to any order of the public officer, or because of noncompliance by such person with any order of the public officer.

- 13-212. Additional powers of public officer. The public officer, in order to carry out and effectuate the purposes and provisions of this chapter, shall have the following powers in addition to those otherwise granted herein:
- (1) To investigate conditions of the structures in the city in order to determine which structures therein are unfit for human occupation or use;
- (2) To administer oaths, affirmations, examine witnesses and receive evidence;
- (3) To enter upon premises for the purpose of making examination, provided that such entry shall be made in such manner as to cause the least possible inconvenience to the persons in possession and in compliance with legal requirements for gaining entry;
- (4) To appoint and fix the duties of such officers, agents and employees as he deems necessary to carry out the purposes of this chapter; and
- (5) To delegate any of his functions and powers under this chapter to such officers and agents as he may designate.

13-213. Powers conferred are supplemental. This chapter shall not be construed to abrogate or impair the powers of the city with regard to the enforcement of the provisions of its charter or any other ordinances or regulations, nor to prevent or punish violations thereof, and the powers conferred by this chapter shall be in addition and supplemental to the powers conferred by the charter and other laws.

13-214. Structures unfit for human habitation or use deemed unlawful. It shall be unlawful for any owner of record to create, maintain or permit to be maintained in the city structures which are unfit for human occupation or use due to dilapidation, defects increasing the hazards of fire, accident or other calamities, lack of ventilation, light or sanitary facilities, or due to other conditions rendering such dwellings unsafe or unsanitary, or dangerous or detrimental to the health, safety and morals, or otherwise inimical to the welfare of the residents of the city. In addition to other enforcement actions taken pursuant to this chapter, violations of this section may subject the offender to a penalty of fifty dollars (\$50.00) for each offense. Each day a violation is allowed to continue shall constitute a separate offense.

Section 2. This ordinance shall become effective upon final passage, the public welfare requiring it.

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First Reading: Second Reading:	
Second Redding	
Mayor	
Recorder	

Passed this

Step 2. Initiate the Action - T.C.A. § 13-21-103(2)

There are two methods to initiate an action:

Method 1: Community Petition - Petition signed by at least 5 residents is filed with the public officer (i.e. building inspector, codes enforcement department, etc.), charging that the structure is unfit for human occupation or use; or

Method 2: Self-Initiated - When it appears to a public officer (i.e. the building inspector, fire chief, or any officer of the city, that the structure is unfit for occupation or use.

In either case, the public officer will arrive at the site and begin the investigation. Much of any investigation can occur on public right of way land like sidewalks or streets.

Be ready to take lots of pictures and take well written notes on what is found as these facts will be necessary for any potential hearings in the future.

Step 3. Investigation and Notice of Violation

The public officer will conduct a preliminary investigation to determine whether the structure is "unfit for human occupation or use."

"Unfit for Human Occupation or Use" criteria.

Both T.C.A. § 13-21-102(a) and T.C.A. § 13-21-104 provide a broad overview of what considerations a public officer should consider when determining whether a structure is unfit for human occupation or use. These two statutes list the following criteria:

- Defects increasing the hazards of fire, accident, or other calamities
- Lack of ventilation, light, or sanitary facilities
- Dilapidation
- Disrepair
- Structural defects
- Uncleanliness
- Other conditions rendering the structure unsafe or unsanitary, dangerous or detrimental to the health, safety or morals
- Any other conditions that are inimical to the welfare of the residents of the municipality

Notice that this list is very broad. Also notice that this list does not get down to very specific items like specific sections of building codes, plumbing codes, electrical codes, etc.

If the public officer can see specific fire, plumbing, or construction violations, the officer should list those particular violations on the notice of violation. That will support the case.

However, sometimes conditions are so apparently dangerous or defective that the public official can be broadly descriptive without having to cite each individual violation on the notice.

Examples of obvious dangerous or defective conditions may include sagging roofs, missing doors and windows, unsafe foundation structures, or gaping holes in the wall. While I'm sure there is a building code somewhere that says walls cannot have gaping holes in them, the public officer's notice of violation can be perfectly valid even if it does not directly cite the building code section about gaping holes in the wall.

Conducting the Investigation - Helpful tips

- 1. Upon arrival to the property, knock on door of premise and announce public officer's presence. Talk to owner or occupant if possible.
- 2. Take pictures of the property from publicly accessible locations like the sidewalk or public property or right of ways. Get pictures of the front yard, side yard, and backyard if you can get a view. Also take a picture of the mailbox to document the correct address.
- 3. Write a short narrative that will be used to issue the notice of violation.

If the public officer finds a violation that fits in the broad category of "unfit for human occupation or use," T.C.A. § 13-21-103(2) requires the public officer to do the following:

- (2) ...the public officer shall, if the public officer's preliminary investigation discloses a bases for such charges, issue and cause to be served upon the owner of and parties in interest of such structure, a complaint stating that the charges in that respect and containing a notice of hearing will be held before the public officer or the public officer's designated agent, at a place therein fixed, not less than 10 days nor more than 30 days after the serving of the complaint, that
 - (A) The owner and parties in interest shall be given the right to file an answer to the complaint and appear in person, or otherwise, and give testimony at the place and time fixed in the complaint, and
 - (B) The rules of evidence prevailing in courts of law or equity shall not be controlling in hearings before public officers.

Simply put, the statute says this:

- 1. If you find a violation, write up a notice of violation.
- 2. Detail those violations in the notice.
- 3. Serve the notice on the property owner (hopefully in person, but if not, I other methods will be discussed later).

- 4. The notice must offer the property owner a hearing if the owner wants to contest the notice of violation.
- 5. This hearing must occur in the window of time between 10 days and 30 days after serving the notice of violation.
- 6. This hearing can be conducted by the public officer, **OR** the public officer's designated agent.

I want to take a moment and focus on #6 above regarding how the hearing officer can be the public officer or the officer's designated agent.

For most cities with a Building and Codes Department they have several employees working in the department. Typically, the person writing the notice of violation is a codes enforcement officer and the person conducting the hearing is the director or deputy director of the Building and Codes Department. This allows the Building and Codes Director to appear more neutral in hearing the violation because he or she is not the person who issued the notice of violation.

However, this statute does allow the person writing the notice of violation to literally be the same person conducting the hearing. It would be akin to having a police officer write you a speeding ticket, and when you go to court to contest the charge, the same officer is now wearing the judge's robe and sitting behind the bench.

Even though the statute allows the public officer to both cite the violation and adjudicate the same hearing for it, most cities do not like to do this. It creates an appearance of partiality or that the violator is "home cooked" before the hearing even begins.

To address this issue and preserve appearances of impartiality, many small cities who may only have one or two public officers will contract with a hearing officer in another city to adjudicate these cases. Many times, this hearing officer will be a local engineer or licensed contractor in another neighboring town. This is permissible because it falls under the "public officer's designated agent" exception in the statute.

So, if the public officer who wrote the notice of violation does not feel comfortable to also conduct the hearing, consider finding someone else who is not a city employee who knows enough about buildings and structures to make an informed hearing officer.

On the next pages, we provide some guidelines and forms for creating a Notice of Violation.

- A sample Notice of Violation form
 - If possible, include the property search print out from your county's Assessor of Property's office with notice. This demonstrates the recipient is the registered property owner for service of the notice either in person or by mail.
- Forms for documenting what is found and
- Suggestions for how to include sample pictures of the dilapidated property.

Sample Notice of Violation Form

City of Sampleville, TN 123 Main Street, Sampleville TN 37123

Date

NOTICE OF VIOLATION

Name Address 1 Address 2 City, State Zip Code

RE: Dilapidated and uninhabitable structure located at (address listed above).

A violation of the City of Sampleville Property Maintenance Ordinance has been observed at this property further identified as Tax Map No. 12-P Parcel G-014. The property is determined unsafe and non-compliant with the following section(s):

List Chapter or Section (Title 13 references if using the MTAS Sample Code)

Quantity: Violation - Unsafe for Human Occupation or Use due to dilapidation, fire, ventilation etc.

Hearing Date: In accordance with Title 13, Chapter 2, Section 13-204 of the City of Sampleville Municipal Code, a hearing has been set for 8:30 A.M. on February 29, 2024, at the Sampleville Building and Codes Department at 123 Main Street, Sampleville TN 37123.

Hearing Information: The owner and interested parties will have and shall be given the right to file an answer to the complaint and to appear in person, or otherwise, and give testimony at the place and time fixed in the notice and the rules of evidence prevailing in courts of law or equity shall not be controlling in hearings before the public officer.

Please contact me at (615) XXX-XXXX or at <u>First.Last@Sampleville.gov</u> if you need to modify the hearing date or to discuss your plan of action for resolution and compliance.

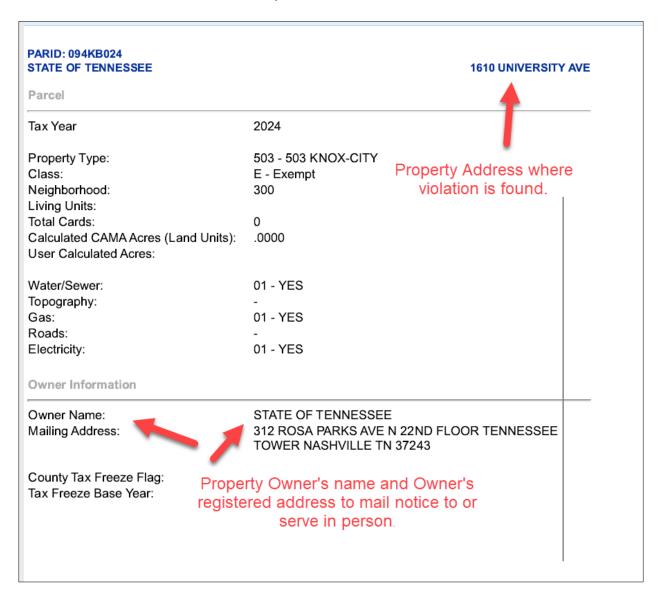
A building permit is required to bring the above referenced property into compliance ar must be secured at this office before beginning work.					
Inspector Signature:		Date:			

Property Owner Search Report

If your county has an online assessor of property search feature, look up the property address and attach the results to the notice of violation.

This shows that you have found the correct owner to serve the notice of violation so they cannot dispute that they are the rightful recipient of the notice under state law.

For example, if the MTAS Headquarters at 1610 University Avenue in Knoxville was in violation of the Slum Clearance Act, include the search results like this:



Sample Form for Documenting What is Found

City of Sampleville Building and Codes Department

Property Location:	
Case Notes:	
_	
_	

Page Number _____

Suggestions for Including Photos in the Notice of Violation

MTAS recommends that pictures be included with the notice. This supports the complaint, but also serves as a helpful reference example if the property owner lives somewhere else or out of state and does not see the property often, or ever.





Step 4. Serving the Notice of Violation

T.C.A. § 13-21-105 discusses serving the notice of violation to the property owner.

Remember, T.C.A. § 13-21-101(4) says "owner" means the holder of the title in fee simple and every mortgagee of record. So, if the property owner still has a mortgage, the city can serve this notice to the mortgage company in addition to serving the individual person.

There are three ways to serve the notice of violation:

Option 1: Serve the property owner in person (preferred, if possible).

Option 2: Service by registered mail (sometimes difficult to get person to sign, but fine to use to notify mortgage company if needed).

Note: Options 1 and 2 are treated equally and the city can do either one and still comply with the statute. It is not required to first attempt personal service and if that doesn't work try registered mail. Either/or carries the same weight.

Option 3: If whereabouts of owner is unknown (after a reasonable search) the public officer shall make an affidavit to that effect describing the attempts to serve in person or registered mail. If the reasonable attempt to serve in person or by registered mail failed, then the complaint should be published in the city newspaper once a week for two consecutive weeks.

If no city newspaper, then a newspaper published in the county.

Newspaper option only if Options 1 and 2 do not work.

Please note that T.C.A. § 13-21-105 also says that once this notice is served by options 1, 2, or 3, the public officer must do two more things:

- 1. A copy of such complaint or order shall be posted in a conspicuous place on premises affected by the complaint or order.
- 2. A copy of such complaint or order shall also be filed for record in the register's office of the county in which the structure is located, and such filing of the complaint or order shall have the same force and effect as other lis pendens notices provided by law.

The reason the public officer must file this notice with the Register of Deeds office is to prevent the property owner from selling the property with an unsafe structure to an unsuspecting buyer.

This is more common as more buyers from out of state (or out of town) buy properties sight unseen or do not do their due diligence.

Here are some recommended procedures in the serving of the Notice of Violation.

1. Picture of posting the "unsafe for human occupation or use" on a structure.



2. Sample notice letter filed with the Register of Deeds with the Register of Deeds recording stamp. (Courtesy of the City of Clarksville, Tennessee)



September 12, 2022

Property Owner name and address

Julie C. Runyon, Register Montgomery County Tennessee 688631 Instrument #: 1396925 568631 Rec #: Recorded 10.00 Rec'd: 9/12/2022 at 9:52 AM 0.00 State: in Volume 2250 0.00 Clerk: 2.00 Other: 2554-2554 Total: 12.00

RE: Dilapidated & Uninhabitable Structure located at 935 Shearor St, Clarksville, Tennessee 37040

This office has made an inspection of the above referenced property further identified as Tax Map No.55-N Parcel D-04200, and determined that it appears the structure is unsafe and considered unsanitary and unfit for human habitation. According to tax records you are the owner of this property.

In accordance with Section 4-608 of the City of Clarksville Housing Ordinance a hearing has been set for 8:30 A.M September 28th, 2022 at the Building & Codes Department, 100 South Spring Street, Clarksville, Tennessee. The owner and interested parties will have the opportunity to answer this complaint. The rules of evidence prevailing in courts of law or equity shall not be controlling in hearings before the Building Official. A building permit is required to bring the above referenced property into compliance and must be secured at this office before beginning work.

Sincerely,

David Kimberling

Deputy Director/Building Official

Step 5. Conducting the Hearing & Evaluating the Structure

The city must provide the property owner a hearing to evaluate the structure. This hearing must be held after 10 days but before 30 days after the notice was properly served.

It is entirely possible the property owner will not show up. But since the statute requires the city provide a hearing, the public official or the hearing officer may be sitting in a room by themselves.

If the property owner does not show up, then the findings of the public official will prevail. Because this is not a judicial proceeding, there are no other consequences for the property owner if he or she does not appear. The city can then proceed with the next steps.

If the property owner does show up, the owner and parties in interest have the right to respond to the complaint, give testimony as to why this isn't a violation or isn't a dangerous, unsafe, uninhabitable condition.

T.C.A. § 13-21-103(2)(B) states that the rules of evidence in courts of law or equity (i.e., the Rules of Evidence in Circuit, Chancery, and Appellate Courts) shall not be controlling in these hearings.

In other words, this hearing can be much more informal. The parties may present testimony, pictures, documents, etc., that may be inadmissible hearsay or unauthenticated pictures in these hearings that would otherwise be prohibited in a circuit or chancery court.

There is no sample available for conducting the hearing, but the public official or his or her designated agent (i.e. the hearing officer) will hear any testimony, evidence, etc. and decide whether or not the structure is in violation of the various conditions listed earlier like dilapidation, ventilation, unsafe, or uninhabitable conditions.

Step 6. Issuing the Order

If the public officer or designated agent hearing the case determines that the building is unfit for human occupation or use, the public officer shall state in writing the public officer's findings of fact in support of such determination and shall issue and cause to be served upon the owner an order to either **repair** or **demolish**. See T.C.A. § 13-21-103(3).

While the public officer must state his or her findings in writing, the public officer has the discretion to be as detailed or as broad as necessary. Some cases may warrant a specific, itemized list of various violations with corresponding building code

references to lay out a distinct and detailed finding of facts.

In other cases (like the picture examples earlier in this packet) the order may use broader, more sweeping statements like this:

The City Building Official, because of unsafe and dangerous conditions hereby condemns your property. The structures are dilapidated and unfit for human habitation. It is my opinion it would cost more than fifty (50) percent of the value to bring the structures up to current codes.

In any event, this order will require the property owner to either (1) repair or (2) demolish.

REPAIR vs. DEMOLISH: This language in T.C.A. § 13-21-103(3)(A) and (B) discuss the criteria to determine when to repair vs. demolish.

Repair

(A) If the repair, alteration or improvement of the structure can be made at a reasonable cost in relation to the value of the structure (the ordinance of the municipality may fix a certain percentage of such cost as being reasonable for such purpose), requiring the owner, within the time specified in the order, to repair, alter or improve such structure to render it fit for human occupation or use or to vacate and close the structure as a place of human occupation or use: or

Demolish

(B) If the repair, alteration or improvement of the structure **cannot be made** at a reasonable cost in relation to the value of the structure (the ordinance of the municipality may fix a certain percentage of such cost as being reasonable for such purpose), requiring the owner, within the time specified in the order, to remove or demolish such structure;

Determining what is a "reasonable cost" to either repair or replace.

The state statute actually leaves it up to the city to determine what threshold value to determine when to repair something and when to demolish it. Most cities adopt the 50% rule.

50% Rule

If it would cost less than 50% of the value of the property to repair the structure, then the order will say repair. If it would cost more than 50% of the value of the property to repair it, then the order will say demolish.

Example: If the structure has a sagging roof and is falling apart.

Property value = \$40,000 and a new roof repair = \$30,000 This is greater than 50% of the property's value = demolish.

The public officer or designated agent who conducted the hearing can use various tools to determine a property's value. He or she can use the Assessor of Property's

records or may use a licensed real estate appraiser.

Most commonly, these dilapidated structures are relatively small, and there is not much value to contest and the Assessor of Property's record will suffice because those are public records and free to use.

However, if the structure is a large commercial structure like an apartment complex or warehouse, there may be a dispute between the parties about value, so a licensed real estate appraiser may be necessary for additional support and evidence.

Determining expenses needed to repair

The way the officer who conducted the hearing determines the expenses needed to repair a structure can vary from case to case. For better or for worse, the statute does not detail how the officer does this.

Larger cities may have licensed in-house experts in their Building and Codes Departments that could generate an estimate of the repairs. Cities can also use a licensed contractor to place a value on the repairs required to bring a property up to code.

Whoever renders this opinion must be qualified to testify as to their opinion and valuation of the work. This is a good risk management tool to show these values are not set by the building official.

The order may impose a deadline for completion of the repairs or demolition

The order written by the public officer will contain the findings of facts to support the determination to repair or replace, and the order can also contain a deadline date for completion of the repair or demolition of the structure.

Some property owners have the tools to repair or demolish the structure quickly and cheaply. In other cases, the property owner may work slowly but is making progress but would not finish by the deadline date. The city has discretion to work with the property owner and extend the deadline dates if meaningful progress is being made.

The main point about the deadline date is if the property owner does not comply or attempt to comply in a timely manner, T.C.A. § 13-21-103(4) provides the city with the mechanism to step in and repair or demolish the structure itself and seek reimbursement from the property owner.

Lastly, in most slum clearance cases the work needed to either repair or demolish will be substantial. As such, a building permit likely would be needed from the Building and Codes Department before the work begins. Make sure language like that is included in the order. We have provided a sample "Order of Finding" here.

Sample Order of Finding

City of Sampleville, TN 123 Main Street, Sampleville TN 37123

Date

Order of Finding

Name Address 1 Address 2 City, State Zip Code

RE: Condemnation hearing of structure located at (address listed above).

A hearing was held at Building & Codes, 123 Main Street, Sampleville, Tennessee on the above referenced property further identified as Tax Map No. 54-E, Parcel C-13.05.

The City Building Official, because of unsafe and dangerous conditions hereby condemns your property. The structures are dilapidated and unfit for human habitation. It is my opinion it would cost more than fifty (50) percent of the value to bring the structures up to current codes.

You have 30 days from the date of this letter to demolish the structures. If during this 30-day period, the Building Official determines that you have made adequate progress in resolving this situation request for extensions of the time may be considered. If the demolition is not completed within the specified time, the City of Sampleville will demolish or advertise and receive bids for the demolition of the property. A lien will be placed upon this property to ensure all costs incurred. Please submit to this office in writing within 15 days from the date of this notice whether you intend to repair or demolish. A building permit is required to bring the above referenced property into compliance and must be secured at this office before beginning work.

Be advised that it is the legal responsibility of the present owner listed above to transfer this notice to any subsequent owner at the date of sale or conveyance of ownership of the property.

Questions concerning this matter should be referred to the Building & Codes Department, 123 Main Street, Sampleville, Tennessee 37123.

Signature

Public Officer / Hearing Officer

Step 7. Serving the Order

After the hearing officer decides that the property is in violation and needs to be either repaired or replaced and issues an order of finding discussed in Step 6, then the hearing officer will need to serve the order to the property owner.

In some cases, the hearing officer may issue a verbal order of finding during the hearing. In other cases, the hearing officer may take the matter under advisement and think about it and issue a ruling later.

In either of those cases, the written order will likely be written after the hearing is over and the property owner has left the premises. In some rare cases, the hearing officer may have a computer and printer on site and can issue the order of finding and personally serve the property owner before he leaves, but in the vast majority of cases, this order of finding will be served after the hearing has concluded and all parties have left.

How to serve the Order of Findings

Serve the Order of Findings in the same manner as the service of the original notice.

- 1. Personal service or registered mail.
- 2. Post the order on the property in a conspicuous place (on the building or a big sign on the front yard).
- 3. File order with the Register of Deeds office.

Important note about the property owner's appeal rights and criminal charges if the owner does not vacate the building after being found unfit for human occupation or use.

T.C.A. § 13-21-106(a) allows for the property owner (or anyone affected by the order) to file a bill in the chancery court for an injunction restraining the public officer (i.e. the city) from carrying out the order (i.e. repair or demolish). The chancery court may issue a temporary injunction restraining the public officer pending the final disposition of the cause.

The property owner must file this bill with the chancery court within 60 days after the posting and service of the order of the public officer, and the property owner shall file this bill in the chancery court. The chancery court hearing shall be heard within 20 days or as soon thereafter as possible and shall be given preference over the other matters on the court's calendar.

T.C.A. § 13-21-106(b) says the chancery court will hear the issues raised and issue a final order on the case. The findings of the public officer as to facts, if supported by

evidence, shall be conclusive. Costs shall be at the discretion of the chancery court. These remedies shall be the only remedies and no person affected by the order of the public officer shall be entitled to recover any damages for actions taken pursuant to any order of the public officer or because of noncompliance by such person with any order of the public officer.

For example, if the chancery court conducts the hearing and finds in favor of the city, the city can demolish the structure, and the property owner does not have a right to sue for the destruction of the property.

T.C.A. § 13-21-110 says if the property owner violates the order to vacate the structure (i.e. refuses to leave) after it was declared unfit for human occupation or use, then that is a Class B Misdemeanor. Additionally, any owner, manager, or person responsible for a structure declared unfit for human occupation or use who authorizes or facilitates the occupancy of the structure commits a Class B misdemeanor.

A Class B misdemeanor is a criminal offense. A person could get arrested and taken to jail and have the criminal case heard in general sessions court if they violate the order. If this happens, it will need to go to either the county general sessions court, or it could be heard in the municipal court only if the city has concurrent general sessions jurisdiction.

Step 8. Follow up to see if the property owner complied with the repair or demolish order

If the property owner complies and does the repair or the demolition, they'll likely need to come to the city office to request a permit for construction or renovation. Continue to follow up with the process to ensure the work is done. A follow up inspection may be necessary.

If the property owner does not comply, then the city can step in and take action.

T.C.A. § 13-21-103(4) allows the following:

(4) If the owner fails to comply with an order to repair, alter or improve or to vacate and close the structure, the public officer may cause such structure to be repaired, altered or improved, or to be vacated and closed; that the public officer may cause to be posted on the main entrance of any structure so closed, a placard with the following words:

"This building is unfit for human occupation or use. The use or occupation of this building for human occupation or use is prohibited and unlawful";

If the city must now step in and take action to repair or demolish, we proceed to Step 9.

Step 9. Repair or demolition

The good part about the Slum Clearance Act is it allows cities to repair or demolish the property on its own and not wait on the property owner to act.

The bad part is the city must use its own money to do this, and hope to get reimbursed by lien, lawsuit, or collection through property tax bills. That could take months or years in some cases.

The Slum Clearance Act does not give any direct step-by-step requirements or guidance that a city should take to repair or demolish a structure.

It's up to each city to determine its own internal processes.

MTAS strongly recommends that you involve the city attorney in this process to ensure all stakeholders are on the same page to develop this process to prevent any potential litigation.

While there is no requirement in the statute to do a property title search, it is recommended to conduct one anyway to ensure that all parties with legal interests, easements, or other attachments have proper notice of the pending action.

The following items are sample checklists and other notes that a city could use to demolish a building.

- 1. Unsafe Structure / Demolition Checklist
- 2. Demolition Statement of Expenses
- 3. Additional Items to Build Your Case File:
 - a. Property Title Search (discussion on why it is useful)
 - b. Demolition bid solicitations and bid results (discussion on why you may need multiple price quotes or bids for your city's purchasing policy)
 - c. Invoices from the contractor or invoices if demolition was done inhouse.

UNSAFE STRUCTURE / DEMOLITION CHECKLIST

NAME:				
ADDRESS:				
DATE INVESTIGATED: DATE LAST OCCUPIED:				
DATE STRUCTURE POSTED:				
COMPLAINT SERVED BY CERTIFIED MAIL:				
HEARING DATE:				
HEARING CERTIFIED LETTER MAILED:				
RECORD HEARING NOTICE AT REGISTER OF DEEDS:				
WRITTEN RSPONSE FROM OWNER: REPAIR DEMOLITION				
ATTORNEY TITLE SEARCH:				
PUBLICE NOTICE DATES IN NEWSPAPER:				
OFFICE REVIEW:				
CITY ATTORNEY REVIEW:				
TDEC APPROVAL (COMMERCIAL PROPERTY ONLY):				
DISCONNECT OF UTILITIES FOR DEMOLITION:				
RECORD REPAIR AT REGISTER OF DEEDS:				
RECORD DEMOLITION LIEN AT REGISTER OF DEEDS:				

DEMOLITION STATEMENT OF EXPENSES

Address:
Dwner:
Registered Mail Expenses:
Recording Fees:
Newspaper Notice Fees:
itle Search Fees:
Demolition Costs:
Administrative Fee:
OTAL:

Building Your Case File

Property Title Search Results and Information

While there is no requirement in the statute to do a property title search, MTAS recommends that you conduct one anyway to ensure that all parties with legal interests, easements, or other attachments have proper notice of the pending action.

A title search will show the owners, any mortgagees who may have an interest in the property, and any other liens or security interests on the property. These entities may be banks, first or second mortgage holders, other creditors who may have filed a debt collection lawsuit and placed a lien on the property, or a materialmen lien or potentially a TVA heat pump loan.

In most lien cases involving non-governmental entities, liens are on a first-filed, first-paid priority. Whoever files a lien first gets repaid first until the money runs out. However, that is not the case with a city's lien for the Slum Clearance Act.

T.C.A. 13-21-103(6) says that these liens placed on the property owner's tax bill shall be second only to state, city, or county tax liens or special assessments. As a result, these liens have a higher priority than other private party liens which means there is a greater chance the city will be fully reimbursed when the property sells if the owner does not pay the taxes.

Demolition Bids and invoices

Bids or RFP for Demolition

Some city purchasing policies may require bids for demolition, but many demolition projects are below the state's mandatory bidding threshold and only require obtaining price quotes from contractors.

If your city's purchasing policy or the size of the project requires a bid, include it here.

If your city only requires a minimum number of proposals or price quotes, put those documents, emails, letters, etc., here too.

This shows you went through the competitive negotiation process and abided by your city's purchasing policy.

Example: (1) Smith Construction Proposal letter - \$6,000

(2) Johnson Construction Proposal letter - \$5,500

(3) MTAS Construction Proposal letter - \$5,000

Winning Bid Price

Include the contractor's price quote, scope of work, size of property, and other details to support your claim for expense reimbursement.

Example:

MTAS Construction is pleased to submit the following Proposal/Contract for the following described work. Demolish a burnt structure approximately 35'x 25' in size and remove from property. No abatement of any kind. No grading all vegetation and appurtenances to remain. Disturbed areas to be seeded and strawed.

All personal property will be free and clear of the work area before work will begin.

Location of work: 123 Main Street, Sampleville, TN.

The price to be charged for the above-described work will be \$5,000.

Accepted	by:			

Construction Company Invoice and City's Purchase Order

Include the final invoice from the construction company with a description of the work performed. It may be identical language to the proposal, or there may have been some change orders with the project once it was underway.

Include the city's purchase order to the company because it will be filed with the Register of Deeds office.

Step 10. Collect the Repair/Demolition Costs

T.C.A. § 13-21-103(6) governs the collections process for the Slum Clearance Act.

Cities can recover the money it spent for the following expenses:

- Repairs
- Alteration or improvements
- Vacating and closing
- Removal or demolition
- Reasonable fees for registration, inspections and professional evaluations of the property.

Many cities will also include an "Administrative Fee" or "Administrative Expense" for the staff time taken to address the case.

Calculate the grand total of all expenses and attempt to collect the money from the property owner.

Two ways to collect

1) File a lien on the property that is added to the city or county property tax bill.

The statute says the following:

The amount of costs...shall be assessed against the owner of the property, and shall, upon the certification of the sum being presented to the municipal tax collector, be a lien on the property in favor of the municipality, second only to liens of the state, county and municipality for taxes, any lien of the municipality for special assessments, and any valid lien, right or interest in such property duly recorded or duly perfected by filing, prior to the filing of such notice. These costs shall be collected by the municipal tax collector or county trustee at the same time and in the same manner as property taxes are collected. If the owner fails to pay the costs, they may be collected at the same time and in the same manner as delinquent property taxes are collected and shall be subject to the same penalty and interest as delinquent property taxes as set forth in § 67-5-2010 and 67-5-2410...

T.C.A § 13-21-103(6).

If the city has property taxes, this may be the best option for the city. It would just file the notice of lien with the city finance director, and then take to be recorded at the register of deeds office, and the bill gets added to the top of the existing city tax bill and recorded in the Register of Deeds office for that plat of land.

For example, if the regular property tax bill is \$1,000, and the city spent \$600 on demolition or repair, then the new tax bill is \$1,600 and the property owner must pay the full amount. If the entire amount is not paid, proceed with the matter like a regular delinquent property tax sale where potentially the property could be sold at a tax sale auction.

If the city doesn't have property taxes, the county trustee can help by putting it on the county tax bill. The same processes would apply.

Lastly, this lien is second only to government liens for delinquent taxes and special assessments. If the property sells at a tax sale, the delinquent taxes get paid first, then the Slum Clearance Act liens get paid next. The same interest rates and penalties apply to the lien amount as are applied to delinquent taxes.

2) Sue the property owner in a debt collection lawsuit like any other creditor.

While not as common because of the cost and expense of hiring the city attorney, this may be a good option depending on the circumstances.

Thankfully, the statute only requires the city "bring one action for the debt against more than one or all of the owners of properties against whom the costs have been

assessed, and the fact that multiple owners have been joined in one action shall not be considered by the court as misjoinder of parties."

Depending on when the lien is filed on the tax bill, it could take 10-12 months before the bill is due on a normal cycle, and perhaps another 1-2 years before a tax sale happens. However, a debt collection lawsuit is filed in a general sessions court, which can be heard in a matter of months and the city has a judgment shortly thereafter. Not only could the city take that judgment and file a lien against the property, but if the property owner has a job, you could garnish the property owner's wages or levy the owner's bank account.

The downside to this option is the city would need to pay its city attorney for this action (unless he or she is in-house). The property owner may not have a job or assets to leverage either. In that case the city may be spending good money chasing after no money.

If the property is a large commercial structure and the expense was significant, and the owner is a corporation who has money, it may be quicker and easier to sue for the collections case and go after the company's money. But these are all case-by-case determinations.

We have provided a sample Notice of Demolition Lien on the following page.

Be sure to complete this form to file with the city finance director and subsequently the county Register of Deeds office.

NOTICE OF DEMOLITION LIEN

Pursuant to the Official Code for the City of Sampleville, Section 13-208, notice is hereby given that the claimant, City of Sampleville, Tennessee, claims a lien upon:

Street Address:		
Parcel Map Number: Deed Book:		
Deed Book.		
for and on account of costs of laboresidential/nonresidential building Sampleville Section 13-205. The naproperty is:	pursuant to the Official Code	e of the City of
Owner/Trustee: Street Address: City/State:		
Demolition labor, materials, or oth above listed property on or about Sampleville demands for this labor for the administrative fee \$	(date). T r, skill, and materials so expen	he amount the City of nded or furnished and
There is now due and remaining up and offsets, plus a \$ in which the sum of \$	recording fee with the Regi which said claimant claims as a e satisfied by payment of the s	ister of Deeds office, a lien upon the above
CITY OF SAMPLEVILLE By: Name - Building Official	Date:	
STATE OF TENNESSEE COUNTY OF	_	
Personally appeared before and for said County and State, inspector), with whom I am person acknowledged that he is the Build he executed this instrument for the his name as the Building Inspector	nally acquainted and who, upo ling Inspector for the City of S he purpose contained therein,	on oath, Sampleville and that
Witness my hand and seal this the	e day of	, 2025.
My c	commission expires:	
Notary Public		

Conclusion

The Slum Clearance Act can be a tremendous asset for cities to address blighted properties when the owner cannot, or does not, clean up the property on its own. The biggest downside is that the city must be willing to use its own money on the front end to do the repair or demolition work and seek reimbursement after the fact.

From discussions with numerous cities, it was this financial barrier that prevented most of them from initiating any repair or demolition actions through the Slum Clearance Act. Many city officials and the citizens would rather have the money benefit other projects or programs for the city instead of cleaning up dilapidated buildings.

There has been a shift over the past several years though with new elected officials with different ideas, and new citizens moving into Tennessee cities with new goals of community enhancement and beautification. It is with this shift that we are seeing a growing effort among cities, especially small cities, to finally address many of these blighted properties to make their cities more aesthetically pleasing, as well as remove dangerous structures and improve community safety.

Lastly, please involve the city's attorney with this process. There are lots of moving parts to the Slum Clearance Act and it may not take too many missed steps that will open the city up to liability if you demolish a property without fully complying with the statute. By involving the city attorney on the front end, the city can be insulated from these risks and develop a strong and robust code enforcement program.

