

HOUSE BILL 757

By Marsh

AN ACT to amend Tennessee Code Annotated, Section 66-21-108, relative to liens.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 66-21-108, is amended by deleting the section and substituting instead the following:

(a) Except as provided in subsection (b), a real property owner who prevails in an action challenging the validity of a lien filed against one-family, two-family, three-family, or four-family residential units, including in a slander of title proceeding, shall recover:

(1) The owner's reasonable attorney's fees;

(2) Reasonable costs incurred by the owner to challenge the validity of the lien;

(3) Liquidated damages in an amount equal to ten percent (10%) of the fair market value of the property not to exceed one hundred thousand dollars (\$100,000); and

(4) Any actual damages incurred by the owner.

(b) A real property owner shall not recover under subsection (a) if the action was brought to challenge a lien that is based on a loan agreement for which the encumbered property was listed as collateral to secure the repayment of the loan.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.