

Lien Use and Collection
A Survey Conducted for the Chattanooga
February 2007



Contact	Does your city utilize the lien provisions of state law for recovering costs related to slum clearance and for overgrown lot clearance?	Do you use property liens to recover costs for any other city actions?	How successful is the liens process in recovering costs?	How do you define success?	If your liens process is successful, could you describe the process for us and what makes it successful?
Jackson Jim Campbell, Building Official (731) 425-8262 Sonny Phillips (731) 425-8235	Yes	Yes, boarding up abandoned buildings	Process is still evolving/developing	Making money off lien after paying for service and for the employees doing paperwork, etc. Treated same as property taxes and 20% interest is added each year if it is not paid off.	Started allowing the use of payment plans, which has caused an increase in responses and in liens being paid off. They are bringing in a specialized lawyer to help with the process.
Johnson City Steve Shell, Chief Building Inspector (423) 434-6046	Yes, but just started using them in the last couple of years	Yes, tearing down structures	Depends on place	Feels that getting one back per year is lucky.	Goes through city attorneys
Knoxville David Brace, Deputy Director, Community and Neighborhood Services (865) 215-2060	yes	Yes, cleaning lots and demolishing houses	Fairly to moderately successful	Short term: "Do we recover costs?" Long term: "Do we see long-term improvement on property?"	Notice is sent to property owner about "violation". If they fail to take care of the problem, the city will take care of it for them. A bill is then sent to the owner. If the bill is not paid within 60 days, a notification is sent to the owner stating that a lien will be placed on the property. The process of placing a lien takes about two weeks. The lien is in place for 20 years. A reminder is sent with property tax information, each year.

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<p>Memphis Johnny McKay, Code Enforcement Officer (901) 576-7382</p>	<p>Uses city lien law – might be the same as state law</p>	<p>No, only if funds are spent by their department and if owner won't take care of it.</p>	<p>Treasurer department does actual collection. Extremely successful. (The treasurer department can provide more information on success and process if needed. Debra McGahaw (901) 576-6376)</p>	<p>By recovery of funds.</p>	<p>Lien must be satisfied for clear title and unpaid lien becomes tax that must be paid. If it is not paid, regular tax penalties are added.</p>
<p>Murfreesboro Betts Nixon, Code Enforcement Director (615) 893-3750</p>	<p>Yes</p>	<p>Yes, clean up</p>	<p>100%</p>	<p>Retrieving money within two years</p>	<p>Property owners are not allowed to pay their property taxes or sell their property until the lien is cleared.</p>
<p>Nashville Sonny West, Metro Zoning Administrator (615) 862-6608</p>	<p>Yes</p>	<p>No</p>	<p>Only as successful as effort put into collecting money.</p>	<p>n/a</p>	<p>Tax collector collects as part of his bill when property is sold.</p>
<p>Oak Ridge Tim Ward, Community Development Manager (865) 425-3582 Janice McGinnis, Finance Director (865) 425-3402</p>	<p>Yes</p>	<p>Typically any action that requires of expenditure of city money (weeds, trash removal, demolishing of buildings)</p>	<p>Marginal – If property does not sell, then no money comes in</p>	<p>Doesn't really have standard of success. Sometimes, the property is abandoned or changes hands before the lien is placed; therefore, the city doesn't recover the money</p>	<p>N/A</p>