



Shelby County Environmental Court JUDGE PATRICK M. DANDRIDGE



Overview

The Neighborhood Preservation Act allows the Court to appoint a Receiver to partially address the public nuisance without full abatement of the public nuisance provided that the appointed receiver conducts an auction and sale to a Qualified Buyer.

When the Court authorizes an auction for qualified buyers by a Receiver, bids may only come from parties who have completed this application proving the technical and financial capability to abate the nuisance conditions on the property. After completing and submitting this application, the Court will review each application and notify the selected applicants who the Court has certified as Qualified Buyers for the auction sale of this subject property. Only applicants certified by the Court as Qualified Buyers may bid at the Receiver's auction.

Requirements

1. Provide any or all of the requirements listed under "Qualifications" below.
2. Complete the rehabilitation within **nine (9) months** or less from the date of the auction sale.
3. The minimum auction bid must include a bond or other security, in an amount fixed by the court and executed by the Qualified Buyer in favor of the Receiver ensuring performance of the remediation within the nine (9) month period.
4. If certified, the Qualified Buyer must be the successful bidder at the auction sale.

Qualifications

Tennessee Code Annotated § 13-6-108 requires applicants to provide proof of the following at any point in the proceedings.

- An external verification of good standing
- The articles of incorporation and bylaws or formation documents
- Evidence of financial capacity to carry out an abatement plan, including audited financial statements of the person for the past five (5) years, where applicable
- A formal conflict of interest policy governing the staff, officers, and the board of directors, if applicable
- Evidence of the administrative capacity to successfully undertake the abatement plan
- Any other documents, evidence, or assurances that the court may require

Remediation Plan

All parties interested in becoming a Qualified Buyer must present a detailed Remediation Plan to the Court including:

- A detailed budget for nuisance abatement at the property
- A projected timeline for abatement of the nuisance
- Cost of demolition of any or all portions of the nuisance if repair and rehabilitation are not feasible
- Terms, conditions, and availability of any financing necessary to abate the nuisance

Auction by Receiver

Under TCA § 13-6-106(h)(2) the Receiver must conduct an auction and sale of the property in an unabated condition to a Qualified Buyer. In auctioning the property, the Receiver must conduct an efficient and properly noticed auction sale. Neither the Receiver, nor any person or entity having a financial interest with the Receiver, may bid in the auction unless approved by the Court. The Receiver must report to the Court the results of the auction sale and continue to provide regular updates on the status until the nuisance has been abated.