Hot Topics for Tennessee cities and towns

Attention city contact:
Due to the numerous subject matters included in this Hot Topic, it is not being generally distributed throughout city hall. Please make copies and distribute to the appropriate department heads.

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Public Acts Affecting Cities

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The recently concluded session of the Tennessee General Assembly resulted in several measures that affect municipalities in the state. This Hot Topic summarizes some of these acts. However, do not rely solely on these summaries before giving advice or taking action. Refer to the act itself. MTAS will publish the complete *1997 Summary of Public Acts* next month.

Business Regulation

Chapter No. 153 (SB 434/HB 978). Contracts -- bid envelopes. Amends *T.C.A.* § 62-6-119 to require the name, license number, expiration date and classification of contractors on the bid envelope when the bid is $25,000 or more. When the bid is less that $25,000 the name of the contractor only may appear on the outside of the envelope. If the bid exceeds $25,000, it is automatically disqualified. Prime contractors who are to do electrical, plumbing, heating, ventilation, and air conditioning must appear on the outside of the envelope. Failure of a bidder to comply voids the bid and the bid may not be opened.

The awarding person or entity must verify only the completeness of the required licensing information before opening the envelope. Before opening the envelope, the person or entity must read aloud the names of all listed contractors. Before awarding the contract, the awarding person or entity must verify the accuracy, correctness and completeness of the required information. Failure of bidder to comply automatically disqualifies the bid.

It is a class A misdemeanor for any person or entity to fail to observe the above requirements.
Effective date: July 1, 1997.

Elections

Chapter No. 45 (SB 306/HB 968). Elections -- posters, etc., on poles. Amends *T.C.A.* § 2-19-144 to make it unlawful statewide for any person to attach showcards, posters, or campaign materials on poles, towers, and fixtures of public utilities unless authorized to do so.
Effective date: April 8, 1997.

Emergency Services

Chapter No. 320 (SB5/HB 48). Exemptions to public safety dispatcher qualifications. Amends *T.C.A.* § 7-86-201 to provide that any person who has 10 years experience as a public safety dispatcher or 30 years experience in emergency services or communications management is deemed to meet the education requirement.
Effective date: May 30, 1997.

Finance

Chapter No. 56 (SB 190/HB 825). Drug funds -- special revenue fund required. Amends *T.C.A.* § 39-17-420 to require drug fund monies to be placed into a special revenue fund. This act also does the following:

- Relieves the district attorney of the duty of approving expenditures from drug fund monies.
- Requires the chief law enforcement officer and the mayor (or county executive in Moore County) to recommend a budget for the fund.
- Requires that the budget be approved by the municipal governing body.
- Allows drug fund monies to be used for drug enforcement, drug education, drug treatment, and nonrecurring general law enforcement expenditures.
- Continues requirements that cash transactions related to undercover operations must be done in compliance with procedures established by the Comptroller.
- Continues requirements that purchases made with drug fund monies must be made in accordance with all applicable purchasing laws.
- Requires that 20 percent of the funds be set aside to purchase fingerprinting equipment. This amount must be set aside until there is enough money to purchase the equipment or until July 1, 2002, whichever time is less. Instead of purchasing fingerprinting equipment the local government may make agreements with other local governments for the use of this equipment.

This act does not apply in Metropolitan Nashville and Davidson County.
Effective date: July 1, 1997.

Chapter No. 217 (SB 504/HB 868). Public deposits. Amends *T.C.A.* § 9-4-519 (a) to eliminate the requirement that public depositors must notify the state treasurer by March 31st of each year of their official name, address, federal tax ID number, and all accounts with public depositories, including December 31st balances. Also eliminates the requirement that newly established entities must furnish the treasurer with name, address, and federal tax ID number before making a deposit. Makes other housekeeeping changes to public deposit statutes.
Effective date: May 15, 1997.

Chapter No. 148 (SB 1910/HB 1849). Proceeds from forfeiture of vehicle. Amends *T.C.A.* § 40-33-211 to change the percentage of the sale price of vehicles forfeited for second or subsequent DUI or for driving on license suspended or revoked for DUI from 15 percent to 30 percent to local government seizing the vehicle and from 80 percent to 70 percent to state for an alcohol and drug treatment fund.

Open Records

Chapter No. 84 (SB 57/HB 24). Emergency communications districts -- confidentiality of unpublished phone numbers. Amends *T.C.A.* § 10-7-504 to provide that unpublished phone numbers in the possession of emergency communications districts are confidential until there is a contract to the contrary between the phone customer and the service provider.
Effective date: April 11, 1997.

Property Taxes

Chapter No. 115 (SB 1189/HB 1231). Property tax relief. Amends *T.C.A.* § 67-5-701(c) to change procedures for applying for property tax relief. The taxpayer must apply for relief on a form approved by the state Board of Equalization. The collecting official makes a preliminary determination of eligibility. The official forwards the application to the state for final approval. The official may allow the taxpayer a credit for the projected amount of relief. The collecting official then must present evidence of the credit on an approved form to the division of property assessments. The division then approves payment to the jurisdiction of the amount credited. If the state determines the applicant was not eligible, the state can recover the amount paid from the jurisidiction. This amount then becomes payable by the taxpayer as property taxes but does not accrue penalty or interest until 60 days after notification of taxpayer.

Chapter No. 218 (SB 648/HB 1396). Calculation of certified tax rate. Amends *T.C.A.* § 67-5-1701 to allow governing bodies to adjust the certified tax rate under a method approved by the state Board of Equalization to reflect extraordinary assessment changes due to appeals. The state Board must order recapture of excessive adjustments in the following year when the certified tax rate has been overstated. The jurisdiction may exceed the recapture rate only after public hearing.
Effective date: May 15, 1997.

Utilities

Chapter No. 116 (SB 633/HB 1302). Interference with or theft of sanitary sewer service. Amends *T.C.A.* § 65-35-101.102, and 103 to add sanitary sewer services to the list of utility service it is unlawful to interfere with or steal.
Effective date: April 22, 1997.

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MTAS Mission Statement

The Municipal Technical Advisory Service (MTAS) was created in 1949 by the state legislature to enhance the quality of government in Tennessee municipalities. An agency of the University of Tennessee's Institute for Public Service, MTAS works in cooperation with the Tennessee Municipal League and affiliated organizations to assist municipal officials.

By sharing information, responding to client requests, and anticipating the ever-changing municipal government environment, MTAS promotes better local government and helps cities develop and sustain effective management and leadership.

MTAS offers assistance in areas such as accounting and finance, administration and personnel, fire, public works, law, ordinance codification, communications, and wastewater management. MTAS houses a comprehensive library and publishes numerous documents annually.

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