Tennessee Public Acts 1992

Summaries of Interest to Municipal Officials

By Dennis W. Huffer
Director of Legal Services
Tennessee Municipal League Risk Management Pool

The University of Tennessee
Municipal Technical Advisory Service
In cooperation with
The Tennesssee Municipal League

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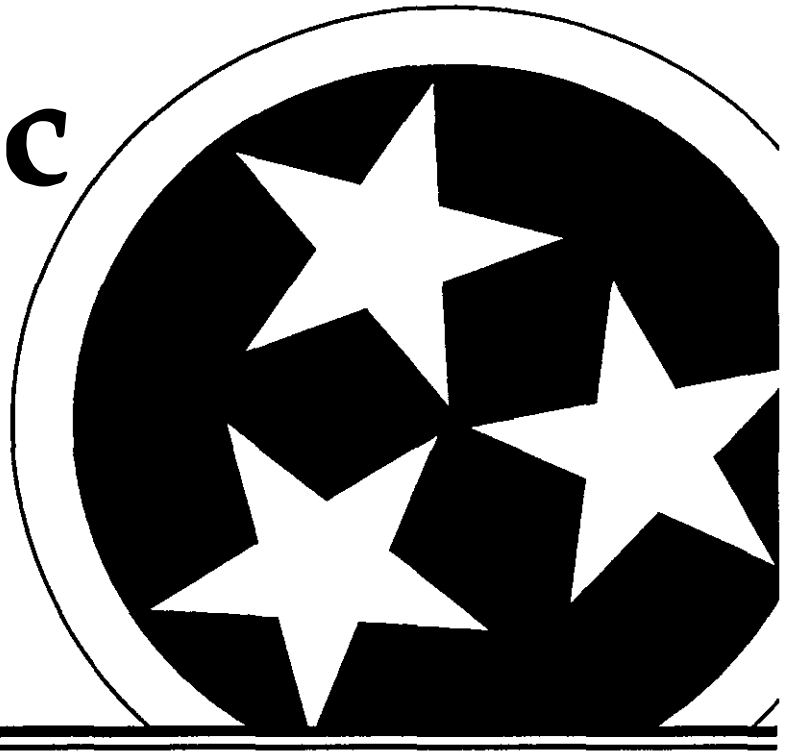

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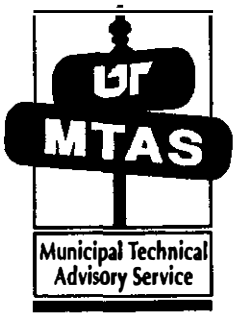

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Users of this publication are cautioned that deciding which public acts to summarize and how is a matter of judgment. Before taking action or giving advice based upon an act summarized here, consult the act itself. Don't rely on the summary.

Airports

Chapter No. 594 (SB 900/HB 1645). Airport zoning. Amends *T.C.A.* Section 42-6-103(a), (b), and (c) to require municipalities and counties with airports within their jurisdiction to adopt airport zoning.

The act amends *T.C.A.* Section 42-6-101 to define "incompatible use" (any structure or use of land as identified in the Airport Noise Compatibility Planning, in Title 14 of the Code of Federal Regulations, Part 150, which was promulgated pursuant to the Aviation Safety and Noise Abatement Act of 1979, 49 U.S.C. 2101, *et seq.*, concerning exposure of residents to aircraft noise) and adds a section prohibiting any structure or use of land that would be an incompatible use. This section requires the local governing body to give adequate notice to any affected airport governing body of any proposed zoning change or building variance before the local governing body considers the change or variance.

Any airport that hasn't conducted an airport noise compatibility plan isn't required to conduct such a study nor to adopt zoning to address incompatible uses.

This act doesn't apply in Davidson County.

Effective date: April 8, 1992.

Alcoholic Beverages

Chapter No. 607 (SB 1979/HB 1933). Alcoholic beverages--Bonds of beer wholesalers. Amends *T.C.A.* Section 57-5-106 and 57-6-107 to provide that warehousemen, dealers, manufacturers, and wholesalers of beer need not be bonded as required by those sections if their business has been in continuous operation for three consecutive years and they have been prompt in paying the taxes secured by the bonds. If these persons don't pay the taxes, they must obtain the bond.

Effective date: July 1, 1992.

Chapter No. 608 (SB 1987/HB 2251). Alcoholic beverages--tax stamps no longer required. Amends various sections in *T.C.A.* Title 57, Chapter 3 to remove the requirement that tax stamps be affixed to containers of alcoholic beverages. The Alcoholic Beverage Commission is to prescribe the manner by which licensees will document that taxes have been paid.

Effective date: July 1, 1992.

Chapter No. 674 (SB 1967/HB 2261). Liquor by the drink authorized at public aquariums. Amends *T.C.A.* Title 57, Chapter 4 to authorize liquor by the drink at public aquariums. Enacts a yearly tax of $300 on public aquariums serving liquor.

Effective date: April 14, 1992.

Chapter No. 675 (SB 2023/HB 2110). Liquor in gourmet restaurants. Enacts the Gourmet Restaurant Enjoyment Act of Tennessee, or G.R.E.A.T. Amends *T.C.A.* Section 57-9-102(19) to allow a restaurant with a seating capacity of at least 50 at tables to be licensed as a gourmet

restaurant and serve liquor if the restaurant receives at least two-thirds of its annual sales from food and two-thirds of its liquor sales from wine.

Effective date: April 14, 1992.

Chapter No. 711 (SB 2550/HB 2431). Liquor by the drink--referenda allowed. Amends *T.C.A.* Section 57-4-103(a) to allow liquor by the drink in any jurisdiction in which it is authorized by referendum in the manner prescribed by *T.C.A.* Section 57-3-106. If the county election commission receives the petition at least 30 days before an election, the election commission must include the referendum question on the ballot.

Effective date: April 14, 1992.

Chapter No. 713 (SB 2532/HB 2534). Confiscated liquor--state fee. Amends *T.C.A.* Section 12-2-207 to change the state fee for administration expense when liquor is seized by local law enforcement officers from 10 percent of the sale price to a "reasonable" fee.

Effective date: April 14, 1992.

Chapter No. 982 (SB 1803/HB 2730). Restaurants that sell wine only. Amends *T.C.A.* Section 57-4-101 (n) to require restaurants that sell wine only to have a seating capacity of at least 50 people at tables. Amends *T.C.A.* Section 57-4-302 (3)(A) to provide a bond amount for wine-only restaurants of one-fifth the amount specified in that subdivision.

Effective date: July 1, 1992.

Building and Utility Codes

Chapter No. 540 (SB 218/HB 400). Building and fire code enforcement audits. Amends *T.C.A.* Section 68-18-101(b) to require the fire marshal to audit the records and transactions of each local government that enforces its own code. Audits must be done at least once every three years. This act doesn't apply in Davidson County.

Effective date: March 12, 1992.

Chapter **No. 677 (SB 2066/HB 2162).** Building and fire code inspector certification--dates clarified. Amends *T.C.A.* Section 68-18-113(a)(1) to make it clear that certification isn't required of building and fire code inspectors until July 1, 1994.

Effective date: April 14, 1992.

Chapter No. 787 (SB 2357/HB 2170). Heating, ventilating, and air conditioning (H.V.A.C.) equipment--attic location and access. Provides that when H.V.A.C. equipment is located in the attic of a dwelling unit, a ladder, pulldown stairs, or steps aren't required to be permanently installed to gain access to the attic.

Effective date: April 28, 1992.

Business Regulation

Chapter No. 667 (SB 1688/HB 1676). Pesticide regulation--municipal powers limited. Amends *T.C.A.* Title 43, Chapter 8, and Title 62, Chapter 21 to prohibit municipalities and counties from regulating pesticide sale or use. Prohibits municipalities from regulating registration, notification of use, advertising or marketing, distribution, applicator training or certification, storage, transportation, disposal, disclosure of confidential information, or product composition. The act doesn't limit authority to zone for storage or to designate sites for disposal, to regulate discharge to sanitary sewers, or to implement a pesticide management plan required by the Safe Drinking Water Act.

The act provides that municipalities in counties of more than 250,000 population may make agreements with the Commissioner of Agriculture to enforce the state pesticide regulations or their equivalent. The commissioner retains oversight of the local government. Local governments entering such agreements may enact fees to provide for enforcement costs.

The act also requires the Commissioner of Agriculture to enact pesticide rules requested by a two-thirds vote of the legislative body of any municipal or county government in any county with less than 250,000 population. These rules can't conflict with existing laws but for good cause may be more stringent. The act exempts Tullahoma.

Effective date: April 14, 1992.

Chapter No. 807 (SB 2512/HB 2573). Home improvement contractors--citations for no license. Amends *T.C.A.* Title 62, Chapter 37, Part 1 to authorize the director of the home improvement licensing commission to issue citations for engaging in home improvement contracting without a license. Each citation must contain an order to cease and assessment of a civil penalty of $50 to $250.

Amends *T.C.A.* Section 62-37-111 to authorize the commission to impose a civil penalty of up to $1,000 for engaging in home improvement contracting without a license.

Effective date: July 1, 1992.

Chapter No. 943 (SB 1799/HB 1707). Scrap jewelry and metal dealers--holding period extended. Amends *T.C.A.* Section 38-1-202 to extend from 15 to 30 days the holding period before scrap jewelry, and metal dealers may sell or change the form of items sold to them.

Effective date: July 1, 1992.

Child Care

Chapter No. 957 (SB 2124/HB 2334). Operation of child care centers by certain municipalities. Amends *T.C.A.* Title 6, Chapter 54 to allow municipalities in Sumner County to finance, acquire, own, and operate child care centers.

Effective date: May 13, 1992.

City Attorney

Chapter No. 623 (SB 2448/HB 2257). Forfeiture of conveyances--representation of city. Amends *T.C.A.* Section 40-33-107(4) to provide that in the hearing to determine the disposition of seized conveyances, the state or local governing body will be represented by the district attorney, the county attorney, or the city attorney for the county or municipality where the seizure occurred.

Effective date: July 1, 1992.

Chapter No. 839 (SB 2293/HB 2058). City attorney eligibility for T.C.R.S. Amends *T.C.A.* Section 8-35-234 to make city attorneys eligible for membership in the Tennessee Consolidated Retirement System. The act eliminates the requirement relative to city judges that they had to be an employee as of April 26, 1989.

The act provides that service pursuant to this section is independent of all other creditable service in calculating the member's average final compensation.

Effective date: May 5, 1992.

City Court

Chapter No. 543 (SB 1677/HB 1749). Special license plates for elected municipal judges. Amends *T.C.A.* Section 55-4-202(c)(2) and 55-4-226 to authorize special license plates for elected municipal judges.

Effective date: July 1, 1992.

Chapter No. 923 (SB 1776/HB 2458). Collection of fines, court costs, fees by credit card. Allows municipal court clerks to accept payment by credit card for fines, court costs, and other fees and to collect a fee for processing the payment by credit card. The clerk must set the processing fee in an amount reasonably related to the expense involved, but the fee may not exceed 5 percent of the fine, court costs, or other fees. If the credit card company doesn't honor payment, the clerk may collect a service charge in addition to other fees. The service charge will be the same amount charged for checks with insufficient funds. Fees charged must go to the general fund.

Effective date: July 1, 1992.

Chapter No. 956 (SB 1800/HB 2240). Collection of fines, costs, and litigation taxes. Amends *T.C.A.* Section 40-24-105 to provide that litigation taxes in addition to fines and costs may be collected in the same manner as a judgment in a civil action. The first monies paid in any case go first to litigation taxes, then costs, then the fine.

Effective date: May 13, 1992.

Chapter No. 962 (SB 1810/HB 2416). Payment of fines by check. Amends *T.C.A.* Section 9-1-108 (a) to authorize the collection of fines by check. Amends *T.C.A.* Section 9-1-109 to provide that if a check or money order isn't honored, if the amount of the check or money order is less than $2,000, the penalty will be $20 or the amount of the check, whichever is less.

Amends *T.C.A.* Section 39-14-121 (a) to make it unlawful and punishable as theft to pass a worthless check for payment of any fee, fine, tax, license, or obligation to any governmental entity. Also makes it unlawful to stop payment of these checks.

Amends *T.C.A.* Section 40-3-203 to allow municipal and other governments to participate in the bad check restitution program. Under this program, the municipality would make application to the clerk of the court of criminal jurisdiction, and pay a $10 fee. The clerk would then forward the form, including a copy of the bad check, to the district attorney, who would send a letter to the alleged violator. The letter would state that if the amount of the check plus the application fee and handling charge of $10 isn't paid to the municipality within 15 days, a criminal prosecution might be commenced.

Effective date: May 13, 1992.

City Manager-Commission Charter

Chapter No. 760 (SB 2398/HB 2402). Budget publication for general law cities. Amends *T.C.A.* Section 6-2-103 (mayor-aldermanic charter), 6-22-130 (city manager-commission charter), and 6-35-315 (modified manager-council charter) to change procedures enacted last year for budget publication. Under the new provisions, the governing body must publish the annual operating budget and budgetary comparisons of the proposed budget with the actual budget for the prior year and the estimated expenditures for the current year. The information must include:

1. revenues and expenditures for the general, public works, general purpose school, and debt services funds;
2. revenue sources for each fund broken down by local, state, federal, and other sources;
3. expenditures for each fund listed separately by salaries and other costs;
4. beginning and ending fund balances for each fund; and
5. the number of full-time equivalent employee positions for each fund.

Publication must be in a newspaper of general circulation not fewer than 10 days before the meeting at which the governing body will consider final passage.

This act repeals *T.C.A.* Section 6-22-123, which had to do with publication of the budget under the uniform city manager-commission charter. The act also amends *T.C.A.* Section 6-22-124(a) to eliminate publication of the appropriation ordinance under the city manager-commission charter.

Effective date: Jan. 1, 1993.

Civil Rights

Chapter No. 1027 (SB 2745/HB 2776). Human rights--procedures before commission--penalties. Amends *T.C.A.* Section 4-21-102 (b) to include pregnant persons and persons in the process of securing legal custody of a person not yet 18 years old within the category of persons protected from discrimination on the basis of familial status.

Amends *T.C.A.* Section 4-21-302 and 304 to change procedures used by the Human Rights Commission in investigating complaints and scheduling hearings. Amends *T.C.A.* Section 4-21-

303 (d) to provide that conciliation agreements must be made public unless the parties and the commission agree otherwise.

Amends *T.C.A.* Section 4-21-306 (a) to provide for civil penalties of up to $10,000 for housing discrimination if the respondent hasn't been guilty of prior discrimination and up to $50,000 if he or she has.

Amends *T.C.A.* Section 4-21-311 to allow punitive damages, but not the civil penalties provided in Section 4-21-306 (a), in court actions for housing discrimination. Court action still supersedes the administrative proceedings.

Adds *T.C.A.* Section 4-21-312 to provide procedures for choosing court action by the commission in cases of alleged housing discrimination, when there is reasonable cause to believe discrimination took place.

Amends *T.C.A.* Title 4, Chapter 21, Part 6 to make several other changes relative to housing discrimination.

Effective date: May 27, 1992.

Conflict of Interest

Chapter No. 671 (SB 1760/HB 2080). Conflict of interest disclosure statements--date changed. Amends *T.C.A.* Section 8-50-504, changing the date by which to file amended conflict of interest disclosure statements from Jan. 15 to Jan. 31.

Amends *T.C.A.* Section 8-50-501(d) to require one attesting witness before the conflict of interest disclosure statement is submitted. The statement need not be notarized.

Effective date: July 1, 1992.

Chapter No. 932 (SB 204/HB 14). Campaign funds; conflict of interest disclosure statements. Amends *T.C.A.* Title 2, Chapter 10 regarding disposition of leftover campaign funds. Prohibits their personal use by candidates. Among other things, the funds may be returned to contributors, transferred to a political party, or put in the Volunteer Public Education Trust Fund.

Amends *T.C.A.* Section 8-50-502 (1) to require conflict of interest disclosure statements to list sources of private income of more than $1,000, including offices and directorships. Repeals item (3) of this same section, which required a list of directorships and salaried employments.

Effective date: Jan. 1, 1993.

Chapter No. 988 (SB 1924/HB 1825). Conflict of interest disclosure statements by office-holder candidates. Amends *T.C.A.* Section 8-50-501 (c) to provide that a candidate or appointee holding the same position for which he or she is a candidate isn't required to file a conflict of interest disclosure statement as long as amended statements are filed.

Effective date: July 1, 1992.

Crimes and Criminal Procedure

(see also *Law Enforcement* and *Motor Vehicles and Traffic*)

Chapter No. 673 (SB 1882/HB 2350). Defense of consent. Amends *T.C.A.* Title 39, Chapter 13, Part 1 to define the defense of consent when conduct causes or threatens bodily injury. Consent is a defense if the bodily injury consented to isn't serious or the harm is a reasonably foreseeable hazard of a sport or other concerted activity.

Effective date: April 14, 1992.

Chapter No. 691 (SB 2495/HB 2415). Hurling at conveyances. Amends *T.C.A.* Title 39, Chapter 14, Part 4 to make it a class B misdemeanor intentionally to throw, hurl, or project a stone or other hard substance, or shoot a missile at a train, locomotive, railway car, bus, caboose, street railway car, motorcycle, steam vessel, or other watercraft.

Effective date: July 1, 1992.

Chapter No. 700 (SB 1779/HB 1743). Anabolic steroids included as Schedule III controlled substances. Amends *T.C.A.* Title 39, Chapter 17 to make anabolic steroids Schedule III controlled substances.

Effective date: July 1, 1992.

Chapter No. 782 (SB 2137/HB 2024). Offenses against animal facilities. Amends *T.C.A.* Title 39, Chapter 14 to define and enact criminal penalties for offenses against animal facilities. The Commissioner of Agriculture enforces these new provisions but may seek assistance from local law enforcement agencies.

Effective date: April 28, 1992.

Chapter No. 795 (SB 1756/HB 1954). Stalking. Amends *T.C.A.* Title 39, Chapter 12, to create the crime of stalking; makes it a class A misdemeanor. A second violation involving the same victim that occurs within seven years, or a violation after having been enjoined, is a Class E felony.

Stalking is intentionally and repeatedly following a person or intentionally committing a series of other acts to seriously alarm or harass a person, and intentionally threatening death or serious bodily harm to the person knowing that a reasonable person would suffer substantial emotional distress.

This act doesn't prohibit following another in the course of lawful activity.

Effective date: July 1, 1992.

Chapter No. 832 (SB 2521/HB 2427). Destroying railroad property. Amends *T.C.A.* Section 39-14-411 to make it unlawful to destroy or interfere with railroad property used to furnish service to the general public.

Effective date: July 1, 1992.

Chapter No. 837 (SB 383/HB 1055). Selling drugs near schools, etc., an enhancement factor in sentencing. Amends *T.C.A.* Section 40-35-114 to make selling or delivering a controlled substance to a minor within 1,000 feet of a school, public playground, public swimming pool, youth center, video arcade, low-income housing project, or church an enhancement factor in sentencing. This act depends on an appropriation.

Effective date: July 1, 1992.

Chapter No. 878 (SB 2762/HB 2684). Multiple and child rape. Amends *T.C.A.* Title 39, Chapter 13, Part 5 to define child rape and to require multiple and child rapists to serve their entire sentence. Child rape is raping a child less than 13 years old and is a Class A felony.

Effective date: July 1, 1992.

Chapter No. 907 (SB 2771/HB 2706). Minors in illegal possession of guns with parents' knowledge. Amends *T.C.A.* Title 39, Chapter 17, Part 13 to make it a Class A misdemeanor for a parent or guardian to know that a minor is in illegal possession of a firearm at school, at the school's athletic events, or in a public park, playground, or civic center without reporting it to the police.

Effective date: July 1, 1992.

Chapter No. 948 (SB 1982/HB 1934). H.I.V. testing for persons convicted of prostitution. Amends *T.C.A.* Section 39-13-521 to require H.I.V. testing of persons convicted of prostitution.

Effective date: July 1, 1992.

Chapter No. 992 (SB 2117/HB 1867). Theft of rental property. Amends *T.C.A.* Section 39-14-108 to create an inference of theft of rental property when the person renting the property has pawned or conveyed the property; the person leasing the property presented identification with a fictitious name, telephone number, or address; or the person fails to return the property at the appointed time and after written notice.

Effective date: May 13, 1992.

Chapter No. 999 (SB 2409/HB 2184). Child endangerment. Amends *T.C.A.* Title 55, Chapter 10, Part 4 to create the offense of child endangerment when a person is guilty of D.U.I. and accompanied by a child under 13. Child endangerment is a Class A misdemeanor punishable by a mandatory minimum sentence of 30 days and a minimum fine of $1,000, in addition to other incarceration and fine. If a child suffers serious bodily injury, child endangerment is a Class D felony and, if the child dies, it is a Class C felony.

Effective date: May 13, 1992.

Economic Development

Chapter 1000 (SB 2418/HB 2432). Property tax incentives for economic development--disclosure to comptroller. Requires all economic development agreements to be in writing and submitted

to: (1) the chief executive officer of each jurisdiction in which the property is located, and (2) the comptroller for review but not approval. The agreement must be submitted within 10 days after execution. The names of private businesses may be obscured on agreements submitted before execution. To determine the exempt status or other status of property subject to the agreement, the parties may petition the local and state boards of equalization for adjudication in the manner required for filing appeals from local assessments.

Existing agreements must be disclosed by Jan. 1, 1993.

Effective date: Jan. 1, 1993.

Education and Schools

Chapter No. 535 (SB 1231/HB 752). Education Improvement Act of 1991. This act makes numerous amendments to *T.C.A.* Title 49. Among the amendments are:

1. No local education agency shall receive from the Basic Education Program in years subsequent to the 1990-91 school year a lesser amount of funds than it received in 1990-91 under the Tennessee Foundation Program.
2. Provides $200 per teacher in grades kindergarten through 12 for instructional supplies. Each teacher will spend $100 and the other $100 pooled and spent by committee.
3. Each local education agency will receive at least $2 per pupil based on average daily membership in grades kindergarten through 12 to provide a duty-free lunch period for each teacher.
4. One full-time public school nurse will be provided for each 3,000 students or for each local education agency, whichever is greater.
5. Incentive funding will be provided to reward schools that exceed performance standards.
6. Performance goals for each school district will be established by the Commissioner of Education.
7. Schools that fail to meet performance standards can be placed on probation. If a school remains on probation two consecutive years, the commissioner may recommend to the state Board of Education that the school board and superintendent be removed from office.
8. Value-added assessment will be used to measure educational progress for teachers, schools, and school districts.
9. Authorizes school boards to hire a director of schools under a written contract for up to four years. The director would replace the elected superintendent. A county or municipality that currently has a superintendent elected by popular vote has an option: its legislative body may, by a two-thirds vote taken within one year of elections subsequent to the 1993 election and within one year of subsequent elections, elect to retain the current method of selecting the superintendent. This option is available only until Sept. 1, 1996. After this, all school directors and superintendents must be appointed by the school board.
10. Requires all local education agencies operating elementary schools to have kindergartens. Makes children who have not attended kindergarten ineligible for first grade after July 1, 1993.
11. Authorizes school-based decision making.
12. Requires students to pass a comprehensive test to graduate from high school.

13. Requires one year of computer education to earn a high school diploma after Sept. 1, 1994.
14. Requires a two-track curriculum in high school, one for the college bound and one for persons destined for the workplace.
15. Prohibits waivers from maximum class sizes four years after the basic education program is fully funded.
16. Requires a board of education elected by the people. Municipalities that don't now have a school board elected by the people may elect, by a two-thirds vote of the governing body taken within one year of elections after 1993, to retain the present method of choosing the school board. This option is available, however, only until Sept. 1, 1996, after which school boards must be elected.
17. Establishes an office of education accountability in the comptroller's office to monitor the performance of school boards, superintendents, school districts, schools, and school personnel.
18. Authorizes consolidation commissions in each county to study consolidation of school systems in the county. Municipal school systems may or may not participate in the consolidation.
19. Authorizes "breaks the mold" schools contingent on federal funding.

Effective date: Except as otherwise provided in the act for particular provisions, July 1, 1992.

Chapter No. 603 (SB 1794/HB 1746). Education funding--maintenance of effort requirements. Amends *T.C.A.* Section 49-2-203(a)(11) and 49-3-314(c)(3) to provide that for the fiscal year 1992-93 and any subsequent fiscal year -- if state funding to the county for education is less than during the fiscal year 1990-91 or the previous year's funding -- local funds that were appropriated to offset state funding reductions are excluded from local maintenance of effort requirements.

Effective date: April 8, 1992; applies to 1991-92 fiscal year.

Chapter No. 657 (SB 2587/HB 2467). Election or appointment of school superintendents. Amends *T.C.A.* Title 49, Chapter 2, Part 3 to provide that in local education agencies where the 1992 deadline hasn't already passed for qualification for election of the school superintendent and where the school superintendent isn't appointed by the board of education, the legislative body of the county or municipality may, by a two-thirds vote taken prior to May 21, 1992, elect to have the superintendent chosen by the board rather than popular election.

This act also amends Chapter 535 of the Public Acts of 1992 in Section 8 and Section 12 to provide that if these provisions that allow the legislative bodies of counties and municipalities to retain elected school superintendents for up to four years don't become a law more than one year before the 1993 election, the legislative body may vote at any time prior to the election to retain the current method of electing the superintendent.

This act also amends *T.C.A.* Section 49-2-203 to provide that in local education associations that retain elected superintendents, the board will continue to employ and fix compensation of janitors, engineers, and other persons who care for school property.

This act also provides that only appointed superintendents have the powers provided for in Sections 48, 50, 51, and 52 of Chapter 535, Public Acts of 1992.

Effective date: April 8, 1992.

Chapter No. 669 (SB 1734/HB 2017). Teacher with child outside school system of residence. Amends *T.C.A.* Title 49, Chapter 6, Part 31 to provide that if the parent of a student teaches at a school outside the school system of their residence, the student may attend the school and meet tuition requirements. This applies only to Tennessee residents.

Effective date: April 14, 1992.

Chapter No. 728 (SB 1763/HB 1677). Bus speed limits relaxed. Amends *T.C.A.* Section 49-6-2110 to allow buses to go by posted speed limits or a maximum of 35 miles per hour on unpaved roads.

Effective date: April 23, 1992.

Chapter No. 770 (SB 242/HB 1169). Minority teaching fellows program. Subject to appropriation, increases maximum participation in minority teaching fellows program from 38 to 57.

Effective date: July 1, 1992.

Chapter No. 772 (SB 2210/HB 2723). Memphis pilot program for African American males. Establishes a pilot program in Memphis schools to help African American males.

Effective date: April 28, 1992.

Chapter No. 783 (SB 2170/HB 2284). Education finance. Amends *T.C.A.* Section 49-3-315 to provide that interest earned on education funds previously apportioned to local education agencies within a county belongs to that agency and isn't subject to apportionment with other agencies in the county.

Effective date: April 28, 1992.

Chapter No. 927 (SB 2032/HB 2163). Loans for school transportation. Amends *T.C.A.* Title 49, Chapter 3 to allow local education agencies unable to operate buses to borrow money from any county or municipal fund with a year-end balance sufficient to make the loan, or from the state. The loan must be approved by the municipal legislative body if a municipal school board makes the request. The loan must be repaid from school operating funds in the next fiscal year. If the state makes the loan and it's not repaid, the state will withhold state-shared taxes.

Effective date: May 8, 1992.

Chapter No. 949 (SB 2273/HB 1950). Notification of student suspension. Amends *T.C.A.* Section 49-6-3401 (c)(2) to require the principal to notify the parents or guardians and the superintendent or designee within 24 hours of a student suspension.

Effective date: July 1, 1992.

Chapter No. 963 (SB 2071/HB 2460). Change of custody by school officials. Amends T.C.A Title 36, Chapter 6, Part 1 to prohibit school officials from permitting a change of child custody at school unless the person seeking custody has a certified copy of a valid court order and the person seeking custody gives reasonable advance notice.

Effective date: July 1, 1992; applies to orders changing custody on and after that date.

Elections

Chapter No. 666 (SB 1687/HB 1656). Political communications. Amends *T.C.A.* Section 2-19-120(b) by deleting item (3), which eliminates certain items that cost less than $3 from the disclosure requirements of that subsection. The act adds a subsection to the section, however, that makes the whole section inapplicable to bumper stickers, buttons, pins, novelties, and other small items upon which a disclaimer cannot be conveniently printed.

Effective date: April 14, 1992.

Chapter No. 809 (SB 2584/HB 2477). Filing of financial disclosure statements. Amends *T.C.A.* Title 2, Chapter 10, Part 1 to provide that any report required to be filed in December under the campaign financial disclosure law shall be filed by Jan. 31 of the following year and the reporting period shall end Dec. 31.

Effective date: April 29, 1992.

Chapter No. 932 (SB 204/HB 14). Campaign funds; conflict of interest disclosure statements. Amends *T.C.A.* Title 2, Chapter 10 regarding disposition of leftover campaign funds. Prohibits their personal use by candidates. Among other things, the funds may be returned to contributors, transferred to a political party, or put in the Volunteer Public Education Trust Fund.

Amends *T.C.A.* Section 8-50-502 (1) to require conflict of interest disclosure statements to list sources of private income of more than $1,000, including offices and directorships. Repeals item (3) of this same section, which required a list of directorships and salaried employments.

Effective date: Jan. 1, 1993.

Chapter No. 988 (SB 1924/HB 1825). Conflict of interest disclosure statements by office-holder candidates. Amends *T.C.A.* Section 8-50-501 (c) to provide that a candidate or appointee holding the same position for which he or she is a candidate isn't required to file a conflict of interest disclosure statement as long as amended statements are filed.

Effective date: July 1, 1992.

Emergency Communication Districts

Chapter No. 891 (SB 2564/HB 2114). Emergency communications districts--fiscal affairs. Amends *T.C.A.* Title 7, Chapter 86, Part 1 to require officers of emergency communications districts who receive public funds to be bonded. The bond must be transmitted to the comptroller; the premium must be paid by the district.

Amends *T.C.A.* Section 7-86-105 to prohibit a member of the board of directors of a district from also being an employee.

Amends *T.C.A.* Title 7, Chapter 86, Part 1 to require and enact requirements for an annual budget by emergency communications districts.

Amends *T.C.A.* Section 7-86-114 to authorize districts to issue notes and debt obligations for leases and lease-purchases in addition to bonds in anticipation of revenue. Leases and lease-purchases and notes are limited to five years.

The act provides that bonds and notes may be sold publicly or at private negotiated sales, provides for investment of idle funds, requires financial reports, and prohibits members of the board from having custody or control of financial assets of the district.

Effective date: May 8, 1992.

Emergency Services

Chapter No. 796 (SB 1717/HB 1762). Licensing for emergency medical technicians. Amends *T.C.A.* Title 68, Chapter 39, Part 5 to change licensing provisions for emergency medical technicians and paramedics.

Effective date: July 1, 1992.

Environment
(see also *Solid Waste*)

Chapter No. 667 (SB 1688/HB 1676). Pesticide regulation--municipal powers limited. Amends *T.C.A.* Title 43, Chapter 8, and Title 62, Chapter 21 to prohibit municipalities and counties from regulating pesticide sale or use. Prohibits municipalities from regulating registration, notification of use, advertising or marketing, distribution, applicator training or certification, storage, transportation, disposal, disclosure of confidential information, or product composition. The act doesn't limit authority to zone for storage or to designate sites for disposal, to regulate discharge to sanitary sewers, or to implement a pesticide management plan required by the Safe Drinking Water Act.

The act provides that municipalities in counties of more than 250,000 population may make agreements with the Commissioner of Agriculture to enforce the state pesticide regulations or their equivalent. The commissioner retains oversight of the local government. Local governments entering such agreements may enact fees to provide for enforcement costs.

The act also requires the Commissioner of Agriculture to enact pesticide rules requested by a two-thirds vote of the legislative body of any municipal or county government in any county with less than 250,000 population. These rules may not conflict with existing laws but for good cause may be more stringent. The act exempts Tullahoma.

Effective date: April 14, 1992.

Finance
(see also *Taxation* topics)

Chapter No. 592 (SB 2372/HB 2527). Investments--changes required by collateral pool. Amends *T.C.A.* Section 6-56-106(a)(4) to allow certificates of deposit and other evidences of deposit at state and federally chartered banks to be secured by the collateral pool.

The act adds a section to *T.C.A.* Title 6, Chapter 56, Part 1 that provides that notwithstanding provisions of the uniform city manager-commission charter or the modified city manager-council charter or other public or private acts, municipal funds deposited in financial institutions may be secured by the collateral pool.

This act also makes several housekeeping changes to the collateral pool law in Title 9, Chapter 4, Part 5.

Effective date: April 5, 1992.

Chapter No. 740 (SB 1143/HB 1412). Allocations from excise tax--formula modified. Amends *T.C.A.* Section 67-4-813 to include financial institution unitary businesses, along with banks, in the formula for distribution of the tax to cities and counties. The amount of ad valorem tax paid by the bank or financial institution and given as a credit is lowered from 10 percent to 7 percent. The act eliminates the floor for municipalities and counties based on book value of the financial institutions. The act prescribes other procedures for allocation of the tax to municipalities and counties.

Effective date: Effective for allocation in fiscal year 1992.

Chapter No. 759 (SB 2397/HB 2400). Solid waste accounting. Amends *T.C.A.* Section 68-31-874 to provide that municipalities and others must account for financial activities related to solid waste management in either a special revenue fund or an enterprise fund. Effective July 1, 1993, municipalities and others that operate landfills or incinerators must account for activities related to the landfill or incinerator in an enterprise fund. The act further amends *T.C.A.* Section 68-31-874 to provide that after July 1, 1992, no state funds will be released to municipalities or others that don't account for financial activities related to solid waste management in a special revenue fund or an enterprise fund. After July 1, 1993, no state funds for solid waste management may be released to municipalities or others that operate a landfill or incinerator unless financial activities are accounted for in an enterprise fund.

Effective date: April 23, 1992.

Chapter No. 760 (SB 2398/HB 2402). Budget publication for general law cities. Amends *T.C.A.* Section 6-2-103 (mayor-aldermanic charter), 6-22-130 (city manager-commission charter), and 6-35-315 (modified manager-council charter) to change procedures enacted last year for budget publication. Under the new provisions, the governing body must publish the annual operating budget and budgetary comparisons of the proposed budget with the actual budget for the prior year and the estimated expenditures for the current year. Information provided must include:

1. revenues and expenditures for the general, public works, general purpose school, and debt services funds;
2. revenue sources for each fund broken down by local, state, federal, and other sources;
3. expenditures for each fund listed separately by salaries and other costs;
4. beginning and ending fund balances for each fund; and
5. number of full-time equivalent employee positions for each fund.

Publication must be in a newspaper of general circulation not fewer than 10 days before the meeting at which the governing body will consider final passage.

This act repeals *T.C.A.* Section 6-22-123, which had to do with publication of the budget under the uniform city manager-commission charter. The act also amends *T.C.A.* Section 6-22-124(a) to eliminate publication of the appropriation ordinance under the city manager-commission charter.

Effective date: Jan. 1, 1993.

Chapter No. 764 (SB 2589/HB 2399). Audit charges. Amends *T.C.A.* Section 9-3-212 to allow the comptroller to require audited entities to pay charges for any audit or audit review work the comptroller deems necessary to correct errors, etc. The audit requirements of that section apply to entities that are otherwise subject to audit by the state or federal government. Agencies must furnish a copy of their audit to the comptroller.

Effective date: April 23, 1992.

Chapter No. 783 (SB 2170/HB 2284). Education finance. Amends *T.C.A.* Section 49-3-315 to provide that interest earned on education funds previously apportioned to local education agencies within a county belongs to that agency and isn't subject to apportionment with other agencies in the county.

Effective date: April 28, 1992.

Chapter No. 786 (SB 2327/HB 2267). Funding of human resource agencies. Amends *T.C.A.* Section 13-26-107(c) to remove the requirement that state matching funds for local contributions to human resource agencies be contingent on a specific annual appropriation.

Effective date: July 1, 1992.

Chapter No. 798 (SB 1837/HB 2213). Fee for filing certain Uniform Commercial Code statements. Amends *T.C.A.* Title 47, Chapter 9, Part 4 to enact a fee of $10 for filing and indexing an amendment to a financing statement, a continuation statement, a statement of assignment, a

statement of release, or a termination statement when these statements are added to other types of filings.

Effective date: July 1, 1992.

Chapter No. 880 (SB 2781/HB 2771). Entities created by interlocal agreement--issuance of bonds. Amends *T.C.A.* Section 9-21-105, part of the Local Government Public Obligations Act, to define "local government" to include entities created by interlocal agreement if and only if the creating political subdivisions retain at least secondary liability for the debts of the entity, and the agreement authorizes the entity to exercise powers under the Local Government Public Obligations Act, and the terms of the agreement conform to *T.C.A.* Section 12-9-104 (e)(1), (2), and (3).

Amends *T.C.A.* Section 12-9-104 (e) to make it clear that entities created by interlocal agreement may not tax, issue general obligation bonds, or exercise eminent domain.

Effective date: July 1, 1992.

Chapter No. 891 (SB 2564/HB 2114). Emergency communications districts--fiscal affairs. Amends *T.C.A.* Title 7, Chapter 86, Part 1 to require officers of emergency communications districts who receive public funds to be bonded. The bond must be transmitted to the comptroller; the premium must be paid by the district.

Amends *T.C.A.* Section 7-86-105 to prohibit a member of the board of directors of a district from also being an employee.

Amends *T.C.A.* Title 7, Chapter 86, Part 1 to require and enact requirements for an annual budget by emergency communications districts.

Amends *T.C.A.* Section 7-86-114 to authorize districts to issue notes and debt obligations for leases and lease-purchases in addition to bonds in anticipation of revenue. Leases and lease-purchases and notes are limited to five years.

The act provides that bonds and notes may be sold publicly or at private negotiated sales, provides for investment of idle funds, requires financial reports, and prohibits members of the board from having custody or control of financial assets of the district.

Effective date: May 8, 1992.

Chapter No. 923 (SB 1776/HB 2458). Collection of fines, court costs, fees by credit card. Allows municipal court clerks to accept payment by credit card for fines, court costs, and other fees and to collect a fee for processing the payment by credit card. The clerk must set the processing fee in an amount reasonably related to the expense involved, but the fee may not exceed 5 percent of the fine, court costs, or other fees. If the credit card company doesn't honor payment, the clerk may collect a service charge in addition to other fees. The service charge will be the same amount charged for checks with insufficient funds. Fees charged must go to the general fund.

Effective date: July 1, 1992.

Chapter No. 956 (SB 1800/HB 2240). Collection of fines, costs, and litigation taxes. Amends *T.C.A.* Section 40-24-105 to provide that litigation taxes, in addition to fines and costs, may be collected in the same manner as a judgment in a civil action. The first monies paid in any case go first to litigation taxes, then costs, then the fine.

Effective date: May 13, 1992.

Chapter No. 962 (SB 1810/HB 2416). Payment of fines by check. Amends *T.C.A.* Section 9-1-108 (a) to authorize the collection of fines by check.

Amends *T.C.A.* Section 9-1-109 to provide that if a check or money order isn't honored, if the amount of the check or money order is less than $2,000, the penalty will be $20 or the amount of the check, whichever is less.

Amends *T.C.A.* Section 39-14-121 (a) to make it unlawful and punishable as theft to pass a worthless check for payment of any fee, fine, tax, license, or obligation to any governmental entity. Also makes it unlawful to stop payment of these checks.

Amends *T.C.A.* Section 40-3-203 to allow municipal and other governments to participate in the bad check restitution program. Under this program, the municipality would make application to the clerk of the court of criminal jurisdiction, and pay a $10 fee. The clerk would then forward the form, including a copy of the bad check, to the district attorney, who would send a letter to the alleged violator. The letter would state that if the amount of the check plus the application fee and handling charge of $10 isn't paid to the municipality within 15 days, a criminal prosecution might be commenced.

Effective date: May 13, 1992.

Chapter No. 993 (SB 2143/HB 2194). Monitoring alarm systems; false alarms. Amends *T.C.A.* 62-32-321 to allow municipalities and counties that were charging to monitor alarm systems on or before July 1, 1991, to continue charging for this service. Allows penalties of up to $25 for each false alarm, except those caused by violent acts of nature.

Effective date: May 13, 1992.

Chapter 1000 (SB 2418/HB 2432). Property tax incentives for economic development--disclosure to comptroller. Requires all economic development agreements to be in writing and submitted to: (1) the chief executive officer of each jurisdiction in which the property is located, and (2) the comptroller for review but not approval. The agreement must be submitted within 10 days after execution. The names of private businesses may be obscured on agreements submitted before execution. To determine the exempt status or other status of property subject to the agreement, the parties may petition the local and state boards of equalization for adjudication in the manner required for filing appeals from local assessments.

Existing agreements must be disclosed by Jan. 1, 1993.

Effective date: Jan. 1, 1993.

Chapter No. 1015 (SB 2707/HB 2759). Transportation equity trust fund created. Amends *T.C.A.* Title 9, Chapter 4, Part 2 to create a segregated account within the treasury called the Transportation Equity Trust Fund. The old transportation equity fund is folded into this account. Funds will be used for railway, aeronautics, and waterway programs.

Amends *T.C.A.* Section 67-6-103 (b)(2) to make those provisions, which provide for funding from gasoline tax revenues, effective only through June 30, 1993.

Effective date: May 15, 1992.

Chapter No. 1018 (SB 2444/HB 2543). Appropriations act. Makes appropriations for fiscal years beginning July 1, 1991 and July 1, 1992. Among appropriations of municipal interest:

1. Firefighter supplements not to exceed $288.
2. Police supplements of up to $384.
3. Income eligibility limit for elderly low-income and disabled homeowners of $9,200 for property tax relief.
4. Small Cities Community Development Block Grants of $52,844,000.
5. Utility relocation loans of $1,500,000.

Chapter No. 1023 (SB 2290/HB 2019). Wastewater facility depreciation; definition of *local government;* loans. Amends *T.C.A.* Section 68-13-1010 (a) to provide that in any municipality having a wastewater facility serving 900 or fewer customers, in determining whether a facility has a retained earnings deficit or an operating deficit, depreciation doesn't include depreciation on assets acquired with grant funds.

Amends *T.C.A.* Section 68-13-1003 (7)(A) to define "local government" to include state agencies with authority to administer wastewater facilities.

Amends *T.C.A.* Section 68-13-1005 (i) to provide that notice to one participating entity in a joint enterprise that there has been a failure to remit funds and after which state-shared taxes can be stopped is notice to all participating entities. Authorizes local governments to serve as guarantors and to provide other security for loans under this part. The act amends *T.C.A.* Section 68-13-1006 to provide that in a joint enterprise, qualifications for loans are met when one of the parties meets the requirements.

Effective date: May 22, 1992.

Firefighters

Chapter No. 588 (SB 1855/HB 1840). Firefighter supplements for Desert Stormers. Amends *T.C.A.* Section 4-24-202 to provide that firefighters who served on active duty in Desert Storm or Desert Shield will receive the salary supplement if their services prevented them from attending in-service training.

Effective date: July 1, 1992; retroactive.

Housing Discrimination

Chapter No. 1027 (SB 2745/HB 2776). Human rights--procedures before commission--penalties. Amends *T.C.A.* Section 4-21-102 (b) to include pregnant persons and persons in the process of securing legal custody of a person not yet 18 years old within the category of persons protected from discrimination on the basis of familial status.

Amends *T.C.A.* Section 4-21-302 and 304 to change procedures used by the Human Rights Commission in investigating complaints and scheduling hearings. Amends *T.C.A.* Section 4-21-303 (d) to provide that conciliation agreements must be made public unless the parties and the commission agree otherwise.

Amends *T.C.A.* Section 4-21-306 (a) to provide for civil penalties of up to $10,000 for housing discrimination if the respondent hasn't been guilty of prior discrimination and up to $50,000 if he or she has.

Amends *T.C.A.* Section 4-21-311 to allow punitive damages, but not the civil penalties provided in Section 4-21-306 (a), in court actions for housing discrimination. Court action still supersedes the administrative proceedings.

Adds *T.C.A.* Section 4-21-312 to provide procedures for choosing court action by the commission in cases of alleged housing discrimination when there is reasonable cause to believe discrimination took place.

Amends *T.C.A.* Title 4, Chapter 21, Part 6 to make several other changes relative to housing discrimination.

Effective date: May 27, 1992.

Insurance

Chapter No. 904 (SB 2723/HB 2615). Dental plan for local governments. Amends *T.C.A.* Section 8-27-207 to authorize the local government insurance committee to offer a dental plan as part of the basic plan or an optional plan.

Effective date: July 1, 1992.

Interlocal Cooperation

Chapter No. 880 (SB 2781/HB 2771). Entities created by interlocal agreement--issuance of bonds. Amends *T.C.A.* Section 9-21-105, part of the Local Government Public Obligations Act, to define "local government" to include entities created by interlocal agreement if and only if the creating political subdivisions retain at least secondary liability for the debts of the entity, and the agreement authorizes the entity to exercise powers under the Local Government Public Obligations Act, and the terms of the agreement conform to *T.C.A.* Section 12-9-104 (e)(1), (2), and (3).

Amends *T.C.A.* Section 12-9-104 (e) to make it clear that entities created by interlocal agreement may not tax, issue general obligation bonds, or exercise eminent domain.

Effective date: July 1, 1992.

Juveniles

Chapter No. 587 (SB 1324/HB 1146). Juveniles--court determinations. Amends *T.C.A.* Title 37, Chapter 1, Part 1 to require juvenile courts to determine whether reasonable efforts have been made to prevent the need for removal of the child from his or her family or to make it possible for the child to return home before ordering a child committed or retained in custody of the Tennessee Department of Human Services. The act provides procedures for doing so.

Effective date: March 23, 1992.

Chapter No. 887 (SB 2010/HB 1732). Health department records of sexually transmitted diseases. Amends *T.C.A.* Section 68-10-113 (6)(A) and (B) to allow juvenile judges to order release of health department records relative to sexually transmitted diseases relative to a juvenile under the court's jurisdiction.

Effective date: May 8, 1992.

Law Enforcement

(see also *Crimes and Criminal Procedure* and *Motor Vehicle and Traffic*)

Chapter No. 585 (SB 2222/HB 2100). Telephone lines--emergencies. Amends *T.C.A.* Title 65, Chapter 21, Part 1 to allow the chief law enforcement officer of any municipality or county, or his or her designee, by written request to require a telephone company employee designated by the company to cut, reroute, or direct telephone lines in any emergency where a person barricades himself, or where a hostage or hostages are being held, to prevent communication between the person and any other person except the police. Good faith reliance on the order absolves the phone company of liability.

Effective date: March 23, 1992.

Chapter No. 597 (SB 1722/HB 1971). Television in law enforcement vehicles. Amends *T.C.A.* Section 55-9-105 to provide that that section, which prohibits televisions in motor vehicles, doesn't apply to local, state, or federal law enforcement officers engaged in the performance of their official duties.

Effective date: April 8, 1992.

Chapter No. 600 (SB 1758/HB 1721). Eligibility for police pay supplement. Amends *T.C.A.* Section 38-8-111(a) to provide that an officer who hasn't completed eight months of full-time service during the calendar year isn't eligible for the pay supplement unless the officer died,

retired, or was disabled. Active military service is included in calculating the eight months. This act is retroactive to 1990 and 1991 for purposes of calculating active duty during Desert Storm.

Effective date: April 8, 1992.

Chapter No. 601 (SB 1771/HB 2191). Boating safety. Amends *T.C.A.* Section 69-10-210(b) to increase the amount of property damage before a boating accident must be reported by the operator from $200 to $500.

Amends *T.C.A.* Section 69-10-216(h) to prohibit discharging treated sewage into waters designated as "no discharge."

Amends *T.C.A.* Section 69-10-220(a) to provide that wildlife officers and other enforcement officers designated by the executive director may arrest a person without a warrant at the scene of a boating accident if the officer has probable cause to believe the person was guilty of reckless or negligent endangerment or boating under the influence.

Effective date: April 8, 1992.

Chapter No. 623 (SB 2448/HB 2257). Forfeiture of conveyances--representation of city. Amends *T.C.A.* Section 40-33-107(4) to provide that in the hearing to determine the disposition of seized conveyances, the state or local governing body will be represented by the district attorney, the county attorney, or the city attorney for the county or municipality where the seizure occurred.

Effective date: July 1, 1992.

Chapter No. 802 (SB 2178/HB 2197). Permission for use of minors in law enforcement. Amends *T.C.A.* Section 39-15-413 to require law enforcement officers to obtain the written approval of a minor's parent or legal guardian and the juvenile court before using the minor to do illegal or delinquent acts to aid in law enforcement.

Effective date: April 29, 1992.

Chapter No. 842 (SB 1888/HB 1764). Confiscated vehicles--procedure. Amends *T.C.A.* Section 53-11-201 to allow a law enforcement agency that seizes a motor vehicle as a result of a drug violation to elect whether to use an administrative or judicial forfeiture proceeding.

Effective date: May 5, 1992.

Chapter No. 943 (SB 1799/HB 1707). Scrap jewelry and metal dealers--holding period extended. Amends *T.C.A.* Section 38-1-202 to extend from 15 to 30 days the holding period before scrap jewelry, and metal dealers may sell or change the form of items sold to them.

Effective date: July 1, 1992.

Chapter No. 993 (SB 2143/HB 2194). Monitoring alarm systems; false alarms. Amends *T.C.A.* 62-32-321 to allow municipalities and counties that were charging to monitor alarm systems on or

before July 1, 1991, to continue charging for this service. Allows penalties of up to $25 for each false alarm, except those caused by violent acts of nature.

Effective date: May 13, 1992.

Mayor-Aldermanic Charter

Chapter No. 612 (SB 2054/HB 2346). General law mayor-aldermanic charter--housekeeping changes. Section 1 amends *T.C.A.* Section 6-1-101, item (2) to add the mayor to the end of the item as having authority to appoint department heads. This is a duty of the mayor unless the board has designated otherwise.

Section 2 ratifies all ordinances adopted on or prior to June 30, 1991.

Section 3 amends *T.C.A.* Section 6-3-101(b) to clarify that the number of aldermen or wards may be reduced by a two-thirds vote of the entire membership to which the board is entitled, rather than just a two-thirds vote of the board.

Section 4 amends T.C.A Section 6-3-101 to require an ordinance reducing the number of wards to establish new ward boundaries. Provides for municipalities with staggered terms that reduce the number of wards.

Section 5 amends *T.C.A.* Section 6-3-102 to make it clear that municipalities incorporated under the mayor-aldermanic charter on or before June 30, 1991, may change only to four-year staggered terms.

Section 6 amends *T.C.A.* Section 6-3-102(b) to provide that an ordinance changing from two-year staggered terms to four-year staggered terms takes effect at the next election and doesn't affect present terms.

Section 7 amends *T.C.A.* Section 6-3-109(b)(3) to give municipalities with non-staggered four-year terms that are changing to staggered four-year terms the option of having transitional terms that are either two or six years.

Section 8 amends *T.C.A.* Section 6-3-106(a)(5) to provide that checks must be drawn by the treasurer rather than the recorder.

Section 9 amends *T.C.A.* Section 6-3-107(a) to eliminate two-year terms of the vice-mayor.

Section 10 amends *T.C.A.* Section 6-4-301(b)(1) to clarify that an appointed city judge may be appointed for a term established by ordinance.

Effective date: April 8, 1992.

Chapter No. 760 (SB 2398/HB 2402). Budget publication for general law cities. Amends *T.C.A.* Section 6-2-103 (mayor-aldermanic charter), 6-22-130 (city manager-commission charter), and 6-35-315 (modified manager-council charter) to change procedures enacted last year for budget publication. Under the new provisions, the governing body must publish the annual operating

budget and budgetary comparisons of the proposed budget with actual the budget for the prior year and the estimated expenditures for the current year. Information provided must include:

1. revenues and expenditures for the general, public works, general purpose school, and debt services funds;
2. revenue sources for each fund broken down by local, state, federal, and other sources;
3. expenditures for each fund listed separately by salaries and other costs;
4. beginning and ending fund balances for each fund; and
5. number of full-time equivalent employee positions for each fund.

Publication must be in a newspaper of general circulation not fewer than 10 days before the meeting at which the governing body will consider final passage.

This act repeals *T.C.A.* Section 6-22-123, which had to do with publication of the budget under the uniform city manager-commission charter. The act also amends *T.C.A.* Section 6-22-124(a) to eliminate publication of the appropriation ordinance under the city manager-commission charter.

Effective date: Jan. 1, 1993.

Modified Manager-Council Charter

Chapter No. 760 (SB 2398/HB 2402). Budget publication for general law cities. Amends *T.C.A.* Section 6-2-103 (mayor-aldermanic charter), 6-22-130 (city manager-commission charter), and 6-35-315 (modified manager-council charter) to change procedures enacted last year for budget publication. Under the new provisions, the governing body must publish the annual operating budget and budgetary comparisons of the proposed budget with the actual budget for the prior year and the estimated expenditures for the current year. Information provided must include:

1. revenues and expenditures for the general, public works, general purpose school, and debt services funds;
2. revenue sources for each fund broken down by local, state, federal, and other sources;
3. expenditures for each fund listed separately by salaries and other costs;
4. beginning and ending fund balances for each fund; and
5. number of full-time equivalent employee positions for each fund.

Publication must be in a newspaper of general circulation not fewer than 10 days before the meeting at which the governing body will consider final passage.

This act repeals *T.C.A.* Section 6-22-123, which had to do with publication of the budget under the uniform city manager-commission charter. The act also amends *T.C.A.* Section 6-22-124(a) to eliminate publication of the appropriation ordinance under the city manager-commission charter.

Effective date: Jan. 1, 1993.

Motor Vehicles and Traffic

Chapter No. 534 (SB 1720/HB 1741). Bus lengths increased. Amends *T.C.A.* Section 55-7-204 to increase allowable bus length from 40 to 45 feet. Eliminates 42,000-pound weight limit.

Effective date: July 1, 1992.

Chapter No. 543 (SB 1677/HB 1749). Special license plates for elected municipal judges. Amends *T.C.A.* Section 55-4-202(c)(2) and 55-4-226 to authorize special license plates for elected municipal judges.

Effective date: July 1, 1992.

Chapter No. 559 (SB 2063/HB 2109). T.B.I. vehicles as authorized emergency vehicles. Amends *T.C.A.* Section 55-8-101(2)(A) to include vehicles operated by commissioned members of the T.B.I. in the definition of authorized emergency vehicle.

Effective date: March 21, 1992.

Chapter No. 560 (SB 2065/HB 2108). T.B.I. vehicles allowed to use blue flashing lights. Amends *T.C.A.* Section 55-9-414(a)(1) to include T.B.I. vehicles in those allowed to use blue flashing lights.

Effective date: March 21, 1992.

Chapter No. 678 (SB 2068/HB 2631). Registration plates for deaf drivers. Amends *T.C.A.* Section 55-21-151 to provide for license plates with a distinctive set of letters and numbers for deaf people. The Department of Revenue will divulge the distinctive numbers only to the Department of Safety and law enforcement agencies. All law enforcement officers must receive, as part of in-service training, instruction in identification of license plates for deaf drivers.

Effective date: April 14, 1992.

Chapter No. 683 (SB 2151/HB 2016). Handicapped placard--confiscation for unauthorized use. Amends *T.C.A.* Section 55-21-108(c) to authorize law enforcement officers who observe a violation of that subsection, which prohibits unauthorized use of a handicapped placard, to confiscate the placard.

Effective date: July 1, 1992.

Chapter No. 685 (SB 2260/HB 2269). Funding for traffic safety and education programs in Knoxville. Amends *T.C.A.* Title 55, Chapter 10, Part 3 to authorize Knoxville to levy a 75 cents fee on traffic violations to fund traffic safety and education programs.

Effective date: July 1, 1992.

Chapter No. 690 (SB 2484/HB 2229). Vehicle identification numbers required for motor vehicles. Amends *T.C.A.* Section 55-5-106 to require vehicle identification numbers for all motor vehicles, freight vehicles, and livestock trailers sold in this state, rather than just for passenger cars.

Effective date: April 14, 1992.

Chapter No. 722 (SB 2549/HB 2734). Driving on canceled license--penalties modified. Amends *T.C.A.* Section 55-50-302 and 504 to update and rearrange penalties for driving on a revoked license.

Effective date: April 14, 1992.

Chapter No. 728 (SB 1763/HB 1677). Bus speed limits relaxed. Amends *T.C.A.* Section 49-6-2110 to allow buses to go by posted speed limits or a maximum of 35 miles per hour on unpaved roads.

Effective date: April 23, 1992.

Chapter No. 773 (SB 1714/HB 1727). Driving under the influence of intoxicants. Repeals subsection (l) of *T.C.A.* Section 55-10-403 which allowed defendants to challenge the constitutional validity of prior D.U.I. convictions when the state sought to use those convictions to enhance the sentence for subsequent D.U.I. convictions.

Effective date: April 28, 1992.

Chapter No. 784 (SB 2197/HB 2355). Solid waste vehicles--stopping on public streets. Amends *T.C.A.* Section 55-8-158 and 55-8-160 to make those sections, which prohibit vehicles from parking in certain places on public streets, inapplicable to garbage trucks collecting trash. Solid waste vehicles collecting garbage and stopping on municipal streets must have on flashing hazard lights while stopping or standing and must stop in a position to be clearly viewed from 200 feet in either direction. In addition, the vehicle must be equipped with special lights visible from both the front and back of the vehicle indicating it is stopped. The Public Service Commission is to promulgate rules regarding the special lighting required by this act.

Effective date: April 28, 1992.

Chapter No. 947 (SB 1971/HB 1902). Fines for unlawful parking in handicapped spaces. Amends *T.C.A.* Section 55-21-108 (a)(1) to make the fine for unlawful parking in handicapped spaces $50. Amends *T.C.A.* Section 55-8-160 (a)(15) to make the fine for unlawful parking in handicapped spaces $100. This act also authorizes towing of vehicles unlawfully parked in handicapped spaces and payment of costs by the owner or person in lawful possession. After July 1, 1992, signs designating handicapped spaces must indicate that unlawfully parked vehicles may be towed and provide the name and phone number of the towing company or property owner.

Effective date: July 1, 1992.

Officers

(see also *Conflict of Interest* and *Elections*)

Chapter No. 978 (SB 1209/HB 1112). Acceptance of honoraria by public officials prohibited. Amends *T.C.A.* Title 2, Chapter 10, Part 1 to prohibit officials from accepting honoraria in their capacity as a public official. "Honorarium" means payment for an appearance, speech, or article but doesn't include actual and necessary travel expenses, meals, and lodging.

Effective date: Jan. 1, 1993.

Open Records

Chapter No. 823 (SB 2111/HB 2013). Employee assistance programs--confidential records. Amends *T.C.A.* Section 10-7-504 (d) to include as confidential records of employee assistance programs records of an employee's personal concerns including but not limited to health, marital, family, financial, alcohol, drug, legal, emotional, stress, or other personal concerns.

Effective date: April 29, 1992.

Chapter No. 861 (SB 1999/HB 2290). Business tax records--certain information not confidential. Amends *T.C.A.* Section 67-4-722, part of the Business Tax Act, to make the name and address of any present or former owner or operator of any trade or business appearing on any business license or application a public record.

Effective date: May 5, 1992.

Parks and Recreation

Chapter No. 696 (SB 2648/HB 2564). Recreation system funding. Amends *T.C.A.* Section 11-24-108 to provide that funds for recreation systems may be provided by property taxes, general revenue, fees, and other lawful funding sources.

Effective date: April 14, 1992.

Personnel

(see also *Officers, Retirement,* and *Workers' Compensation*)

Chapter No. 823 (SB 2111/HB 2013). Employee assistance programs--confidential records. Amends *T.C.A.* Section 10-7-504 (d) to include as confidential records of employee assistance programs, records of an employee's personal concerns including but not limited to health, marital, family, financial, alcohol, drug, legal, emotional, stress, or other personal concerns.

Effective date: April 29, 1992.

Chapter No. 848 (SB 887/HB 1447). Chiropractor's excuses--acceptability. Amends *T.C.A.* Title 56, Chapter 7, Part 1, to allow employers and schools to accept a chiropractor's excuse for the absence of an employee or student. Nothing requires the insurer of an employee or student to pay for this service or include it in coverage.

Effective date: July 1, 1992.

Chapter No. 894 (SB 2385/HB 2278). Jury service--local governments included. Amends *T.C.A.* Section 22-4-108 to include local governments among employers who must give employees time off with pay for jury service.

Effective date: July 1, 1992.

Chapter No. 904 (SB 2723/HB 2615). Dental plan for local governments. Amends *T.C.A.* Section 8-27-207 to authorize the local government insurance committee to offer a dental plan as part of the basic plan or an optional plan.

Effective date: July 1, 1992.

Planning and Zoning

Chapter No. 742 (SB 1737/HB 1877). County zoning referendum. Amends *T.C.A.* Title 13, Chapter 7, part 1 to allow a referendum on county zoning. If a portion of a county is in a planning region in which a municipal planning commission has been designated the regional planning commission and no zoning for that portion of the county has been adopted by the municipality, the municipal planning commission must certify a zoning plan to the county legislative body within one year of the election at which county zoning is approved.

There are several exceptions for counties by population classification and no severability clause.

Effective date: April 23, 1992; effectiveness ceases July 1, 1993.

Retirement

Chapter No. 733 (SB 2089/HB 2030). Disability retirement. Amends *T.C.A.* Section 8-36-501(d)(2) to provide that that subdivision doesn't apply to members joining the retirement system after Oct. 15, 1992. Subdivision (d)(2) provides for an increase in the number of years of creditable service to be used in figuring disability retirement for employees who have been members fewer than 20 years.

Amends *T.C.A.* Section 8-36-502(b) to provide that upon accidental disability retirement, a member of Group 1 or 2 shall receive an accidental disability retirement allowance equal to 50 percent of the members' average final compensation.

Effective date: April 23, 1992.

Chapter 754 (SB 2090/HB 2031). Retirement credit for Desert Storm military service. Amends *T.C.A.* Section 8-34-605(c)(1)(A) to provide retirement credit without charge for state and local

government employees who left service to serve in the Persian Gulf War and were reemployed by the state or local government within six months of being released of military duty.

This act depends on an appropriation.

Effective date: July 1, 1992.

Chapter No. 801 (SB 2042/HB 1936). Retirement credit for local government service for state employees. Amends *T.C.A.* Section 8-35-236 to allow a state employee to establish retirement credit for service during which the employee was employed by a local government.

Effective date: April 29, 1992.

Chapter No. 839 (SB 2293/HB 2058). City attorney eligibility for T.C.R.S. Amends *T.C.A.* Section 8-35-234 to make city attorneys eligible for membership in the Tennessee Consolidated Retirement System. The act eliminates the requirement relative to city judges that they had to be an employee as of April 21, 1987.

The act provides that service pursuant to this section is independent of all other creditable service in calculating the member's average final compensation.

Effective date: May 5, 1992.

Chapter No. 843 (SB 2091/HB 2033). Retirement--teachers and local employers. Amends *T.C.A.* Title 8, Chapter 35, Part 2, to allow teachers employed on the date a political subdivision entered T.C.R.S. to establish retirement credit for service rendered before the subdivision joined.

Amends *T.C.A.* Section 8-34-206 (d) to provide that employers electing to assume employee contributions must set the effective date on July 1 or on the beginning of the fiscal year following a minimum three-months' notice, which may be waived.

Amends *T.C.A.* Section 8-35-201 (a) to require political subdivisions maintaining a pre-existing public employee retirement system to transfer to T.C.R.S. any excess employer assets remaining in that system after allocating the funds necessary to provide any unimpaired rights and benefits existing under the pre-existing system.

Amends *T.C.A.* Section 8-35-201 to allow political subdivisions to participate in T.C.R.S. without coverage for hospitals, nursing homes, transit authorities, utilities, or other entities that operate under a separate board. If retirement coverage is provided these entities, however, they must participate under the same terms as other departments.

This act also makes other changes to the law governing T.C.R.S.

Effective date: May 5, 1992.

Chapter No. 919 (SB 976/HB 1387). Retirement credit for prior local government service. Amends *T.C.A.* Title 8, Chapter 35, Part 2 to allow present employees of political subdivisions to establish credit for service prior to Aug. 1, 1973 if the employee was employed on that date and the

political subdivision began participating on that date. Credit must be established before Jan. 1, 1993.

Effective date: May 8, 1992.

Chapter No. 934 (SB 517/HB 789). Years of creditable service. Amends *T.C.A.* Section 8-36-204 (b) to provide that Group 1 members of T.C.R.S. must have a total of five years of creditable service to qualify for retirement benefits. Members who are employed by local governments must have a total of 10 years of creditable service unless the legislative body passes a resolution reducing the required years from 10 to five and accepts the liability for doing so.

This act is subject to an appropriation and was funded.

Effective date: Jan. 1, 1992.

Chapter No. 935 (SB 982/HB 796). Retirement death and disability benefits. Amends *T.C.A.* Title 8, Chapter 36, Part 1 to provide for the payment of the retirement allowance of a member not in service who dies after 10 years of creditable service to the surviving spouse, if the spouse is the beneficiary. The act also provides that a member not in service may be retired on a disability allowance if the member meets all the qualifications. These provisions don't apply to local governments unless they adopt them by resolution and accept liability. This act is subject to funding.

Effective date: July 1, 1991.

Solid Waste

Chapter No. 759 (SB 2397/HB 2400). Solid waste accounting. Amends *T.C.A.* Section 68-31-874 to provide that municipalities and others must account for financial activities related to solid waste management in either a special revenue fund or an enterprise fund. Effective July 1, 1993, municipalities and others that operate landfills or incinerators must account for activities related to the landfill or incinerator in an enterprise fund. The act further amends *T.C.A.* Section 68-31-874 to provide that after July 1, 1992, no state funds will be released to municipalities or others that don't account for financial activities related to solid waste management in a special revenue fund or an enterprise fund. After July 1, 1993, no state funds for solid waste management may be released to municipalities or others that operate a landfill or incinerator unless financial activities are accounted for in an enterprise fund.

Effective date: April 23, 1992.

Chapter No. 784 (SB 2197/HB 2355). Solid waste vehicles--stopping on public streets. Amends *T.C.A.* Section 55-8-158 and 55-8-160 to make those sections that prohibit vehicles from parking in certain places on public streets inapplicable to garbage trucks collecting trash. Solid waste vehicles collecting garbage and stopping on municipal streets must have on flashing hazard lights while stopping or standing and must stop in a position to be clearly viewed from 200 feet in either direction. In addition, the vehicle must be equipped with special lights visible from both

the front and back of the vehicle indicating it is stopped. The Public Service Commission is to promulgate rules regarding the special lighting required by this act.

Effective date: April 28, 1992.

Taxation - Beneficial Use

Chapter No. 811 (SB 768/HB 772). Beneficial use tax repealed. Repeals *T.C.A.* Title 67, Chapter 4, Part 15, the beneficial use tax.

Effective date: April 29, 1992.

Taxation - Business

Chapter No. 662 (SB 1656/HB 1960). Deduction for exterminating services and installing personal property. Amends *T.C.A.* Section 67-4-711(a)(5) to provide for a deduction from the business tax for fees paid to subcontractors for exterminating services or for installing personal property.

Effective date: Applies to tax periods beginning on or after Oct. 1, 1991.

Chapter No. 861 (SB 1999/HB 2290). Business tax records--certain information not confidential. Amends *T.C.A.* Section 67-4-722, part of the Business Tax Act, to make the name and address of any present or former owner or operator of any trade or business appearing on any business license or application a public record.

Effective date: May 5, 1992.

Taxation - Gasoline

Chapter No. 1015 (SB 2707/HB 2759). Transportation equity trust fund created. Amends *T.C.A.* Title 9, Chapter 4, Part 2 to create a segregated account within the treasury called the Transportation Equity Trust Fund. The old transportation equity fund is folded into this account. Funds will be used for railway, aeronautics, and waterway programs.

Amends *T.C.A.* Section 67-6-103 (b)(2) to make those provisions, which provide for funding from gasoline tax revenues, effective only through June 30, 1993.

Effective date: May 15, 1992.

Taxation - Income

Chapter No. 931 (SB 2726/HB 2603). Exemption from income tax for interest on federal obligations. Amends *T.C.A.* Section 67-2-104 (f) and (g) to exempt from the Hall Income Tax interest earned on federal obligations of subchapter M investment companies and unit investment trusts.

Effective date: Jan. 1, 1992.

Taxation - Litigation

Chapter No. 529 (SB 777/HB 868). Litigation tax increased. Amends *T.C.A.* Section 67-4-602 to increase the litigation tax in all criminal and civil cases by $2.50.

Effective date: April 1, 1992.

Taxation - Property

Chapter No. 527 (SB 1650/HB 1709). Payment of property taxes on public utility assessments under appeal. Amends *T.C.A.* Section 67-5-1329 to provide that when the state Board of Equalization hasn't completed its review of the assessment of public utility property within the time provided because of exceptions filed by the property owner, the property owner must pay at least the undisputed portion of the tax. The partial payment must be made within 30 days of written demand by the taxing jurisdiction. The board may dismiss the appeal if the utility fails or refuses to make the payment. The utility may also pay the disputed taxes if the taxing jurisdiction agrees to accept payment. Upon final disposition, any overpayment must be refunded with interest by the taxing jurisdiction.

Interest and penalty (1.5 percent per month) won't accrue against the taxpayer until the delinquency date or 30 days after the final assessment is certified by the Board of Equalization, whichever is later. At the option of the jurisdiction, refund of overpaid taxes and any interest may be made by lump sum payment or credits against future taxes.

Authority to bill or make written demand for payment of taxes is vested in the tax-collecting official. The authority to exercise other options under this act is vested in the chief executive officer of the jurisdiction unless the legislative body designates someone else to elect options.

Effective date: Feb. 27, 1992;
applies to assessments for 1990 and later tax years.

Chapter No. 652 (SB 2172/HB 2059). Property taxes--exemption for low-cost elderly housing financed by grants. Amends *T.C.A.* Section 67-5-207(a)(1) to exempt from property taxation not-for-profit Tennessee general welfare corporations whose projects are financed by grants, as well as loans, made by the Department of Housing and Urban Development. The exemption applies as long as the project is restricted to elderly or handicapped persons as defined by the National Housing Act.

Effective date: April 8, 1992.

Chapter No. 660 (SB 1652/HB 1963). Exemption for personal property of religious, charitable, scientific, or educational institutions. Amends *T.C.A.* Section 67-5-502 to provide that personal property leased to and used by religious, charitable, scientific, or non-profit educational institutions shall not be deemed used in a business or profession and shall not be classified as industrial or commercial property for tax purposes.

Effective date: April 14, 1992.

Chapter No. 661 (SB 1654/HB 1967). Greenbelt law--new criteria established. Amends *T.C.A.* Section 67-5-1003 to enact criteria for determining multiple ownership of land for purpose of determining the maximum (1,500 acres in one jurisdiction) that may be placed under the greenbelt law by any one person.

Amends *T.C.A.* Section 67-5-1004 to eliminate land "held for" agricultural use from greenbelt treatment.

Amends *T.C.A.* Section 67-5-1005 to provide that the assessor may presume that land is used for agricultural purposes if it produces $1,500 per year in agricultural income over any three-year period in which the land is so classified.

Amends *T.C.A.* Section 67-5-1005 to require the assessor to discontinue greenbelt classification unless the owner certifies, at the assessor's request, that the land will produce $1,500 per year in agricultural income over any three-year period the property is so classified.

Amends *T.C.A.* Section 67-5-1008 to provide procedures for determining rollback taxes. Also provides that land foreclosed on by a bank, savings and loan association, or person holding a deed of trust or mortgage isn't subject to rollback taxes until sold.

Effective date: April 14, 1992.

Chapter No. 752 (SB 1963/HB 1873). Property tax reappraisal schedule. Amends *T.C.A.* Section 67-5-1601 to allow reappraisal and equalization programs to be completed every four years or six years as determined by the assessor.

Amends *T.C.A.* Section 67-5-1601 to provide that in counties with a six-year cycle, values will be updated by current value index in the third year rather than the second and fourth years. In counties using a four-year cycle, the current value index won't be used.

Amends *T.C.A.* Section 67-5-1601 to provide that state funding of cost for counties with a four-year schedule will be limited to the amount the state would have funded for a six-year cycle.

Effective date: April 23, 1992.

Chapter No. 850 (SB 1784/HB 2457). Redemption of property. Amends *T.C.A.* Section 67-5-2703 to require any person redeeming property to pay the amount paid for the delinquent taxes, interest and penalties, court costs and other court ordered charges, and interest at the rate of 10 percent per year computed from the date of sale on the entire purchase price paid at the tax sale.

Effective date: May 5, 1992.

Chapter No. 866 (SB 2461/HB 2529). Positions on county Board of Equalization. Amends *T.C.A.* Section 67-1-401 (c) to provide that that section, which prohibits compensated municipal officials from serving on county boards of equalization, doesn't apply to Shelby County municipalities that aren't eligible to appoint a member of the board.

Effective date: May 5, 1992.

Chapter No. 889 (SB 1886/HB 1850). Discounts for early payment. Amends *T.C.A.* Section 67-5-1804 to allow any municipality by ordinance to provide a discount of 3 percent if taxes are paid by the end of July; 2 percent if paid by the end of August; 1 percent if paid by the end of September when taxes are collected by the county trustee. No mortgagee or servicer has to notify the mortgagor of the availability of discounts.

Effective date: May 8, 1992.

Chapter No. 926 (SB 2000/HB 2756). Method for compromising tax liens repealed. Repeals *T.C.A.* Title 67, Chapter 5, Part 26, which contained a method for compromising tax liens on insolvent property.

Effective date: May 8, 1992.

Chapter No. 964 (SB 2581/HB 2512). Property tax relief for elderly low-income and disabled persons. Amends *T.C.A.* Section 67-5-702 (a)(2) and 703 (a)(2) to exclude Social Security equivalent railroad retirement benefits and veterans entitlements from the definition of income for property tax relief purposes when the taxpayer must pay the income to a nursing home.

Effective date: May 13, 1992.

Chapter No. 996 (SB 2233/HB 2192). Correction of assessments. Amends *T.C.A.* Section 67-5-509 (d) to require that correction of assessments must be requested by the taxpayer or initiated by the assessor prior to March 1 no later than the second year following the tax year for which the correction is to be made.

Effective date: May 13, 1992.

Chapter 1000 (SB 2418/HB 2432). Property tax incentives for economic development--disclosure to comptroller. Requires all economic development agreements to be in writing and submitted to: (1) the chief executive officer of each jurisdiction in which the property is located, and (2) the comptroller for review but not approval. The agreement must be submitted within 10 days after execution. The names of private businesses may be obscured on agreements submitted before execution. To determine the exempt status or other status of property subject to the agreement, the parties may petition the local and state boards of equalization for adjudication in the manner required for filing appeals from local assessments.

Existing agreements must be disclosed by Jan. 1, 1993.

Effective date: Jan. 1, 1993.

Chapter No. 1021 (SB 1812/HB 2129). Property tax relief sections rewritten. Amends *T.C.A.* Section 67-5-702 and 703 to rewrite completely those sections providing property tax relief to elderly low-income and disabled homeowners. The only changes, however, allow the General Assembly to establish in the General Appropriations Act the maximum value of property for which relief will be granted and to wipe out the changes effected by Chapter Number 964.

Effective date: May 22, 1992.

Chapter No. 1024 (SB 2501/HB 2530). Time for certain appeals extended. Amends *T.C.A.* Section 67-5-1501 (c) to extend from 45 to 90 days the time within which appeals to the state Board of Equalization from an initial determination in exemption and tax relief cases must be filed.

Effective date: May 22, 1992.

Taxation - Sales

Chapter No. 529 (SB 777/HB 868). Sales tax increased; privilege tax on filing documents enacted; litigation tax increased; privilege tax on certain professionals enacted; merchants' fees restricted; local sales tax capped at 2.75 percent. Amends *T.C.A.* Section 67-6-202, 3, 4, 5, and 21 to increase the state sales tax from 5.5 percent to 6 percent.

Amends *T.C.A.* Title 67, Chapter 4 to levy taxes on the privilege of filing documents with the Secretary of State. Taxes for filing different documents range from $10 to $50.

Amends *T.C.A.* Section 67-4-602 to increase the litigation tax in all criminal and civil cases by $2.50.

Amends *T.C.A.* Title 67, Chapter 4 to enact a $200 per year privilege tax on the following professions: lobbyists, broker-dealers, agents, investment advisers, accountants, engineers, architects, landscape architects, brokers, chiropractors, dentists, physicians, pharmacists, psychologists, optometrists, veterinarians, audiologists, osteopathic physicians, podiatrists, speech pathologists, and attorneys. This tax will be due and payable on June 1 of each year. Persons licensed for more than one profession have to pay only one tax. Inactive and retired professionals don't have to pay the tax. Failure to pay the tax won't be grounds for disciplinary actions.

Fifty percent of all revenue generated from the sales tax increase from April 1, 1992, through June 30, 1992, will be distributed to local education agencies on a per pupil basis and 50 percent will go for general education purposes as allocated in the Appropriation Act. After June 30, 1992, revenue generated from the increase will go for education purposes in grades kindergarten through 12.

Repeals *T.C.A.* Section 67-6-222 and amends 67-6-343 and Title 67, Chapter 6, Part 3 to exempt from the sales tax motor vehicles, boats, and other vessels bought in Tennessee but taken to another state within three days.

Amends *T.C.A.* Section 67-6-509 to cap the dealer's compensation for collecting sales tax to $50 per report.

Amends *T.C.A.* Section 67-6-103 to change funding of the transportation equity fund from the sales tax to the gasoline tax.

Amends *T.C.A.* Section 67-6-702 (a)(1) to cap the local sales tax at 2.75 percent.

Effective date: April 1, 1992; sales tax increase repealed as of June 30, 1993; professional taxes due June 1.

Chapter No. 663 (SB 1657/HB 1962). Exemption for railroad rolling stock. Amends *T.C.A.* Section 67-6-321 to exempt railroad rolling stock used "principally" in interstate commerce.

Effective date: April 14, 1992.

Chapter No. 659 (SB 1651/HB 1961). Exemption for water and air pollution chemicals, etc. Amends *T.C.A.* Section 67-6-329(a)(24) to clarify that chemicals and supplies used in air and water pollution control facilities for pollution control purposes are exempt from sales taxes.

Effective date: April 14, 1992.

Chapter No. 872 (SB 2557/HB 2421). Sales tax on amusements--exemption. Amends *T.C.A.* Section 67-6-215 and 330 to exempt from the sales tax live entertainment conducted in an establishment operated primarily for the sale of food when there is no separate charge for the entertainment.

Effective date: May 5, 1992.

Chapter No. 873 (SB 2644/HB 2583). Credits for pollution control equipment. Amends *T.C.A.* Section 67-6-507 and Title 67, Chapter 6, Part 3 to provide sales tax credits to auto paint shops, dry cleaners, and others for pollution control equipment required by law.

Effective date: May 5, 1992; repealed Dec. 31, 1995.

Chapter No. 913 (SB 2818/HB 2816). Services tax enacted. Amends *T.C.A.* Title 67 to enact a service tax of 6.75 percent on certain services, including health services, amusement services, room rentals, parking garages, repair services, dry cleaning, car washes, and rental space to dealers. The state sales tax on these services is removed, but the local sales tax continues to apply at a maximum rate of 2 percent.

Revenues of 11.11 percent from the state services tax on amusement services and services other than health care will be distributed as a county local sales tax is distributed. The remainder will be distributed as the state sales tax is distributed, with municipalities receiving 4.5925 percent.

Effective date: July 1, 1992; repealed as of March 31 1994.

Chapter No. 917 (SB 744/HB 1014). Exemption for industrial oils and greases. Amends *T.C.A.* Section 67-6-102 (12)(A) to include hydraulic fluids, lubricating oils, and greases necessary for operation and maintenance in the definition of industrial machinery exempt from sales tax.

Effective date: Feb. 29, 1992.

Chapter No. 1015 (SB 2707/HB 2759). Transportation equity trust fund created. Amends *T.C.A.* Title 9, Chapter 4, Part 2 to create a segregated account within the treasury called the Transportation Equity Trust Fund. The old transportation equity fund is folded into this account. Funds will be used for railway, aeronautics, and waterway programs.

Amends *T.C.A.* Section 67-6-103 (b)(2) to make those provisions, which provide for funding from gasoline tax revenues, effective only through June 30, 1993.

Effective date: May 15, 1992.

Tort Liability

Chapter 820 (SB 1827/HB 1947). Tort immunity for white-water rafters and horse renters. Amends Chapter 904, Public Acts of 1990 to extend immunity for negligence for white-water raft operators and persons who rent horses for trail riding to June 1, 1997.

Effective date: April 29, 1992.

Chapter No. 821 (SB 1951/HB 1970). Minimum property liability limits increased. Amends *T.C.A.* Section 29-20-403 (b)(2)(B) to increase minimum non-auto property liability insurance limits in any one accident from $20,000 to $50,000. The increase applies only to actions arising on and after July 1, 1992.

Effective date: July 1, 1992.

Chapter No. 974 (SB 153/HB 508). Immunity for equine activities. Amends *T.C.A.* Title 44 to provide that an equine activity sponsor, an equine professional, or other person isn't liable for injury or death of a participant resulting from inherent risks of equine activity. There are several exceptions to this immunity, including providing equipment knowing it is faulty, willful or wanton negligence, and intentional acts.

Effective date: July 1, 1992.

Urban Development

Chapter No. 864 (SB 2266/HB 2732). Neighborhood development corporations. Amends *T.C.A.* Section 13-13-104 to allow the creation of local neighborhood development corporations in any state representative district in counties with a population greater than 335,000.

Effective date: July 1, 1992.

Chapter No. 876 (SB 2744/HB 2641). Enterprise zones--tax reimbursements. Amends *T.C.A.* Section 13-28-106 (e)(1) to limit the reimbursement by the state for state sales taxes to businesses in enterprise zones to $300,000 in any fiscal year.

Amends *T.C.A.* Section 13-28-106 (e)(2) to change the definition of business facility for purposes of tax reimbursement from a facility with more than 45,000 square feet of floor space to one with more than 1,000 square feet.

Amends *T.C.A.* Section 13-28-106 (f) to allow a carry-forward of two fiscal years for reimbursement for excise tax liability.

Effective date: May 5, 1992.

Utilities

Chapter No. 1023 (SB 2290/HB 2019). Wastewater facility depreciation; definition of *local government;* loans. Amends *T.C.A.* Section 68-13-1010 (a) to provide that in any municipality having a wastewater facility serving 900 or fewer customers, in determining whether a facility has a retained earnings deficit or an operating deficit, depreciation doesn't include depreciation on assets acquired with grant funds.

Amends *T.C.A.* Section 68-13-1003 (7)(A) to define "local government" to include state agencies with authority to administer wastewater facilities.

Amends *T.C.A.* Section 68-13-1005 (i) to provide that notice to one participating entity in a joint enterprise that there has been a failure to remit funds and after which state-shared taxes can be stopped is notice to all participating entities. Authorizes local governments to serve as guarantors and to provide other security for loans under this part. The act amends *T.C.A.* Section 68-13-1006 to provide that in a joint enterprise, qualifications for loans are met when one of the parties meets the requirements.

Effective date: May 22, 1992.

Workers' Compensation

Chapter No. 900 (SB 2526/HB 2519). Workers' compensation reform--benefit increases and cost containment measures. Amends *T.C.A.* Title 50, Chapter 6 to enact the Workers' Compensation Reform Act of 1992. The act provides for several benefit increases and cost-containment measures. The benefit increases include:

1. Permanent total disability benefits lengthened. The act extends benefits for total disability from 400 weeks in most cases under the present law to benefits to age 65 if the person is hurt before age 60. For injury after age 60, benefits will last for 260 weeks, or five years. Commuted awards may not exceed 100 weeks of benefits, and attorney's fees are calculated only upon 400 weeks of disability.
2. Maximum weekly benefits increased. The act provides that for injuries occurring on Aug. 1, 1992 through June 30, 1993, the maximum benefit will increase from the present $294, about 73 percent of the state's average weekly wage, to 78 percent of the average weekly wage. Benefits are increased in yearly increments so that for injuries occurring on or after July 1, 1997, the maximum benefit will be 100 percent of the state's average weekly wage.
3. Minimum weekly benefits increased. For injuries occurring on and after July 1, 1993, the act increases the minimum weekly benefit from the present $35 to 15 percent of the state's average weekly wage.
4. Reconsideration of claims. The act provides that courts may reconsider upon the filing of a new cause of action the issue of industrial disability when an employee is no longer employed by the pre-injury employer. This may be done within one year of the employee's loss of employment if this occurs within 400 weeks of the day the employee returned to work.

Among the cost containment provisions are:

1. Benefit review conferences. These conferences are meant to hold down litigation. They will be held by employees of the Department of Labor and are supposed to settle disputes about coverage. Conferences will be held in the county where the employee lives unless otherwise agreed by the parties or directed by the commissioner. The decision of the workers' compensation specialist carries no weight with the court if the employer or insurer decides to contest.
2. Medical cost containment. This includes case management and utilization review. Under case management, cases expected to reach a certain expenditure threshold will be subject to the development of a treatment plan for appropriate care, the monitoring of treatment rendered, assessment of whether alternate services are appropriate, ensuring the employee is following the plan, and formulation of a return-to-work plan. Under utilization review the commissioner will be on the lookout for inappropriate or excessive medical services.
3. Safety programs. Employers who have an experience modification factor applied to the premium in the top 25 percent of all covered employers must establish a safety committee.
4. Multipliers for maximum impairment awards. The act establishes multipliers to be multiplied by the doctor's medical impairment rating to determine maximum awards for permanent partial disability. If an employee returns to the pre-injury employer at the same or greater wages, the multiplier is 2.5. If the employee doesn't return to the pre-injury employer at a wage equal to or greater than the pre-injury wage, the multiplier is six. If the employee does return to the pre-injury employer at a wage equal to or greater than the pre-injury wage and loses his or her job within 400 weeks, the employee can ask for reconsideration of the award. In situations in which an employee basically is uneducated, has no reasonable employment opportunities, no reasonably transferable job skills, and/or is 55 years old or older, the multipliers don't apply.
5. Penalties for fraudulent claims. This act makes it a Class B misdemeanor to make fraudulent workers' compensation claims.

This act also enacts a $500 fine for employers who cause workers' compensation claims to be paid by health or sickness and accident insurance. The act provides that any party may introduce direct medical testimony through a medical report form.

Effective date: Generally benefit increases take effect Aug. 1, 1992.
Other provisions of the act take effect on July 1, 1992,
but do not have to be in place until Jan. 1, 1993.

Chapter No. 952 (SB 2156/HB 2195). Workers' compensation panel authorized. Amends *T.C.A.* Section 50-6-225 (e) to allow the Supreme Court to refer workers' compensation cases to a Special Workers' Compensation Appeals Panel. The panel will consist of three judges designated by the Chief Justice. At least two must be members of the Supreme Court or retired judges. Cases will be heard by the panel as if they were before the Supreme Court. The panel's decision becomes final in 30 days unless a member of the Supreme Court requests that it be heard by the court or a party files a motion requesting a hearing by the full court within 15 days. The Supreme

Court's review will be limited to the record and briefs on file unless it requests further briefs or oral argument. These provisions expire on Sept. 1, 1998.

Effective date: May 1, 1992.

Chapter No. 1002 (SB 2435/HB 2117). Increased payments for temporary total disability. Amends *T.C.A.* Title 50, Chapter 6, Part 2 to allow employees to sign an agreement before or after an injury resulting in temporary total disability to receive from the employer for up to six months an amount greater than the scheduled benefits. This greater amount will be credited as an offset to any subsequent award for permanent partial disability, permanent total disability, or death benefits.

If the employee's temporary total disability exceeds six months, any payments greater than the scheduled benefits after six months won't be credited against any subsequent award.

Effective date: May 13, 1992.

The Municipal Technical Advisory Service (MTAS) is a statewide agency of The University of Tennessee's Institute for Public Service. MTAS operates in cooperation with the Tennessee Municipal League in providing technical assistance services to officials of Tennessee's incorporated municipalities. Assistance is offered in areas such as accounting, administration, finance, public works, communications, ordinance codification, and wastewater management.

All MTAS publications are free to Tennessee city, county, state, and federal officials. There is a charge for all private sector requests. This report is $15.

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Authorization No. E14-1050-00-011-93