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Tennessee Public Acts 2003: Summaries of Interest to Municipal Officials

Dennis Huffer
Municipal Technical Advisory Service

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Tennessee Public Acts 2003
Summaries of Interest to Municipal Officials

Compiled by
Dennis Huffer
Legal Consultant

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

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

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WARNING

Users of this publication are cautioned that much judgment is involved in determining which Public Acts to summarize and how to summarize them. Before taking action or giving advice based upon any Public Acts summarized here, one should consult the act itself and not rely on the summary.
**Alcoholic Beverages**

Chapter No. 198 (SB 550/HB 847). Use of minors to help enforce alcohol, tobacco, lottery, and drug laws. Amends T.C.A. § 39-15-413(a) to allow merchants to use minors and, in the case of alcoholic beverages, persons under 21 years of age, to aid in the enforcement of laws relative to sales of alcoholic beverages, tobacco, smoking paraphernalia, and lottery tickets.

The consent of the minor’s parents or guardians and the juvenile court is not required if the minor is 18 or over; otherwise it is.

The following apply to anyone under 21 in the case of alcoholic or beer and to other minors who are used by law enforcement officers or merchants to aid in the enforcement of laws relative to the sale of tobacco, smoking paraphernalia, illegal drugs, or lottery tickets:
- The person may not disguise his/her appearance to misrepresent his/her age.
- The person may not have facial hair if male.
- The person may not make misleading or tricky statements to confuse the store employee.
- The person must be photographed before and after use to create a record of appearance.
- The person must respond truthfully to questions except for questions about employment or reasons for engaging in this conduct.
- The person must produce only a valid state-issued ID that indicates his/her actual age if asked for identification.

*Effective date: May 29, 2003.*

Chapter No. 375 (SB 324/HB 466). Consumption or transportation of intoxicating liquor or beer unlawful for persons under 21. Amends T.C.A. § 57-3-412(a)(3)(A) to make it unlawful for persons under 21 years old to possess or consume intoxicating liquor or beer for any purpose in a wet or dry county. Also prohibits these persons from transporting liquor or beer unless in the course of employment.

*Effective date: June 23, 2003.*

**Annexation**

Chapter No. 93 (SB 195/HB 465). Compensation required for acquisition of utility property after annexation. Amends T.C.A. § 6-51-111(e) to require a municipality that annexes utility district property or property of any governmental instrumentality providing utility service in the annexed area to pay an amount agreed upon by the parties to acquire the system serving the area. If the parties cannot agree on a price, then fair market value will be determined by arbitration under § 6-51-111(b). The arbitrators must be agreed on by the parties and must be experienced and qualified in valuing public utility property. This is the sole method the municipality may use to acquire the property of a utility district or other governmental entity providing service in the annexed area.

*Effective date: May 7, 2003.*
Chapter No. 225 (SB 762/HB 1458). Plan of services to address schools. Amends T.C.A. § 6-51-102(b)(2) to require the plan of services for annexation to include schools and to address the impact of annexation on school attendance zones when the municipality has a separate school system. When the municipality does not have a separate school system, the municipality must provide written notice of the proposed annexation to all affected school systems as soon as practicable, but no less than 30 days before the public hearing on the plan of services.

Effective date: July 1, 2003.

Boards, Commissions & Authorities

Chapter No. 306 (SB 626/HB 736). Provisions relative to regional transportation authority amended. Amends T.C.A. Title 64, Chapter 8, Part 1, relative to the regional transportation authority for Davidson, Sumner, Williamson, Wilson, Robertson, Cheatham, Maury, Dickson, and Rutherford Counties to do the following:

- Require the county, city, or town to pay its yearly assessment in a timely manner to participate.
- Allow any municipality or county to cease participation by giving notice to the authority or by ceasing to pay assessments.
- Allow each mayor in the authority to serve on the board.
- Require the vote of a majority of a quorum rather than a majority of the total membership to pass a measure.
- Allow the executive committee to be the administrative body of the board.
- Expand the power of the authority relative to mass transit.

Effective date: October 1, 2003.

Building, Utility & Housing Codes


Effective date: April 22, 2003.

Chapter No. 326 (SB 1728/HB 1652). Administrative inspection warrants authorized. Amends T.C.A. Title 68, Chapter 120, Part 1, to authorize the issuance of an administrative inspection warrant when an owner or person in charge of premises refuses to allow an inspection to determine compliance with safety codes or ordinances. The act provides:

- The administrative inspection warrant may be issued by any official authorized to issue search warrants.
A certified building official may request the warrant after being refused entrance for the inspection.

The judge may issue the warrant if there is probable cause. Probable cause is not the same as for criminal matters but can be based upon these: (1) previous inspections have shown violations and the present inspection is necessary to see if violations have been abated; (2) complaints by people with personal knowledge; (3) the inspection is scheduled by administrative plan based upon neutral criteria; or (4) any other showing of probable cause.

The judge must also find that the inspection is reasonable and not for harassment, that the areas to be inspected are accurately described and consistent with inspection authority, and that the inspection is not criminal in nature.

The judge must immediately determine whether to issue the warrant.

Warrants must include the name of the agency and building official, the authority for the inspection, the name of the building official authorized to do the inspection, a reasonable description of the property to be inspected, a brief description of the purposes of the inspection, any other required information.

The warrant must be executed within 10 days of issuance.

A person who refuses to allow an inspection authorized by a warrant commits a Class C misdemeanor.

Information resulting from an illegal search will be suppressed.

Effective date: June 11, 2003.


Effective date: July 1, 2003.

Business Regulation

Chapter No. 47 (SB 1850/HB 1904). “Notice” defined under Adult-oriented Establishment Registration Act. Amends T.C.A. § 7-51-1102 to define “notice” when required under the Adult-oriented Establishment Registration Act to mean placing the document in the U. S. mail with sufficient first class postage to carry it to the address of the person being notified as contained in the application unless the person has notified the board in writing of a new address. “Receipt of notification” is presumed three days after mailing.

Effective date: April 23, 2003.

Chapter No. 63 (SB 365/HB 1010). Regulation of amateur radio service. Amends T.C.A. Title 6, Chapter 54, Part 1, to prohibit municipalities and counties from enacting an ordinance regulating amateur radio service that does not comply with 101 FCC 2d 952 (1985) or 47 C.F.R., Part 97.
Municipal ordinances regulating the placement, height, or screening of an amateur antenna must reasonably accommodate amateur radio communications and be the minimal practicable regulation to accomplish the municipality’s purpose.

*Effective date: April 29, 2003.*

**Chapter No. 211 (SB 1374/HB 1784). Criminal background checks on taxidrivers, etc., in counties with over 100,000 population.** Amends T.C.A. § 6-54-128 to allow municipalities in all counties with a population over 100,000 to require criminal background checks of persons operating vehicles for hire.

*Effective date: May 29, 2003.*

**City Courts**

**Chapter No. 113 (SB 785/HB 572). Moratorium on granting or implementation of general sessions jurisdiction.** Amends T.C.A. Title 6, Chapter 54, Part 1, and § 16-17-101 to prohibit the creation of any municipal court with general sessions jurisdiction by the General Assembly during the 2003 session. Legislation conferring this jurisdiction may be considered and enacted in the 2004 session and beyond. The Act also creates a moratorium on the implementing of this jurisdiction during the same time period by municipalities that have authority to establish this jurisdiction but that had not done so by January 1, 2003. The Judicial Council is charged with reporting to the General Assembly on this issue by February 1, 2004.

*Effective date: May 12, 2003.*

**Chapter No. 335 (SB 12/HB 1253). Drug Court Treatment Act of 2003 enacted.** Amends T.C.A. Title 16 to enact the Drug Court Treatment Act of 2003 to provide for treatment rather than incarceration for certain drug offenders. Any court exercising criminal jurisdiction may apply for drug court treatment grant funds for establishing treatment programs.

The clerks of municipal courts exercising criminal jurisdiction and of other courts with criminal jurisdiction must collect $75.00 from any person who is adjudicated guilty or pleads guilty or nolo contendere to a violation of the Tennessee Drug Control Act, T.C.A. Title 39, Chapter 17, Part 4. Five dollars of the fee goes to the state treasurer for use in administration of the drug court treatment program and for grants. The remainder goes to the county for use exclusively in establishing and maintaining drug court treatment programs.

Participants must be nonviolent offenders, substance abusing or chemically dependent, and willing to participate in the program.

This act also establishes criteria for these programs.

*Effective date: July 1, 2003.*
Conflict of Interests

Chapter No. 244 (SB 1092/HB 957). Disclosure of certain investments in business organizations. Amends T.C.A. § 8-50-502(2) relative to conflict of interest disclosure statements to eliminate language that allowed officials not to name the corporation or firm in which the official has an investment of more than $10,000 or 5% of the total capital.

*Effective date: July 1, 2003.*

Contracts

Chapter No. 82 (SB 1936/HB 2008). Letters of credit and evidences of deposit from certain additional institutions allowed as substitute for bonds on public works contracts. Amends T.C.A. § 12-4-201(b)(3) and (4) to allow letters of credit and certificates of deposit or evidence of other deposits in state or national banks and state and federal savings and loan associations that have their principal office in another state but at least 1 branch in Tennessee to be substituted for the bond required of contractors doing public works contracts in excess of $100,000. The form for a letter of credit must be provided by the bank or savings and loan association and may be based upon T.C.A. Title 47 (UCC) or the ICC Uniform Customs and Practice for Documentary Credits (UCP 500).

*Effective date: May 5, 2003.*

Criminal Law & Procedure

Chapter No. 95 (SB 740/HB 865). Restrictions on residence and place of employment of sexual offenders. Amends T.C.A. Title 40, Chapter 39, Part 1, to make it a Class A misdemeanor for a sexual offender:

- Knowingly to establish a residence or accept employment within 1,000 feet of a school or child care facility.
- Knowingly to establish a residence or other living accommodation within 1,000 feet of the residence of the offender’s victims or the victim’s immediate family.
- Knowingly to come within 100 feet of the victim or to make sexually suggestive or obscene communications to a victim.
- Knowingly to establish a residence or other living accommodation where a minor resides unless the offender is the parent of the minor and the offender’s parental rights have not been terminated and the child was not a victim of the offender.

*Effective date: July 1, 2003.*


*Effective date: July 1, 2003.*
Chapter No. 317 (SB 1085/HB 782). Computer crimes; civil cause of action. Amends T.C.A. Title 39, Chapter 14, Part 6, to enact new provisions on computer offenses. Makes it an offense knowingly to access a telephone system, telecommunications facility, or computer hardware, software, or information to obtain money fraudulently, to cause computer output to be false, or for effecting the creation of a financial instrument or an electronic transfer of funds to misappropriate funds.

Makes it an offense to falsify or forge electronic mail in connection with the transmission of bulk electronic mail through or into the computer network of an electronic mail service provider or its subscribers.

Creates a civil cause of action for violation of the provisions of this Act to recover damages and costs of the civil action.

Effective date: July 1, 2003.

Chapter No. 331 (SB 1272/HB 876). Restitution to governments for cleaning up meth labs. Amends T.C.A. § 39-17-417(c)(2) to require the court as part of the punishment for a conviction of manufacturing a controlled substance involving methamphetamine to require the defendant to make restitution to any governmental entity for the costs reasonably incurred in cleaning the area and making it safe.

Effective date: July 1, 2003.

Chapter No. 366 (SB 1344/HB 1293). Standards for issuance of arrest warrants and summonses. Amends T.C.A. § 40-6-205 to require probable cause for the issuance of an arrest warrant or criminal summons to be based upon evidence, which may include hearsay if there is a substantial basis for believing the information. If an affiant is not a law enforcement officer, a criminal summons is preferred to an arrest warrant. If the magistrate makes a written finding that a warrant is necessary to prevent imminent harm to a victim, the magistrate may issue an arrest warrant rather than a summons even if no affiant is a law enforcement officer.

Amends § 40-6-208 to require the arrest warrant to include a copy of the affidavit of complaint.

Amends § 40-6-215 to establish criteria for criminal summonses. The summonses:

- Must be in substantially the same form as an arrest warrant.
- Must command the defendant to appear for booking not more than 10 days from the date of service of the summons.
- Must provide notice in block letters that the defendant is charged with a state criminal offense, that the summons is being issued instead of an arrest warrant, that failure to appear for booking and processing or for court are separate offenses, that an arrest warrant will be issued for failure to appear, and that the defendant should consult an attorney about the summons.
- Must be issued in triplicate and include a copy of the affidavit of complaint. One copy and the affidavit must be given to the person summoned, one copy for the court, and one copy for the law enforcement agency responsible for booking.
- Must be signed by the person receiving it. Signing is not an admission of guilt.
Following booking, the law enforcement agency or court clerk must give the defendant notice of the court time, date, and place. The court date can be no sooner than 10 days after booking nor later than 45 days.

Amends § 40-6-216 to allow the defendant and his/her attorney to get a copy of the summons. Makes it contempt of court to fail to provide a requested copy.

Effective date: January 1, 2004.

### Education & Schools

#### Chapter No. 4 (SB 326/HB 297). Shortened school term in certain counties because of severe weather.

Amends T.C.A. § 49-6-3004(a) to allow the school term to be shortened by up to 5 days upon approval of the Commissioner of Education in counties declared a federal disaster area because of severe weather when the local education agency is unable to use accumulated time to complete the full 200 day term. This applies only for the 2002-03 school year.

Effective date: March 24, 2003; repealed August 31, 2003.

#### Chapter No. 14 (SB 15/HB 228). Exemption from state regulation of modular buildings constructed by students.

Amends T.C.A. Title 68, Chapter 126, Part 3, to exempt from state regulations residential modular buildings constructed by vocational students under certain conditions. The LEA must provide the purchaser a statement that the building does not comply with state regulations.

Effective date: April 11, 2003.


Amends T.C.A. Title 49, Chapter 50, Part 15, to make extensive revisions to the Educational Records as Evidence Act that was enacted in 2002. Among the changes are an extension of the time the records custodian has to respond to a subpoena duces tecum from 5 days to 20 days and a requirement that the school make a reasonable effort to notify the parent or the student that the records have been subpoenaed.

Effective date: April 22, 2003.

#### Chapter No. 180 (SB 208/HB 564). School bus drivers may not use hand-held cell phones.

Amends T.C.A. Title 55, Chapter 8, Part 1, to prohibit school bus drivers from using a hand-held mobile phone while the bus is in motion and carrying children. This prohibition does not apply to communications made to a central dispatch of the school transportation department nor in cases of a bona fide emergency. Violation is a Class C misdemeanor punishable by only a fine of $50.00.

Effective date: July 1, 2003.

#### Chapter No. 217 (SB 116/HB 246). Charter school employees to be covered by social security.

Amends T.C.A. Title 8, Chapter 38, Part 1, to require charter schools to enter necessary agreements to
provide coverage to eligible employees under the Federal Old-Age and Survivors Insurance system. The local board of education is responsible for all reporting and submission of funds.

**Effective date:** June 2, 2003.

**Chapter No. 221 (SB 396/HB 590). Parents or legal custodians liable for fraudulent school enrollment.** Amends T.C.A. § 49-6-3003 to make any parent, guardian, or other legal custodian who enrolls an out-of-district student by fraudulently representing the address of the student liable for restitution to the school district in an amount equal to the local per pupil expenditure. Restitution is cumulative for each year the student is fraudulently enrolled. When litigation is necessary, the offending parent is liable for costs and fees, including reasonable attorney fees. The action must be brought within 1 year after the misrepresentation occurred or was discovered. No action may be brought more than 6 years after the fraudulent enrollment occurred.

**Effective date:** July 1, 2003.

**Chapter No. 223 (SB 434/HB 739). Retired teacher may serve as full-time elected city official without loss of benefits.** Amends T.C.A. Title 8, Chapter 36, Part 8, to allow a teacher who has been retired for at least 2 years to accept employment as a full-time elected city official without loss of retirement benefits. The retired teacher may not accrue additional benefits as a city official. This act is subject to funding.

**Effective date:** June 2, 2003.

**Chapter No. 225 (SB 762/HB 1458). Plan of services to address schools.** Amends T.C.A. § 6-51-102(b)(2) to require the plan of services for annexation to include schools and to address the impact of annexation on school attendance zones when the municipality has a separate school system. When the municipality does not have a separate school system, the municipality must provide written notice of the proposed annexation to all affected school systems as soon as practicable, but no less than 30 days before the public hearing on the plan of services.

**Effective date:** July 1, 2003.

**Chapter No. 228 (SB 878/HB 1407). Purchases by LEA’s under bids of other LEA.** Amends T.C.A. § 12-3-1004 to allow any local education agency (LEA) to purchase equipment under the terms of a legal bid by any other LEA in Tennessee. Purchases must be directly from the vendor, and the originating LEA has no responsibility relative to the purchases of the piggybacking LEA.

**Effective date:** June 2, 2003.

**Chapter No. 268 (SB 1383/HB 1201). Compensation of teachers during military service.** Amends T.C.A. § 49-5-702 to allow LEA’s to compensate teachers engaged in military service the difference between their regular pay and their military pay.

**Effective date:** June 4, 2003.
Chapter No. 285 (SB 1974/HB 2016). Language removed saying kindergarten is not mandatory. Amends T.C.A. § 49-6-301 by deleting subsection (c), which provided that the definition of “elementary school” was not to be construed to make kindergarten a mandatory program.

Effective date: July 1, 2003.

Chapter No. 298 (SB 437/HB 787). Lottery funds for education projects. Enacts T.C.A. Title 4, Chapter 31, Part 10, the Tennessee Lottery Funds for Education Projects Loan Act of 2003. Authorizes the Local Development Authority to issue bonds and use the proceeds to make loans to local governments for capital outlay projects for K-12 educational facilities. One percent of net lottery proceeds accrue to an account to support the bonds. Maximum outstanding amount of bonds and notes is $75,000,000. Only local governments that are funding the local share of the basic education program for an LEA are eligible to participate in the loan program. Provides the following relative to loans:

- The amount of the loan may not exceed the estimated reasonable cost of the project to be constructed; the loan agreement must include financing costs of the Authority, the administrative costs, and the amount of required reserves.
- There may be an agreement to pay part of the loan to the local government during construction or after construction, based on agreement of the parties.
- The local government must agree to proceed expeditiously, not to discontinue operations, change the use or dispose of the project without the approval of the Authority.
- The local government must agree to maintain the project in accordance with rules of the Authority.
- The local government must agree not to contract with private parties for the operation or beneficial use of the project without approval of the Authority and an opinion from bond counsel that the use will not jeopardize tax exempt status of the bonds.
- The local government must pledge sources of revenue, including property tax revenues, to payment of the loan.
- The local government must establish and maintain adequate financial records for the project, have an annual audit done, and provide a copy of the audit to the Comptroller.
- Makes failure to file the audit a Class A misdemeanor punishable by a fine of $10 – $100.
- Each LEA may pledge the state share of nonclassroom capital outlay portion of the LEA’s basic education program funds to repayment of the loan.
- If the local government fails to make payments, the state will withhold amounts from the state share of the nonclassroom capital outlay portion of the basic education program funds.
- The Authority may sue the local government to compel compliance with the loan agreement.
- Allows all local government actions relative to these loans to be done by resolution.

Effective date: July 1, 2004.

Chapter No. 404 (SB 1860/HB 1665). Inner city education enhancement. Amends T.C.A. § 49-1-602 to allow the 2 school systems with the greatest number of schools placed on probation to establish an inner city education enhancement pilot project. The project can consist of after school, before school, Saturday, and summer programs that include reading, math, computer skills, tutoring, etc. The programs are to be provided principally by volunteers. At the discretion of the legislative body,
incentive grants may be made to these volunteers. Total grants to any volunteer may not exceed one-half the amount of property tax paid on the principal residence of the volunteer.

*Effective date: July 1, 2003.*

**Elections**

**Chapter No. 134 (SB 1465/HB 1338).** *Nonresidential property rights voting – only two owners allowed to vote.* Amends T.C.A. § 2-2-107(a) to provide that only two nonresident owners of a parcel of property may vote based upon property ownership in a municipality when the municipality’s charter allows nonresident property owners to vote in municipal elections.

*Effective date: May 19, 2003.*

**Chapter No. 183 (SB 988/HB 1211).** *Questions in local referendum elections.* Amends T.C.A. § 2-5-208 to require questions in local referendum elections to be followed by the words “Yes” and “No” so the voter can mark an “x” opposite the proper word. The question must be worded so that “Yes” indicates support for the measure and “No” indicates opposition.

*Effective date: May 22, 2003.*

**Emergency Services**

**Chapter No. 156 (SB 1517/HB 1069).** *EMT-P may be licensed as EMT.* Amends T.C.A. Title 68, Chapter 140, Part 5, to allow EMT-P’s to be licensed as an EMT by applying to the Emergency Medical Services Board and completing any required training. No additional fees or examinations are required of an EMT-P who terminates licensure as an EMT-P and obtains licensure as an EMT.

EMT’s who choose to be EMT-P’s must pay EMT-P fees and undergo EMT-P training.

This section does not apply to persons whose job requires licensure as an EMT-P.

*Effective date: May 19, 2003.*

**Chapter No. 171 (SB 281/HB 434).** *Automated external defibrillators must be registered.* Amends T.C.A. § 68-140-703 to require any entity that acquires an automated external defibrillator to register it within a reasonable time with the emergency communications district or the ambulance dispatch center of the primary provider of emergency medical services where it is located. No fee may be charged to implement this section.

*Effective date: July 1, 2003.*

**Chapter No. 185 (SB 361/HB 716).** *Annual fee for emergency planning in Anderson County.* Amends T.C.A. § 58-2-110 to authorize the Local Emergency Planning Committee in Anderson County to charge an annual fee of $100.00 to member industries and facilities in the emergency planning district.
Revenues from the fee are to be used for conducting annual exercises, public education, and printing the Hazardous Materials Response Plan. This act is subject to approval by the Anderson County legislative body.

*Effective date: May 27, 2003.*

**Chapter No. 205 (SB 1149/HB 1473). Withholding of funds from emergency communications districts.** Amends T.C.A. § 7-86-108 to allow the state Emergency Communications Board to withhold Emergency Communications Funds from local districts if the district is operating in violation of state law or if the district is not taking sufficient action to provide 911 service.

This act also revises the procedures used by commercial mobile radio service providers to collect and remit service charges.

*Effective date: Provisions authorizing the withholding of funds take effect on May 29, 2003. The provisions on CMRS providers take effect on October 1, 2003.*

**Chapter No. 254 (SB 63/HB 408). Public Safety Committee abolished; powers transferred to Emergency Communications Board.** Repeals T.C.A. § 58-2-201, which created the Public Safety Committee to oversee training of public safety dispatchers. Provides that the Emergency Communications Board is the sole authority to implement training and course study requirements for public safety dispatchers.

*Effective date: July 1, 2003.*

**Chapter No. 293 (SB 702/HB 1676). Firefighter representative on Emergency Medical Services Board.** Amends T.C.A. § 68-140-503(b) to require one member of the EMS Board to be chosen from a list of nominees submitted by the Tennessee Professional Firefighters Association who maintains certification as an EMT-P, EMT, or registered nurse.

*Effective date: July 1, 2003.*

**Employer & Employee**

**Chapter No. 83 (SB 1980/HB 2010). Filing of workplace chemical list with Commissioner of Labor and Workforce Development.** Amends T.C.A. § 50-3-2015 to require both manufacturing and non-manufacturing employers to file the workplace chemical list with the Commissioner of Labor and Workforce Development within 96 hours of a request by an authorized representative.

*Effective date: May 5, 2003.*
Environment

Chapter No. 332 (SB 1022/HB 965). Recycling grant preference for applicants who employ persons with disabilities. Amends T.C.A. § 68-211-825(a) to require the Department of Environment and Conservation to establish criteria under which local governments applying for matching grants for recycling equipment will receive a preference if they employ adults with developmental disabilities in a manner that improves the recycling rate and contributes to meeting solid waste reduction and diversion goals.

Effective date: June 13, 2003.

Finance

Chapter No. 12 (SB 115/HB 248). TCRS retirement provisions modified. Amends T.C.A. § 8-34-101(34) to allow a retired person whose benefit is more than $10 but less than $50 per month 60 days, rather than the previous 30, to request payment in monthly installments rather than a lump sum as would otherwise be required.

Amends 8-35-105(a) to allow the TCRS Board of Trustees to ask for an employee’s address as well as name, social security number, etc.

Adds 8-35-105(f) to allow the TCRS Board to require employers to report information by electronic medium.

Amends 8-35-206(d)(3) to extend to 6 months from 3 months the amount of time a political subdivision has to begin participation in TCRS after an actuarial study. After this, a new study must be done.

Amends 8-35-218(12) to eliminate requirement that employer and employee contributions, plus investment income, must exceed benefits paid. Allows employer contributions to be increased monthly to fund benefits.

Effective date: April 7, 2003.

Chapter No. 20 (SB 742/HB 1094). Issuance of debt for purchase of electricity from TVA or other governmental entity on current or long-term basis. Amends T.C.A. §§ 7-34-102 and 104(a)(9) to allow municipalities with electric systems to issue bonds to finance the purchase of electricity from TVA or other similar governmental entities on a current or long-term prepaid purchase basis. Revenues would be pledged to payment of the bonds. The governing body may include all costs of issuing the bonds in the principal amount.

Effective date: April 11, 2003.

Chapter No. 82 (SB 1936/HB 2008). Letters of credit and evidences of deposit from certain additional institutions allowed as substitute for bonds on public works contracts. Amends T.C.A. § 12-4-201(b)(3) and (4) to allow letters of credit and certificates of deposit or evidence of other deposits in state or national banks and state and federal savings and loan associations that have their principal office in another state but at least one branch in Tennessee to be substituted for the bond required of contractors.
doing public works contracts in excess of $100,000. The form for a letter of credit must be provided by the bank or savings and loan association and may be based upon T.C.A. Title 47 (UCC) or the ICC Uniform Customs and Practice for Documentary Credits (UCP 500).

*Effective date: May 5, 2003.*

**Chapter No. 86 (SB 588/HB 900). Payment of utility relocation costs caused by state road projects.** Amends T.C.A. §§ 54-5-802 and 804 to authorize the Commissioner of Transportation to reimburse public and private utilities the full costs of relocating caused by state road projects. To qualify, the utility must:

- Comply with § 54-5-854(b), including preparing and submitting to the department the utility’s relocation plan, its cost estimate, and schedule for completing the relocation within specified allowed times.
- Enter into a written agreement with the Commissioner to include the relocation costs as a part of the department’s highway construction contract; OR, enter an agreement that the utility will remove all facilities that the department wants moved before the department lets the construction contract. The utility will be reimbursed for the cost of the relocation work it has undertaken if the department does not undertake the project within a specified time.

The utility will be responsible for inspecting all phases of the relocation to ensure compliance with all specifications and safety codes.

The department will make no reimbursement until the Commissioner is satisfied that the relocation has been performed in accordance with plans and the schedule of calendar days approved by the department.

This act requires the utility to reimburse the department to the extent the department is not compensated from federal funds for the relocation costs.

This act is subject to funding.

*Effective date: September 1, 2003.*

**Chapter No. 181 (SB 749/HB 718). Voluntary contributions for community assistance and economic development.** Amends T.C.A. § 7-34-115 to allow municipal utility systems to accept and distribute voluntary contributions for charitable purposes. This may include programs in which the utility bill is rounded up to the nearest dollar. The contribution must be shown as a separate line on the bill. “Charitable purpose” is broadly defined to include relief for the poor, advances to education and science, erection of public buildings and monuments, economic development, historic preservation, and other things that promote social welfare.

Contributions accepted by the utility system are not considered revenue to the utility and must be used for charitable purposes.

*Effective date: May 22, 2003.*
Chapter No. 289 (SB 268/HB 214). Fire and police pay supplements for military service. Amends T.C.A. §§ 4-24-202(c) and 38-8-111(a) to require that firefighters and police officers serving in the military receive their pay supplements if the military service prevented them from attending in-service training.

*Effective date: June 6, 2003.*

Chapter No. 331 (SB 1272/HB 876). Restitution to governments for cleaning up meth labs. Amends T.C.A. § 39-17-417(c)(2) to require the court as part of the punishment for a conviction of manufacturing a controlled substance involving methamphetamine to require the defendant to make restitution to any governmental entity for the costs reasonably incurred in cleaning the area and making it safe.

*Effective date: July 1, 2003.*

Chapter No. 332 (SB 1022/HB 965). Recycling grant preference for applicants who employ persons with disabilities. Amends T.C.A. § 68-211-825(a) to require the Department of Environment and Conservation to establish criteria under which local governments applying for matching grants for recycling equipment will receive a preference if they employ adults with developmental disabilities in a manner that improves the recycling rate and contributes to meeting solid waste reduction and diversion goals.

*Effective date: June 13, 2003.*

Chapter No. 354 (SB 2021/HB 2107). Structured leases authorized for qualified facilities in tourism development zones. Amends T.C.A. § 7-88-103, part of the Convention Center and Tourism Development Financing Act of 1998, to allow municipalities to enter into structured lease agreements relative to facilities in tourism development zones that are financed by bonds including interest rate exchange or swap agreements, interest rate floors and/or ceilings, or other hedging agreements when the lease payments are based on these agreements, the municipality is obligated to make lease payments from tax increment financing revenues and revenues derived from the project, and the municipality has the right to exercise rights under the lease as if the municipality were a direct party. The municipality must follow state regulations in doing this. If the bonds are to be paid from sources other than TIF revenues or project revenues, the municipality must provide general notice 7 days before the effective date of the structured lease agreement disclosing the purpose of the agreement, the additional sources of revenue to be used for payment, and the maximum liability of the municipality.

*Effective date: June 13, 2003.*

Chapter No. 355 (SB 1991/HB 2073). Omnibus revenue measure enacted; various revenues shared with municipalities reduced. Amends various titles and sections of T.C.A. relative to revenues shared with municipalities as follows:

- Amends § 57-3-306 relative to distribution of revenues from the state tax on gallons of wine and spirits to reduce by 9% the amount accruing to counties. Thirty percent of revenues accruing to counties with a population of more than 250,000 is distributed to municipalities in those counties with a population of 150,000.
- Amends § 57-4-306 relative to the distribution of revenues from the state privilege tax on
the retail sale of alcoholic beverages to reduce amounts accruing to municipalities and counties by 9%.

- Amends § 57-5-205 relative to distribution of revenues from the barrelage tax on beer to reduce amounts accruing to municipalities and counties by 9%.
- Amends § 67-2-119 relative to distribution of revenues from the Hall Income Tax to reduce revenues accruing to municipalities and counties by 33 1/3%.
- Amends § 67-4-2017(a)(1) relative to the bank tax to reduce amounts accruing to municipalities and counties by 9%.
- Amends § 67-6-103(a)(3)(A) to reduce the portion of state sales tax revenues accruing to municipalities from 4.5925% to 4.2462%. This is a reduction in revenues of about 7.5%.
- Amends § 67-6-710 to reduce amounts distributed to counties from the uniform local sales tax rate on dealers without a location in this state by 9%. Fifty percent of the amount allocated to counties is distributed to municipalities in the county.

This act also amends T.C.A. § 67-4-409 to make amounts accruing to the Local Parks Acquisition Fund, the Wetland Acquisition Fund, and the State Land Acquisition Fund from revenues produced by the realty transfer tax subject to appropriation.

Amends T.C.A. § 67-4-1709 relative to the Professional Privilege Tax to allow local and state governments to pay the tax on behalf of their employees subject to the tax.

Amends Title 4, Chapter 31, Part 1, to enact additional requirements for loan agreements with local governments relative to mental health and mental retardation facilities.

Establishes a state-shared revenue reduction mitigation account in the state general fund so no local government will have reduced state-shared revenues exceeding 9%.

Amends Title 4, Chapter 3, Part 10, to allow transfers to the state general fund and to allow denial of carry forwards for these funds that might have some significance for municipalities: The Tennessee Housing Development Authority assets funds, temporary assistance for needy families Families First Program, Local Parks Acquisition Fund, electronic fingerprint imaging systems fund, TBI fingerprint data base accumulated fees, Tennessee Advisory Commission on Intergovernmental Relations accumulated balances, Department of Transportation funds, emergency communications funds, Safe Schools Program, Hazardous Waste Remedial Action Fund, voluntary cleanup fund, Underground Storage Tank Fund, solid waste fund, utility relocation program fund, Education Trust Fund, Environmental Protection Fund.

**Effective date:** Provisions relative to alcoholic beverage taxes, the Hall Income Tax, the bank tax, and the sales tax take effect August 1, 2003; the provision authorizing the payment by the municipality of the Professional Privilege Tax and all other provisions took effect on June 16, 2003.

**Chapter No. 356 (SB 1994/HB 2074). Appropriations Act.** Makes appropriations to defray the expenses of state government. Makes these appropriations of particular interest to municipalities:
• Tennessee Industrial Infrastructure Program ................. $15,600,000
• Municipal Technical Advisory Service ....................... $1,397,700
• Fire and Codes Academy ......................................... $4,007,200
• Firefighting Personnel Standards .............................. $2,307,500
• Law Enforcement Academy ...................................... $2,467,600
• POST Commission ................................................. $6,681,500
• Mass transit ......................................................... $28,188,000
• Firefighter pay supplements ..................................... $409.50 maximum
• Police pay supplement ............................................. $546.00 maximum
• State-shared revenue reduction mitigation .................. $1,500,000
• BEP and other LEA support .................................... $2,609,157,000
• Teacher pay equalization ....................................... $39,543,100
• Small cities CDBG ............................................... $30,915,000
• Street and road aid ................................................. $27,922,000

*Effective date: June 16, 2003.*

Chapter No. 386 (SB 1577/HB 1229). Use of recordation tax funds for restoration of historic theaters. Amends T.C.A. § 67-4-409(j)(2)(A) to allow funds produced by the recordation tax and allocated to the State Lands Acquisition Fund to be used for the restoration of historic theaters owned by governmental entities or nonprofit corporations and listed on the National Register of Historic Places.

*Effective date: June 23, 2003.*

**Firefighting**

Chapter No. 148 (SB 554/HB 538). Employee rights of volunteer firefighters. Amends T.C.A. Title 50 to provide the following relative to volunteer firefighters:

* The volunteer firefighter’s employer may not terminate the firefighter solely because he/she is absent from employment to respond to an emergency.
* The employer may charge the time of absence against the firefighter’s regular pay.
* The employer may ask for a written statement from the firefighter’s supervisor at the volunteer fire department that the employee responded to an emergency and listing the date and time.
* The firefighter who is going to be late or absent must make a reasonable effort to notify the employer.
* A firefighter terminated in violation of this act may bring a civil cause of action against the employer seeking reinstatement, back wages, and reinstatement of fringe benefits and any seniority rights. The suit must be brought within 1 year of the date of violation.

*Effective date: July 1, 2003.*
Chapter No. 249 (SB 701/HB 1677). Composition of Commission on Firefighting Personnel Standards and Education. Amends T.C.A. § 4-24-104(h) to require, rather than allow, at least two members of the Firefighting Commission to be selected from candidates nominated by the governing body of the Tennessee Professional Firefighters Association.

Effective date: July 1, 2003.

Chapter No. 289 (SB 268/HB 214). Fire and police pay supplements for military service. Amends T.C.A. §§ 4-24-202(c) and 38-8-111(a) to require that firefighters and police officers serving in the military receive their pay supplements if the military service prevented them from attending in-service training.

Effective date: June 6, 2003.

Chapter No. 312 (SB 887/HB 727). Fire departments – state recognition required. Amends T.C.A. Title 68, Chapter 102, to add a Part 3 that requires state recognition before a firefighting organization may operate as a fire department. The act provides as follows:

• No municipality or other political subdivision may operate a fire department unless it has been recognized by the state Fire Marshal’s office.
• Requires the Fire Marshal to issue rules setting standards and qualifications for becoming and remaining a fire department.
• To obtain recognition, a municipality must file an application with the Fire Marshal’s office and renewal applications when required.
• The application must be accompanied by a processing fee not exceeding $50. The Fire Marshal may require the application be signed by the highest ranking official of the fire department and notarized.
• Once recognized, each fire department will be classified as career, volunteer, or both.
• Certificates of recognition are valid for 3 years.
• Approximately 6 months before the expiration of a certificate, the Fire Marshal must notify the fire department, which must then apply for a renewal.
• Each fire department must request designation as an assistant to the Commissioner of Commerce and Insurance under § 68-102-108.
• After this act takes effect, no new fire department may be established or recognized without the approval of the applicable local elected governing body in whose territory the fire department will provide services.
• No municipality or governmental or other entity may represent themselves as being or having a fire department, or raise funds as such, unless they are recognized.
• Violation is a Class C misdemeanor.

Effective date: July 1, 2003.

Chapter No. 328 (SB 1923/HB 1860). Outdoor and indoor fireworks displays. Amends T.C.A. § 68-104-107 to require permittees conducting outdoor fireworks displays to have at least one fire suppression vehicle on site with necessary personnel. Permittees conducting indoor fireworks displays must have at least 1 trained firefighter on site during the display. The permittee is responsible for the costs of fire equipment and personnel. Before the start of an indoor display, the owner of the building or authorized
representative must orally notify attendees of the location of all exits. There must be at least two fire extinguishers in the area. In all buildings in which indoor fireworks are used, signs telling the location of all emergency exits must be posted in each public restroom.

Effective date: July 1, 2003.

Health & Safety

Chapter No. 83 (SB 1980/HB 2010). Filing of workplace chemical list with Commissioner of Labor and Workforce Development. Amends T.C.A. § 50-3-2015 to require both manufacturing and non-manufacturing employers to file the workplace chemical list with the Commissioner of Labor and Workforce Development within 96 hours of a request by an authorized representative.


Law Enforcement

Chapter No. 56 (SB 406/HB 841). Subpoenaed telephone company records. Amends T.C.A. § 24-7-116 to provide that telephone company records that have been subpoenaed may be delivered by facsimile to local law enforcement officials.

Effective date: July 1, 2003.

Chapter No. 144 (SB 29/HB 63). County magistrates may carry guns. Amends T.C.A. §§ 39-17-1315 and 1308 to allow county magistrates to carry guns the same as police officers, sheriffs, etc., after meeting the same requirements.

Effective date: July 1, 2003.

Chapter No. 175 (SB 879/HB 539). Convicted person not entitled to expungement. Amends T.C.A. § 40-32-101(a)(1) to clarify that a defendant who is convicted of a charge, including a lesser included offense, is not entitled to expungement of records of the case.

Effective date: May 22, 2003.

Chapter No. 198 (SB 550/HB 847). Use of minors to help enforce alcohol, tobacco, lottery, and drug laws. Amends T.C.A. § 39-15-413(a) to allow merchants to use minors and, in the case of alcoholic beverages, persons under 21 years of age, to aid in the enforcement of laws relative to sales of alcoholic beverages, tobacco, smoking paraphernalia, and lottery tickets.

The consent of the minor’s parents or guardians and the juvenile court is not required if the minor is 18 or over; otherwise it is.
The following apply to anyone under 21 in the case of alcoholic or beer and to other minors who are used by law enforcement officers or merchants to aid in the enforcement of laws relative to the sale of tobacco, smoking paraphernalia, illegal drugs, or lottery tickets:

- The person may not disguise his/her appearance to misrepresent his/her age.
- The person may not have facial hair if male.
- The person may not make misleading or tricky statements to confuse the store employee.
- The person must be photographed before and after use to create a record of appearance.
- The person must respond truthfully to questions except for questions about employment or reasons for engaging in this conduct.
- The person must produce only a valid state-issued ID that indicates his/her actual age if asked for identification.

**Effective date: May 29, 2003.**

**Chapter No. 210 (SB 1805/HB 1726). Transportation of mental patients.** Amends T.C.A. § 33-6-901 to allow mental patients to be transported by a friend, neighbor, other mental health professional, relative, or clergy, rather than the sheriff or a secondary transportation agent, when mandatory prescreening indicates the person does not require physical restraint or vehicle security.

**Effective date: May 29, 2003.**

**Chapter No. 211 (SB 1374/HB 1784). Criminal background checks on taxidrivers, etc., in counties with over 100,000 population.** Amends T.C.A. § 6-54-128 to allow municipalities in all counties with a population over 100,000 to require criminal background checks of persons operating vehicles for hire.

**Effective date: May 29, 2003.**

**Chapter No. 222 (SB 430/HB 610). Law enforcement officers moonlighting in Davidson and Rutherford Counties may wear uniform of primary jurisdiction.** Amends T.C.A. § 62-35-141(b) to allow full-time police officers moonlighting in a jurisdiction other than the one employing them to wear the primary jurisdiction’s uniform if the employing jurisdiction allows this. The jurisdiction may establish reasonable regulations relative to wearing the uniform while moonlighting. § 62-35-141 applies only to officers working outside the employing jurisdiction and within Davidson or Rutherford Counties.

**Effective date: June 2, 2003.**

**Chapter No. 260 (SB 718/HB 1228). Safe boating course required of certain young boaters.** Amends T.C.A. Title 69, Chapter 10, Part 2, to require persons born after January 1, 1989, to successfully complete a safe boating course approved by the National Association of State Boating Law Administrators before operating a vessel subject to registration on any waters of the state. The person must also have received a certificate from the Wildlife Resources Agency or be accompanied by a qualified person born before January 1, 1989. The act makes exceptions for renters of watercraft who complete a safety orientation, vessels with engines of 8.5 horsepower or less, operators licensed by the Coast Guard, and sailboat operators under sail alone. Certificates must be in the possession of the operator and must contain
a physical description of the operator. They do not expire but may be revoked by a court. Fees are $10.00 for issuance and $5.00 for replacement. Violation by operators and persons in charge of watercraft is a Class C misdemeanor.

Effective date: January 1, 2005.

Chapter No. 275 (SB 1658/HB 1624). Execution of firearm papers. Amends T.C.A. Title 39, Chapter 17, Part 13, to require the sheriff or chief of police of the city of residence of a person purchasing a firearm as defined in 26 U.S.C. 5845, et seq., to execute within 15 business days of any request all documents required to be submitted by the purchaser if the purchaser is not prohibited by T.C.A. § 39-17-1316 from purchasing a firearm.

Effective date: July 1, 2003.

Chapter No. 289 (SB 268/HB 214). Fire and police pay supplements for military service. Amends T.C.A. §§ 4-24-202(c) and 38-8-111(a) to require that firefighters and police officers serving in the military receive their pay supplements if the military service prevented them from attending in-service training.

Effective date: June 6, 2003.

Chapter No. 297 (SB 1/HB 1). Lottery implementation law enacted. Enacts the Tennessee Education Lottery Implementation Law. Of particular interest to municipalities, the law:

- Allows the lottery corporation to make contracts with local law enforcement agencies for criminal record checks, background investigations, and security checks.
- Prohibits any local regulation of the lottery and prohibits local lottery offenses that mirror state offenses enacted by this law.
- Makes it a misdemeanor to sell a lottery ticket to a person under 18 years old.
- Makes it a delinquent act for a person under 18 to purchase a lottery ticket.
- Makes it an offense for a person to sell a lottery ticket at a price other than face value.
- Makes it an offense for a lottery retailer to sell a lottery ticket at another than the retailer’s certificated location.
- Makes it an offense for a state lottery retailer to fail to display the certificate of authorization.
- Requires retailers to have a sign prominently displayed stating in English and Spanish that it is unlawful to sell lottery tickets to persons under 18 and that proof of age might be required.
- Makes it a Class D felony to counterfeit lottery tickets.
- Makes it a Class D felony knowingly to influence or attempt to influence the winning of a prize through coercion, fraud, deception, or tampering with lottery equipment or materials.
- Amends T.C.A. § 39-15-413 to allow the use of minors to help in enforcement of the law relative to sales of lottery tickets to minors.

Effective date: June 11, 2003.

Chapter No. 300 (SB 128/HB 452). Handgun permits – requirements for validity of permits issued by other states refined. Amends T.C.A. § 39-17-1351(r) to provide that if another state places restrictions on the reciprocity of Tennessee handgun permits in that state, those same restrictions apply to this state’s recognition of that state’s permit. Residents of other states that have a permit from that state but
want to become a resident of Tennessee must receive a Tennessee permit within 6 months of establishing residency. The permit will be issued based upon the other state’s permit if the requirements of the two states are substantially similar. If a person seeks a Tennessee permit within the 6 month period and fails, he/she can no longer rely on the out-of-state permit. A person who lives in another state but who works in Tennessee on a regular basis must meet the same requirements unless there is a reciprocity agreement between the states.

Effective date: July 1, 2003.

Chapter No. 328 (SB 1923/HB 1860). Outdoor and indoor fireworks displays. Amends T.C.A. § 68-104-107 to require permittees conducting outdoor fireworks displays to have at least one fire suppression vehicle on site with necessary personnel. Permittees conducting indoor fireworks displays must have at least one trained firefighter on site during the display. The permittee is responsible for the costs of fire equipment and personnel. Before the start of an indoor display, the owner of the building or authorized representative must orally notify attendees of the location of all exits. There must be at least two fire extinguishers in the area. In all buildings in which indoor fireworks are used, signs telling the location of all emergency exits must be posted in each public restroom.

Effective date: July 1, 2003.

Mayor-Aldermanic Charter

Chapter No. 261 (SB 734/HB 881). Election of at-large aldermen by position. Amends T.C.A. §§ 6-3-101(b) and 102(a) to allow municipalities incorporated under the general law Mayor-Aldermanic charter that have only one ward to provide by ordinance for elections by numerical position. After numerical positions have been designated, candidates for alderman must qualify by indicating on qualifying petitions the position the candidate is seeking. Ballots must indicate the position to be filled by designations of “Alderman, position 1,” “Alderman, position 2,” and so on. Any qualified person residing in the municipality may seek an open aldermanic position, but may qualify in any election for only 1 position.

Effective date: June 4, 2003.

Motor Vehicles & Traffic

Chapter No. 67 (SB 1765/HB 1819). Flashing brake lights on motorcycles. Amends T.C.A. § 55-9-402(b)(1) to provide that provisions prohibiting flashing lights on non-emergency vehicles do not apply to a brake light system on a motorcycle that flashes rapidly for 5 seconds then converts to a continuous light until the brake is released.

Effective date: July 1, 2003.

Chapter No. 180 (SB 208/HB 564). School bus drivers may not use hand-held cell phones. Amends T.C.A. Title 55, Chapter 8, Part 1, to prohibit school bus drivers from using a hand-held mobile phone while the bus is in motion and carrying children. This prohibition does not apply to communications
made to a central dispatch of the school transportation department nor in cases of a bona fide emergency. Violation is a Class C misdemeanor punishable only by a fine of $50.00.

Effective date: July 1, 2003.

Chapter No. 266 (SB 1200/HB 1054). Motorcycle operators may run red lights. Amends T.C.A. § 55-8-110 to allow the operator of a motorcycle to proceed through an intersection red light after stopping and ascertaining that it can be done safely if the light is controlled by a vehicle detection device that is not activated because of the size of the motorcycle. It is not a defense if the light was not controlled by such a device.

Effective date: July 1, 2003.

Chapter No. 290 (SB 803/HB 774). Rear lights or escort required for certain implements of animal husbandry being towed on public roads. Amends T.C.A. § 55-9-401 to require an escort or red or amber lights on the rear of an animal husbandry implement having a width of more than 96 inches and towed by a tractor or other vehicle on a public road from ½ hour before sunset to ½ hour after sunrise when the implement obscures the rear lights of the towing vehicle.

Effective date: July 1, 2003.

Chapter No. 299 (SB 61 HB 406). Child restraint law refined; fine increased. Amends T.C.A. § 55-9-602 to provide the following:

- Requires any person transporting a child under 1 year of age or weighing 20 pounds or less to restrain the child using a child passenger restraint system in a rear facing position in the rear seat if available.
- Requires any person transporting a child ages 1 through 3 and weighing more than 20 pounds in a restraint system in a forward facing position in the rear seat if available.
- For children 4 through 8 and less than 5 feet in height, a belt positioning booster seat must be used.
- For children 9 through 12 who are 5 feet or more in height, the child must be placed in a seat belt. The back seat is recommended.
- For children 13 through 15, the child must use a restraint system, including safety belts.
- Children who are not capable of using conventional restraints must use specially modified restraints. A person with a physician’s prescription for a modified restraint may not be charged or convicted for a violation of this section if the modified restraint was in use.
- Increases the fine for violation of this section from $20 to $50.
- Repeals 55-9-602(g)(5), which exonerated a person transporting a child aged 4 through 15 for failure to restrain the child in the back seat if all restraints were in use.
- Makes the parents or legal guardians responsible for the restraint of children when they are present. If they are not present, the driver is solely responsible.
- Restricts admissibility of failure to use a restraint system in civil actions. Allows admissibility in certain products liability actions in which failure to use is alleged by defendants and allegedly exacerbated injuries.

Effective date: July 1, 2004.
Chapter No. 384 (SB 1587/HB 1023). Approaching stationary authorized emergency vehicles, recovery vehicles, or highway maintenance vehicles. Amends T.C.A. § 55-8-132 to require motorists approaching a stationary authorized emergency vehicle, a stationary recovery vehicle, or a stationary highway maintenance vehicle when the vehicle is using flashing lights to change lanes to a lane not adjacent to the vehicle on highways with 2 or more lanes proceeding in the same direction or to reduce speed if changing lanes would be impossible or unsafe.

“Highway maintenance vehicle” means a vehicle used for street or road maintenance and owned by a governmental entity or government contractor. “Recovery vehicle” means tow trucks.

Effective date: July 1, 2003; until July 1, 2004, only warning citations may be issued for violations; after this it is punishable only by a fine of $50.00.

Officials

Chapter No. 48 (SB 31/HB 65). Recorder certification – exemption for certified public accountants. Amends T.C.A. § 6-54-120(b) to exempt certified public accountants from recorder certification requirements.

Effective date: April 23, 2003.

Personnel

Chapter No. 138 (SB 1787/HB 1721). Payment of professional privilege tax for employees authorized. Amends T.C.A. § 67-4-1709 to allow local governments to pay the professional privilege tax for their employees subject to the tax. The local government must adopt the provisions of § 67-4-1709 by a majority vote of the governing body to do this.

Effective date: May 19, 2003.

Chapter No. 200 (SB 1685/HB 1099). Optional coverage for colon cancer screening. Amends T.C.A. Title 56, Chapter 7, Part 23, to require group health insurance policies issued on or after January 1, 2004, to include colon cancer screening as an optional coverage.

Effective date: January 1, 2004.

Chapter No. 308 (SB 690/HB 1609). Partial pay for employees in military service. Amends T.C.A. § 8-33-109 to allow public employers to provide partial compensation to employees while under competent orders, in addition to the 15 days of compensation required by this section.

Effective date: June 11, 2003.

Chapter No. 378 (SB 920/HB 812). Sales of TRICOR products to city employees. Amends T.C.A. § 41-22-116 to allow the Tennessee Rehabilitative Initiative in Correction Board to develop policies
for the sale of TRICOR products to city, county, and state employees. The policy must take account of possible competition with retail merchants and the impact on state and local sales tax collections.

*Effective date: June 23, 2003.*

**Planning & Zoning**

**Chapter No. 63 (SB 365/HB 1010). Regulation of amateur radio service.** Amends T.C.A. Title 6, Chapter 54, Part 1, to prohibit municipalities and counties from enacting an ordinance regulating amateur radio service that does not comply with 101 FCC 2d 952 (1985) or 47 C.F.R. Part 97.

Municipal ordinances regulating the placement, height, or screening of an amateur antenna must reasonably accommodate amateur radio communications and be the minimal practicable regulation to accomplish the municipality’s purpose.

*Effective date: April 29, 2003.*

**Purchasing**

**Chapter No. 184 (SB 1921/HB 1733). Bid specifications for chemicals.** Amends T.C.A. Title 6, Chapter 56, Part 3, of the Municipal Purchasing Law of 1983, to require bid specifications for chemicals to require the manufacturer to list and maintain a material safety data sheet (MSDS) for the chemicals on the MSDS search repository so that this information can be found on the Internet.

This act also requires that the universal resource locator for MSDS-SEARCH be posted on the Web site of the Department of General Services.

*Effective date: May 22, 2003.*

**Chapter No. 228 (SB 878/HB 1407). Purchases by LEA’s under bids of other LEA.** Amends T.C.A. § 12-3-1004 to allow any local education agency (LEA) to purchase equipment under the terms of a legal bid by any other LEA in Tennessee. Purchases must be directly from the vendor, and the originating LEA has no responsibility relative to the purchases of the piggybacking LEA.

*Effective date: June 2, 2003.*

**Chapter No. 378 (SB 920/HB 812). Sales of TRICOR products to city employees.** Amends T.C.A. § 41-22-116 to allow the Tennessee Rehabilitative Initiative in Correction Board to develop policies for the sale of TRICOR products to city, county, and state employees. The policy must take account of possible competition with retail merchants and the impact on state and local sales tax collections.

*Effective date: June 23, 2003.*
Records

Chapter No. 55 (SB 629/HB 789). Destruction of records. Amends T.C.A. § 10-7-702 to allow any municipal governing body by resolution to authorize the disposal, including destruction, of permanent paper records that have been copied to other media, such as microfilm or CD-ROM in accordance with § 10-7-121. All other records of the municipality may be destroyed when the retention period prescribed in the retention schedule used by the municipality has expired. Any municipality may adopt reasonable rules relative to making, filing, storing, exhibiting, copying, and disposal of municipal records.

Effective date: April 23, 2003.

Chapter No. 295 (SB 1960/HB 2030). Governmental access to confidential information relative to terrorism. Amends T.C.A. § 10-7-504(a)(21) to provide that records relative to terrorism planning and response by utilities and other governmental entities are available to other governmental agencies performing official functions. Any governmental agency is not precluded from allowing public access to these records in the course of performing official functions.

Effective date: June 6, 2003.

Recreation

Chapter No. 260 (SB 718/HB 1228). Safe boating course required of certain young boaters. Amends T.C.A. Title 69, Chapter 10, Part 2, to require persons born after January 1, 1989, to successfully complete a safe boating course approved by the National Association of State Boating Law Administrators before operating a vessel subject to registration on any waters of the state. The person must also have received a certificate from the Wildlife Resources Agency or be accompanied by a qualified person born before January 1, 1989. The act makes exceptions for renters of watercraft who complete a safety orientation, vessels with engines of 8.5 horsepower or less, operators licensed by the Coast Guard, and sailboat operators under sail alone. Certificates must be in the possession of the operator and must contain a physical description of the operator. They do not expire but may be revoked by a court. Fees are $10.00 for issuance and $5.00 for replacement. Violation by operators and persons in charge of watercraft is a Class C misdemeanor.

Effective date: January 1, 2005.

Retirement

Chapter No. 12 (SB 115/HB 248). TCRS retirement provisions modified. Amends T.C.A. § 8-34-101(34) to allow a retired person whose benefit is more than $10 but less than $50 per month 60 days, rather than the previous 30, to request payment in monthly installments rather than a lump sum as would otherwise be required.

Amends 8-35-105(a) to allow the TCRS Board of Trustees to ask for an employee’s address as well as name, social security number, etc.
Adds 8-35-105(f) to allow the TCRS Board to require employers to report information by electronic medium.

Amends 8-35-206(d)(3) to extend to 6 months from 3 months the amount of time a political subdivision has to begin participation in TCRS after an actuarial study. After this, a new study must be done.

Amends 8-35-218(12) to eliminate requirement that employer and employee contributions, plus investment income, must exceed benefits paid. Allows employer contributions to be increased monthly to fund benefits.

*Effective date: April 7, 2003.*

**Chapter No. 223 (SB 434/HB 739).** Retired teacher may serve as full-time elected city official without loss of benefits. Amends T.C.A. Title 8, Chapter 36, Part 8, to allow a teacher who has been retired for at least 2 years to accept employment as a full-time elected city official without loss of retirement benefits. The retired teacher may not accrue additional benefits as a city official. This act is subject to funding.

*Effective date: June 2, 2003.*

**Streets & Public Ways**

**Chapter No. 382 (SB 440/HB 896).** Municipal tourism-oriented directional signs. Amends T.C.A. § 4-3-2307 to allow the Commissioner of Transportation to develop guidelines for municipal tourism wayfinding sign programs. Guidelines may include construction, placement, and safety standards. The Commissioner is urged to consult with municipalities in developing this program. Municipalities are not required to participate. The Commissioner must report to the Senate and House Transportation Committees in January, 2004, on progress of the program.

*Effective date: June 23, 2003.*

**Taxes—General**

**Chapter No. 138 (SB 1787/HB 1721).** Payment of professional privilege tax for employees authorized. Amends T.C.A. § 67-4-1709 to allow local governments to pay the professional privilege tax for their employees subject to the tax. The local government must adopt the provisions of § 67-4-1709 by a majority vote of the governing body to do this.

*Effective date: May 19, 2003.*

**Chapter No. 355 (SB 1991/HB 2073).** Omnibus revenue measure enacted; various revenues shared with municipalities reduced. Amends various titles and sections of T.C.A. relative to revenues shared with municipalities as follows:

- Amends § 57-3-306 relative to distribution of revenues from the state tax on gallons of wine and spirits to reduce by 9% the amount accruing to counties. Thirty percent of revenues accruing to counties with a population of more than 250,000 is distributed to municipalities...
in those counties with a population of 150,000.

- Amends § 57-4-306 relative to the distribution of revenues from the state privilege tax on the retail sale of alcoholic beverages to reduce amounts accruing to municipalities and counties by 9%.
- Amends § 57-5-205 relative to distribution of revenues from the barrelage tax on beer to reduce amounts accruing to municipalities and counties by 9%.
- Amends § 67-2-119 relative to distribution of revenues from the Hall Income Tax to reduce revenues accruing to municipalities and counties by 33 1/3 %.
- Amends § 67-4-2017(a)(1) relative to the bank tax to reduce amounts accruing to municipalities and counties by 9%.
- Amends § 67-6-103(a)(3)(A) to reduce the portion of state sales tax revenues accruing to municipalities from 4.5925% to 4.2462%. This is a reduction in revenues of about 7.5%.
- Amends § 67-6-710 to reduce amounts distributed to counties from the uniform local sales tax rate on dealers without a location in this state by 9%. Fifty percent of the amount allocated to counties is distributed to municipalities in the county.

This act also amends T.C.A. § 67-4-409 to make amounts accruing to the Local Parks Acquisition Fund, the Wetland Acquisition Fund, and the State Land Acquisition Fund from revenues produced by the realty transfer tax subject to appropriation.

Amends T.C.A. § 67-4-1709 relative to the Professional Privilege Tax to allow local and state governments to pay the tax on behalf of their employees subject to the tax.

Amends Title 4, Chapter 31, Part 1, to enact additional requirements for loan agreements with local governments relative to mental health and mental retardation facilities.

Establishes a state-shared revenue reduction mitigation account in the state general fund so no local government will have reduced state-shared revenues exceeding 9%.

Amends Title 4, Chapter 3, Part 10, to allow transfers to the state general fund and to allow denial of carry forwards for these funds that might have some significance for municipalities: The Tennessee Housing Development Authority assets funds, temporary assistance for needy families Families First Program, Local Parks Acquisition Fund, electronic fingerprint imaging systems fund, TBI fingerprint database accumulated fees, Tennessee Advisory Commission on Intergovernmental Relations accumulated balances, Department of Transportation funds, emergency communications funds, Safe Schools Program, Hazardous Waste Remedial Action Fund, voluntary cleanup fund, Underground Storage Tank Fund, solid waste fund, utility relocation program fund, Education Trust Fund, Environmental Protection Fund.

Effective date: Provisions relative to alcoholic beverage taxes, the Hall Income Tax, the bank tax, and the sales tax take effect August 1, 2003; the provision authorizing the payment by the municipality of the Professional Privilege Tax and all other provisions took effect on June 16, 2003.
Chapter No. 418 (SB 1874/HB 1991). Tax provisions revised again. Amends T.C.A. § 67-4-709, part of the Business Tax Act, to clarify that tax rate changes enacted last year by Chapter 856 of 2002 apply only to transactions occurring on or after September 1, 2002.

Amends T.C.A. Title 67, Chapter 6, Part 3, to provide a sales tax credit for the amount of sales tax due on tobacco buydown payments included in the price of tobacco sold at retail.

Amends § 67-4-1709 to allow employers including governmental entities to pay the Professional Privilege Tax for their employees subject to the tax.

Effective date: The sales tax credit relative to tobacco buydown agreements is effective January 1, 2002; other provisions relevant to municipalities are effective June 24, 2003.

Taxes–Hotel-Motel

Chapter No. 322 (SB 1372/HB 1240). Penalties strengthened for failure to collect or pay hotel-motel occupancy tax in home rule municipalities. Amends T.C.A. § 67-4-1408 relative to hotel-motel taxes in home rule municipalities to make it a Class A misdemeanor for an operator knowingly to refuse to collect the tax or for a customer knowingly to refuse to pay it. Previous language required “willful” refusal. Makes each day a separate offense. Allows the municipality to use any civil remedy available to collect the tax, including distress warrants.

Effective date: June 11, 2003.

Chapter No. 370 (SB 1665/HB 979). Stacking of hotel-motel occupancy taxes allowed in Shelby, Williamson, and Blount Counties. Amends T.C.A. § 67-4-1425, which generally has prohibited since 1988 a municipality from levying a hotel-motel occupancy tax by private act if the county has already levied one, to exempt from the prohibition any county except a county with a metropolitan government that contains or borders a county that contains a regular commercial service airport in the international civil aviation organization regional air navigation plan and contains a government-owned convention center with at least 50,000 square feet with an attached or adjoining hotel facility, or contains an airport with regularly scheduled commercial service when the creating municipality is not in the same county as the airport.

A municipality incorporated under general law in one of these counties may levy the tax by ordinance passed by a 2/3 vote of the governing body. The ordinance must set forth the manner of collection and administration of the tax.

The tax levied must not exceed 5% of the consideration charged by the operator and revenues must be used for tourism as defined in § 7-4-101(8).

Effective date: June 17, 2003.
Taxes–In Lieu Of

Chapter No. 405 (SB 1834/HB 1793). Roane County added to section restricting IDC in lieu of tax payments relative to county taxes. Amends T.C.A. § 7-53-305(g) to add Roane County to this subsection that prohibits agreements by industrial development boards for in lieu of tax payments relative to county taxes that are less than the taxes that otherwise would be due unless the board is jointly operated with the county, there is an interlocal agreement, or unless approved by the county mayor and the legislative body.

**Effective date:** June 23, 2003.

Taxes–Property

Chapter No. 7 (SB 677/HB 714). Reappraisal cycle – extending in certain circumstances. Amends T.C.A. § 67-5-1601(a) to allow the Board of Equalization to extend the reappraisal cycle of a county beyond 6 years to synchronize with a contiguous county’s cycle when a city lies partly in each county and contains property of the federal government for which in lieu of tax payments are being made.

**Effective date:** March 28, 2003; repealed December 31, 2003.

Chapter No. 87 (SB 1175/HB 1248). Extension of tax due dates for military personnel stationed outside the U.S. and entitled to combat compensation. Amends T.C.A. §§ 67-5-2011(d) and 67-2-112(b) to provide that those sections, which delay the due date of property and Hall Income Taxes for military personnel in Operation Desert Shield or Desert Storm for 90 days after cessation of hostilities, apply also to persons in Operation Enduring Freedom or other hostilities.

**Effective date:** May 5, 2003; applies to taxes due during 2003.

Chapter No. 251 (SB 1857/HB 1893). Fee for application for tax exemption. Amends T.C.A. § 67-5-212 to allow the state Board of Equalization to impose a fee of $100 or less for processing applications for property tax exemption.

**Effective date:** June 3, 2003.

Chapter No. 362 (SB 951/HB 1232). Action on appealed assessments in Shelby County. Amends T.C.A. § 67-5-1409 to provide that the Shelby County Board of Equalization may act only on assessments for which an active and timely appeal is pending when meeting in special session except as otherwise determined by a 2/3 vote of the county legislative body.

**Effective date:** June 17, 2003.

Chapter No. 363 (SB 952/HB 1233). Appointment and compensation of Shelby County Board of Equalization. Amends T.C.A. § 67-1-1401(a)(1) to require the Shelby County legislative body to administer the county Board of Equalization. Requires each legislative body making appointments to pay
appointees in accordance with a resolution of the county legislative body. Each legislative body must also pay its pro rata share of funding for the board. Any municipality with less than 50,000 population may elect not to appoint a representative.

*Effective date:* June 17, 2003.

**Chapter No. 385 (SB 1450/HB 1030). Interest rate on deferred tax refunds.** Amends T.C.A. § 67-5-1512 by deleting (b)(4) and (c) and providing that the interest rate on deferred tax refunds will increase 2 points from the date of deferral 60 days after the Board of Equalization decision is rendered until the refund is finally paid.


**Chapter No. 406 (SB 1858/HB 1895). Costs of property tax appeals.** Amends T.C.A. § 67-5-1501 to require the state Board of Equalization to assess the costs of property tax appeals against the losing party if that party is not indigent. The assessment cannot exceed $5.00 per parcel and $100.00 for costs of hearing. Costs should be proportionate to the value of the property. Persons 65 or older whose residence is valued $150,000 or less are not subject to costs of appeal on the residence.


### Taxes–Sales

**Chapter No. 9 (SB 541/HB 887). “Energy resource recovery facility” defined.** Amends T.C.A. § 67-6-102 to define “energy resource recovery facility” as a facility for the production of energy in the form of steam or chilled water from the controlled burning of combustible materials, including coal, fuel oil, or natural gas where the energy is to be used for heating and cooling of 5 or more buildings.

*Effective date:* April 2, 2003.

**Chapter No. 176 (SB 940/HB 1305). Special sales tax allocation for Nashville Sounds stadium.** Amends T.C.A. § 67-6-103(d)(1)(A) to allow a special sales tax allocation equal to the state and local sales taxes derived on admissions, sales of food and drink, parking charges, and related items to the Metro Sports Authority to retire bonds used to construct a new stadium for the Nashville Sounds.


**Chapter No. 284 (SB 1959/HB 2032). State sales tax credit for qualified headquarter facilities clarified.** Amends T.C.A. § 67-6-224 to clarify the state sales tax credit for qualified headquarter facilities.

*Effective date:* Applies to applications filed on or after January 1, 2003; repealed December 31, 2006.

**Chapter No. 357 (SB 899/HB 832). Provisions modified to make sales taxation of Internet sales possible and to implement the Streamlined Sales and Use Tax Agreement.** Extensively amends state
and local sales tax provisions to implement the Streamlined Sales and Use Tax Agreement if and when that agreement is adopted by the necessary number of states (at least 10 states with sales taxes comprising at least 20% of the population of all states levying a sales tax). This act simplifies the law relative to the application of sales taxes and makes the law of Tennessee more closely conform to the laws of other participating states so that application of the sales and use tax to Internet sales is easier for merchants with no nexus to Tennessee.

Effective date: Provisions dealing specifically with the local sales tax take effect January 1, 2006; other provisions take effect on July 1, 2004, or when the Streamlined Sales and Use Tax Agreement takes effect, whichever is later.

Chapter No. 358 (SB 38/HB 662). Exemption and alternative for vending machine sales by charitable organizations. Amends T.C.A. Title 67, Chapter 4, Part 5, to reenact a gross receipts tax option for vending machine sales by charitable organizations when the coin deposited is 25 cents or less. Organizations that choose this option are exempt from the sales tax.

Effective date: July 1, 2003.

Tort Liability

Chapter No. 321 (SB 1332/HB 977). Hospital in Shelby County designated a governmental entity. Amends T.C.A. § 29-20-102 to designate a publicly connected hospital in Shelby County as a governmental entity under the Tennessee Governmental Tort Liability Act.

Effective date: July 1, 2003; repealed June 30, 2006.

Transportation

Chapter No. 306 (SB 626/HB 736). Provisions relative to regional transportation authority amended. Amends T.C.A. Title 64, Chapter 8, Part 1, relative to the regional transportation authority for Davidson, Sumner, Williamson, Wilson, Robertson, Cheatham, Maury, Dickson, and Rutherford Counties to do the following:

- Require the county, city, or town to pay its yearly assessment in a timely manner to participate.
- Allow any municipality or county to cease participation by giving notice to the authority or by ceasing to pay assessments.
- Allow each mayor in the authority to serve on the board.
• Require the vote of a majority of a quorum rather than a majority of the total membership to pass a measure.
• Allow the executive committee to be the administrative body of the board.
• Expand the power of the authority relative to mass transit.

**Effective date:** October 1, 2003.

**Urban Development**

**Chapter No. 195 (SB 438/HB 566). Inner-city Redevelopment Act of 2003 enacted.** Adds a new Part to T.C.A. Title 7, Chapter 84, that does the following:

• Allows any municipality to create a self-financing inner-city redevelopment district and a governing board for the district.
• Prohibits central business improvement districts and inner-city development districts from overlapping.
• Requires the creation of the district by ordinance.
• Allows two methods of initiation of the ordinance: (1) petition of a majority of the property owners in the district if the assessed value is at least 2/3 of all property to be included in the district and (2) by resolution of the governing body.
• Requires a public hearing on the ordinance to coincide with the final reading or consideration of the ordinance.
• Requires notice of the public hearing by publication for three consecutive weeks in a newspaper of general circulation in the municipality.
• Requires adoption, rejection, or adoption as amended at the conclusion of the public hearing.
• Requires passage by a majority of those present and voting.
• Prohibits establishment of a district that was initiated by resolution if owners of more than one-half the assessed value of property owners in the district file written protests.
• Allows amendment of the district boundaries only once before adoption and prohibits property that was proposed to be in a failed attempt to create a district from being included in a new proposed district for 12 months.
• Sets requirements for establishment ordinance.
• Allows the municipality to borrow money for public works projects in the district and use special assessment revenues to pay it back.
• Allows the municipal governing body to contract with the district management corporation for the services to be provided by the corporation.
• Requires the district management corporation to submit an annual budget for approval by the municipal governing body.
• Allows the municipal governing body to delegate to the corporation the authority to provide public works projects and services in the district.
• Allows the municipality to levy special assessments against all properties in the district.
• Assessments must be apportioned according to the benefits received by the particular parcels.
• Prohibits assessments against government-owned property without approval of the government.
• Provides that assessments are a lien on the property.
• Provides for dissolution of the district.

Effective date: July 1, 2003.

Chapter No. 196 (SB 733/HB 647). Linking of central business districts. Amends T.C.A. § 7-84-103 and Title 7, Chapter 84, Part 2, to allow municipalities to connect their central business districts by agreement. The connected districts would be treated as a central business improvement district.

Effective date: May 29, 2003.

Chapter No. 354 (SB 2021/HB 2107). Structured leases authorized for qualified facilities in tourism development zones. Amends T.C.A. § 7-88-103, part of the Convention Center and Tourism Development Financing Act of 1998, to allow municipalities to enter into structured lease agreements relative to facilities in tourism development zones that are financed by bonds including interest rate exchange or swap agreements, interest rate floors and/or ceilings, or other hedging agreements when the lease payments are based on these agreements, the municipality is obligated to make lease payments from tax increment financing revenues and revenues derived from the project, and the municipality has the right to exercise rights under the lease as if the municipality were a direct party. The municipality must follow state regulations in doing this. If the bonds are to be paid from sources other than TIF revenues or project revenues, the municipality must provide general notice 7 days before the effective date of the structured lease agreement disclosing the purpose of the agreement, the additional sources of revenue to be used for payment, and the maximum liability of the municipality.

Effective date: June 13, 2003.

Chapter No. 386 (SB 1577/HB 1229). Use of recordation tax funds for restoration of historic theaters. Amends T.C.A. § 67-4-409(j)(2)(A) to allow funds produced by the recordation tax and allocated to the State Lands Acquisition Fund to be used for the restoration of historic theaters owned by governmental entities or nonprofit corporations and listed on the National Register of Historic Places.

Effective date: June 23, 2003.

Utilities

Chapter No. 20 (SB 742/HB 1094). Issuance of debt for purchase of electricity from TVA or other governmental entity on current or long-term basis. Amends T.C.A. §§ 7-34-102 and 104(a)(9) to allow municipalities with electric systems to issue bonds to finance the purchase of electricity from TVA or other similar governmental entities on a current or long-term prepaid purchase basis. Revenues would be pledged to payment of the bonds. The governing body may include all costs of issuing the bonds in the principal amount.

Effective date: April 11, 2003.
Chapter No. 59 (SB 1573/HB 1951). Pilot project for municipal electric system to provide cable service in rural area. Amends T.C.A. § 7-52-601 to require the Comptroller to select a municipal electric system by August 1, 2003, to provide cable TV and internet services outside its service area but not beyond the county in which the system is principally located. The electric system must receive a resolution from the county legislative body requesting services and must obtain the consent of electric cooperatives and other municipal systems providing electric service in the county. The Comptroller must report by January 31, 2006, to the General Assembly recommending whether the pilot project should be continued or expanded to other systems.


Chapter No. 60 (SB 1691/HB 930). Voluntary contributions for economic development and community assistance. Amends T.C.A. § 7-52-103 to allow municipal electric systems to accept voluntary contributions to be used for economic development and community assistance. This may include programs in which the electric bill is rounded up to the next dollar when this is shown as a separate line on the electric bill.

These contributions are not to be considered revenue to the electric system.

*Effective date:* April 28, 2003.

Chapter No. 86 (SB 588/HB 900). Payment of utility relocation costs caused by state road projects. Amends T.C.A. §§ 54-5-802 and 804 to authorize the Commissioner of Transportation to reimburse public and private utilities the full costs of relocating caused by state road projects. To qualify, the utility must:

- Comply with § 54-5-854(b), including preparing and submitting to the department the utility’s relocation plan, its cost estimate, and schedule for completing the relocation within specified allowed times.
- Enter into a written agreement with the Commissioner to include the relocation costs as a part of the department’s highway construction contract; OR, enter an agreement that the utility will remove all facilities that the Department wants moved before the department lets the construction contract. The utility will be reimbursed for the cost of the relocation work it has undertaken if the department does not undertake the project within a specified time.

The utility will be responsible for inspecting all phases of the relocation to ensure compliance with all specifications and safety codes.

The department will make no reimbursement until the Commissioner is satisfied that the relocation has been performed in accordance with plans and the schedule of calendar days approved by the Department.
This Act requires the utility to reimburse the Department to the extent the Department is not compensated from federal funds for the relocation costs.

This Act is subject to funding.

**Effective date:** September 1, 2003.

**Chapter No. 181 (SB 749/HB 718). Voluntary contributions for community assistance and economic development.** Amends T.C.A. § 7-34-115 to allow municipal utility systems to accept and distribute voluntary contributions for charitable purposes. This may include programs in which the utility bill is rounded up to the nearest dollar. The contribution must be shown as a separate line on the bill. “Charitable purpose” is broadly defined to include relief for the poor, advances to education and science, erection of public buildings and monuments, economic development, historic preservation, and other things that promote social welfare.

Contributions accepted by the utility system are not considered revenue to the utility and must be used for charitable purposes.

**Effective date:** May 22, 2003.

**Weapons**

**Chapter No. 144 (SB 29/HB 63). County magistrates may carry guns.** Amends T.C.A. §§ 39-17-1315 and 1308 to allow county magistrates to carry guns the same as police officers, sheriffs, etc., after meeting the same requirements.

**Effective date:** July 1, 2003.

**Chapter No. 275 (SB 1658/HB 1624). Execution of firearm papers.** Amends T.C.A. Title 39, Chapter 17, Part 13, to require the sheriff or chief of police of the city of residence of a person purchasing a firearm as defined in 26 U.S.C. 5845, et seq., to execute within 15 business days of any request all documents required to be submitted by the purchaser if the purchaser is not prohibited by T.C.A. § 39-17-1316 from purchasing a firearm.

**Effective date:** July 1, 2003.

**Chapter No. 300 (SB 128/HB 452). Handgun permits – requirements for validity of permits issued by other states refined.** Amends T.C.A. § 39-17-1351(r) to provide that if another state places restrictions on the reciprocity of Tennessee handgun permits in that state, those same restrictions apply to this state’s recognition of that state’s permit. Residents of other states that have a permit from that state but want to become a resident of Tennessee must receive a Tennessee permit within 6 months of establishing residency. The permit will be issued based upon the other state’s permit if the requirements of the two states are substantially similar. If a person seeks a Tennessee permit within the 6 month period and fails, he/she can no longer rely on the out-of-state permit. A person who lives in another state but who works in
Tennessee on a regular basis must meet the same requirements unless there is a reciprocity agreement between the states.

Effective date: July 1, 2003.

Workers’ Compensation

Chapter No. 194 (SB 191/HB 456). Judge rather than county executive to decide if refusal to return to work justifiable. Amends T.C.A. § 50-6-207(3)(D) to eliminate an obsolete requirement that in cases of permanent partial disability in which an employee refused to return to work the county executive would decide if the refusal was justified. This act requires this to be decided by the court having jurisdiction of the case.

Effective date: May 29, 2003.
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