

**CHARTER OF THE CITY OF TULLAHOMA, TENNESSEE<sup>1</sup>**

**CHAPTER 553.**

**SENATE BILL NO. 352.**

AN ACT to incorporate the City of Tullahoma, in Coffee County, Tennessee, and to provide a charter and mode of government for said municipality and to prescribe punishment for violation of certain charter provisions.

**TABLE OF CONTENTS**

<b><u>Section</u></b>	<b><u>Page</u></b>
1. City a body politic and corporate; name, etc. . . . .	C-3
2. Corporate limits--Described . . . . .	C-3
2A. Same--Subject to taxation . . . . .	C-5
2B. Same--Electric service within . . . . .	C-5
3. Vested with legislative and supervisory power; composition; qualifications, etc. . . . .	C-6
4. Election, organizational meeting; persons entitled to vote . . . . .	C-6

---

<sup>1</sup>Acts 1903, ch. 553, is the current basic charter act for the City of Tullahoma, Tennessee. The text of the basic charter act set out herein includes all its amendments through the 2016 session of the Tennessee General Assembly. Sections of the charter which have been amended contain at the end of those sections the citation to the official private act or acts constituting the amendment or amendments. No other changes have been made to the charter except the addition of a table of contents to facilitate its use. A list of all the private acts including the basic charter appears at the end of the charter.

Acts which did not expressly or in effect amend any particular section or part of the basic charter, but which supplemented it, have been placed after the basic charter act as "Related Private Acts."

Acts of a temporary nature with no general or continuing application, such as bond authorization and validation acts have not been included in this compilation.

<u>Section</u>	<u>Page</u>
5. Terms of office, vacancies . . . . .	C-6
6. First officers . . . . .	C-7
7. Qualifications of mayor; tie vote in election of mayor; authority to fill vacancies other than aldermen; duties generally . . . . .	C-7
8. Authority to appoint officers of city and fix their compensation . . . . .	C-8
9. Powers of board generally . . . . .	C-9
10. Taxing and other powers . . . . .	C-11
11. Workhouse; prisoners . . . . .	C-16
12. Assessing and collecting taxes . . . . .	C-17
13. Election for officers; official oath and bond . . . . .	C-17
14. City court . . . . .	C-17
15. Office of recorder created; election; duties; compensation; powers . . . . .	C-18
16. Office of city constable and/or chief of police--created; election and term of office; compensation; bond; duties . . . . .	C-18
16A. Office of city judge created; creation of city court and city judge; duties; powers . . . . .	C-18
16B. Election, compensation, and qualifications of city judge . . . . .	C-21
17. Old assets transferred . . . . .	C-22
18. Assessment for 1903 . . . . .	C-22
19. Old obligations . . . . .	C-22

<u>Section</u>	<u>Page</u>
20. Old ordinances and resolutions . . . . .	C-22
21. Holdover officers . . . . .	C-22
22. Carryover of property . . . . .	C-23
23. Old digest adopted . . . . .	C-23
24. Act constitutes new charter . . . . .	C-23
25. Prior acts saved from repeal . . . . .	C-23
26. Taking effect of act . . . . .	C-23
27. Cemetery tax . . . . .	C-23
28. Privilege tax on sale of beer . . . . .	C-24
29. Privilege tax on occupancy of any hotel . . . . .	C-25
30. Distribution to counties of electric system payments in lieu of taxes . . . . .	C-25
31. Sales tax school bond sinking fund . . . . .	C-26
32. Power of Recall . . . . .	C-26
33. Recall Election . . . . .	C-26

**Sec. 1. Be it enacted by the General Assembly of the State of Tennessee**, That the City of Tullahoma, in the County of Coffee, and the inhabitants thereof, are hereby constituted a body politic and corporation by the style and name of the City of Tullahoma and shall have perpetual succession by the corporation name; may sue and be sued, plead and be impleaded, grant, receive, purchase and hold real, mixed and personal property, and dispose of the same for the benefit of said City, and may have and use a corporation seal and change it at its pleasure. [As replaced by Priv. Acts 1951, ch. 513, § 1]

**Sec. 2. Be it further enacted**, That the boundaries and corporate limits of the City of Tullahoma shall embrace and encompass the territory within the following boundaries, to wit: Beginning at a point on the West bank of Rock Creek, said point being the Southerly existing corporation corner, thence with

the meanders of Rock Creek approximately 1100 feet to a stake by a poplar tree on West Bank of Rock Creek; thence North 86 degrees 30 minutes West 1360 feet to a point, thence at right angles 980 feet to the existing corporate limit line; thence North 64 degrees 30 minutes West 2250 feet; thence North 25 degrees 00 minutes West 2710 feet; thence North 88 degrees 00 minutes West, 1020 feet; thence due north 370.5 feet; thence North 30 degrees 00 minutes West, 858 feet; thence South 52 degrees 30 minutes West 379.5 feet; thence due West 1930.5 feet; thence South 2 degrees 16 minutes East, 1268 feet; thence South 89 degrees 58 minutes West, 848.9 feet; thence North 2 degrees 17 minutes West, 3003 feet; thence North 87 degrees 44 minutes East, 589.9 feet; thence North 1 degree 00 minutes East, 1097.2 feet; thence South 67 degrees 30 minutes East, 527 feet; thence North 31 degrees 00 minutes East 420 feet; thence South 67 degrees 30 minutes East along southwesterly side of old Shelbyville Road to the Northwesterly intersection of the old Shelbyville Road and the City Dump Road, approximately 1725 feet; thence North 85 degrees 00 minutes East, along the northerly side of said old Shelbyville Road, to a stake in the boundary line between Ennis and Weeks; thence along property line North 3 degrees 4 minutes East 391.7 feet to a stake; thence North 31 degrees 5 minutes West 437.15 feet to an iron pipe; thence North 3 degrees 4 minutes West 877.7 feet to an iron pipe; thence South 75 degrees 9 minutes East 244.6 feet to an iron pipe; thence North 18 degrees 45<sup>1</sup> minutes 1052 feet to a point in the southeasterly corner of William Northern Field tract; thence in a northwesterly direction along an easterly boundary of William Northern Field Tract, approximately 1241.5 feet to the westerly side of Ledford Mill Road; thence northwesterly, along the westerly side of said Ledford Mill Road, 750 feet to William Northern Field property line; thence running eastwardly with the southerly line of William Northern Field property, 2023 feet to a marker on the westerly side of U. S. Highway 41A, thence crossing said Highway No. 41A, and running North 50 degrees 00 minutes East 580 feet to the westerly side of the Tullahoma-Normandy Gravel Road; thence South 37 degrees 30 minutes East, 680 feet; thence North 52 degrees 30 minutes East; 720 feet; thence North 65 degrees 45 minutes East, 1540 feet to the Tullahoma-Ovoca Road; thence South 22 degrees 30 minutes East, along the westerly side of Tullahoma-Ovoca Road, 880 feet; thence south 87 degrees East, 3910 feet to a point approximately 15 feet from the easterly side of the Old Ovoca Road; thence South 4 degrees 00 minutes West, 2660 feet; thence South 83 degrees 30 minutes East, 2300 feet; thence South 39 degrees 00 minutes East, 336 feet; thence North 31 degrees 30 minutes East, 2172 feet; thence North 52 degrees 30 minutes East, 1000 feet, to a point on southerly side of East Lincoln Street; thence continuing on said southerly margin North 49 degrees 30 minutes East 2000.1 feet in the easterly margin of

---

<sup>1</sup>For redescription and annexations see § 1-109 in the code and the footnote thereto.

Wesley Street; thence South 32 degrees 30 minutes East 500 feet to the northwesterly corner of lot number one (1), Block "B" of the M. P. King Sub-Division; thence at right angles a distance of 150 feet to the northeasterly corner of said lot one (1) Block "B" in said sub-division; thence South 32 degrees 30 minutes East 1440 feet to the branch line of N. C. & St. L. right of way; thence South 51 degrees 00 minutes West parallel with said right of way 2763 feet to a point in southeasterly corner of the existing corporate limit line; thence running southwestwardly along the northerly right of way of the branch line of the N. C. & St. L. Railroad 4178 feet; thence at right angles and running southwardly 625 feet to Camp Forrest marker on the southerly side of East Carroll Street; thence running southwestwardly, with Camp Forrest property line, 810 feet; thence running southeastwardly with said Camp Forrest property line, 1155 feet; thence at right angles and running northeastwardly, 1570 feet to a point in Camp Forrest property line, which point is approximately 600 feet North of Forrest Boulevard; thence at right angles and running southeastwardly, along the westerly side of Camp Forrest Road, 3948 feet to the Coffee-Franklin County line; thence running southwestwardly with the Coffee-Franklin County line 4110 feet to the easterly right-of-way of the main line of the N. C. & St. L. Railroad; thence running northwardly with the easterly right of way of said N. C. & St. L. Main line, 3302 feet; thence South 55 degrees 45 minutes West 4750 feet to a point on West bank of Rock Creek, same being the point of beginning. [As amended by Priv. Acts 1905, ch. 347; Priv. Acts 1923, ch. 510; Priv. Acts 1931, ch. 466; replaced by Priv. Acts 1943, ch. 334, § 1; Priv. Acts 1951, ch. 513, § 2; and Priv. Acts 1953, ch. 466, § 1]

**Sec. 2A. Be it further enacted,** That all the property within the boundaries defined in Section 2 hereof shall be within the corporate limits of the City of Tullahoma, Tennessee, and subject to taxation by said City, as other property is now taxed, provided that any property brought within the corporate limits of said City by this Act which was not heretofore in said limits, shall not be liable for tax by said City for the year 1951. [As added by Priv. Acts 1943, ch. 334 § 1; amended by Priv. Acts 1951, ch. 513, § 1(3); and replaced by Priv. Acts 1951, ch. 513, § 2]

**Sec. 2B. Be it further enacted,** That it is expressly forbidden and shall be unlawful for any public and/or private utility, firm, partnership, association and/or corporation, or any person, other than the City of Tullahoma municipally owned and operated Electric Power System, and the Tennessee Valley Authority, to extend any electric power line or lines, and/or electric power services for the purposes of furnishing electricity to consumers, into and within the corporate boundary lines of the City of Tullahoma as herein and hereby established. [As added by Priv. Acts 1943, ch. 334, § 1, and replaced by Priv. Acts 1951, ch. 513, § 2]

**Sec. 3. Be it further enacted,** That the legislative and supervisory power of the city is vested in the Board of Mayor and Aldermen elected under this charter. The Board of Mayor and Aldermen shall consist of the Mayor and six (6) members, chosen by the qualified voters of the city. No person shall be an Alderman unless he be a citizen of the State of Tennessee and a bona fide resident of the city for which he is elected. Any alderman, after his election removing from the city, thereby vacates his said office. [As amended by Priv. Acts 1951, ch. 513, § 1(3)]

**Sec. 4. Election, organizational meeting; persons entitled to vote.** Any election for Mayor and Aldermen required in Section 5 shall be held on the first Thursday in August. The newly elected Mayor and Aldermen shall be sworn into office and organize on the second Monday in August following their election.

In all elections and referendums held in the City for any purpose, persons who are qualified to vote for members of the General Assembly and who have resided in the City's corporate limits for a time sufficient to be qualified voters in accordance with general law shall be qualified to vote in a City election or referendum. Persons who reside outside the City's corporate limits, but who are a resident of Coffee, Franklin, Bedford or Moore counties and who own, within the City's corporate limits, at least fifty percent (50%) freehold interest in real property, commercial or residential, and assessed for real estate tax purposes for five thousand (\$5,000) or more, shall be qualified to vote in a City election or referendum. However, no more than two (2) persons, based upon the ownership of an individual tract of property regardless of the number of property owners shall be permitted to vote. Such election shall be held as now and as may hereafter be provided by the laws of the State of Tennessee for such elections. [As amended by Priv. Acts 1907, ch. 405, § 1; replaced by Priv. Acts 1974, ch. 241, § 1; and Priv. Acts 1983, ch. 8, § 1; and amended by Priv. Acts 2008, ch. 103, § 10]

**Sec. 5. Terms of office, vacancies.** At the election to be held on the first Thursday in August, 1983, there shall be elected two (2) Aldermen for a term of three (3) years. There shall also be elected one (1) Alderman for a term of two (2) years at the same election in 1983. The two (2) candidates for Alderman securing the highest number of votes shall be elected to three (3) year terms and the candidate for Alderman securing the next highest number of votes shall be elected to a term of two (2) years. At the election to be held on the first Thursday in August, 1984, there shall be elected two (2) Aldermen and a Mayor for a term of three (3) years. Thereafter, a Mayor shall be elected for three (3) year terms. During the election to be held in 1984 there shall also be elected one (1) Alderman for a term of one (1) year. The two (2) candidates for Aldermen securing the highest number of votes shall be elected for a term of three (3) years. The candidate for Alderman securing the next highest number

of votes shall be elected for a term of one (1) year. The candidate securing the highest number of votes for Mayor shall be elected Mayor for a term of three (3) years on the first Thursday in August each third year thereafter. On the first Thursday in August in each year following the election in 1984 there shall be elected two (2) Aldermen. The two (2) candidates securing the highest number of votes in each election shall serve three (3) year terms. In the event of the vacancy by reason of the death, resignation, or removal of the Mayor or any one (1) or more of the Aldermen, the Board shall have the power to fill the vacancy or vacancies by majority vote of said Board of Mayor and Aldermen, said vacancies to be filled until the expiration of the term of office so vacated. Any appointment(s) required in this section shall be made by majority vote of the Board of Mayor and Aldermen within one month of any vacancy. The Mayor and any Aldermen elected under the provisions of this section shall be so elected until their successor is elected and qualified; except as otherwise provided in the Charter of the City of Tullahoma. Said elections shall be as are set forth in the table attached hereto as Exhibit "A" and incorporated herein by reference as through fully copied herein. [As amended by Priv. Acts 1907, ch. 405, § 1; replaced by Priv. Acts 1974, ch. 241, § 2; amended by Priv. Acts 1979, ch. 59, § 2; and replaced by Priv. Acts 1983, ch. 8, § 2; and amended by Priv. Acts 2005, ch. 40]

**Sec. 6. Be it further enacted,** That from the date of the passage of this Act, until the election and qualifications of the Mayor and Aldermen provided in this charter, the Board of Mayor and Aldermen of said City of Tullahoma shall be and consist of the present Mayor and Aldermen thereof, to wit: John B. Carroll, Mayor; M. Troxler, Frank McDowell, George Book, W. R. Marshall, Lee Hudson and J. Hufsteller, aldermen, or any successor that may be elected under the provisions of this Act to fill any vacancies that may occur in said board by reason of the death, resignation or removal of any one or more of said Mayor or Aldermen; provided, also, that said Board of Mayor and Aldermen above designated, shall remain in office until their successors are duly elected and installed. [As amended by Priv. Acts 1951, ch. 513, § 1(3)]

**Sec. 7. Be it further enacted,** That no person shall be elected Mayor who is not at the time of his election a citizen of the State of Tennessee and a bona fide resident of the city. When two or more shall have an equal number of votes for the office of Mayor, the election shall be decided by the majority of the votes of the council-elect. The Mayor may fill all vacancies occurring in any office except the Aldermen, until the same be filled by the election by the Board of Mayor and Aldermen. It shall be the duty of the Mayor to preside at all meetings of the Mayor and Aldermen, to see that all the ordinances of the city are duly enforced, respected and observed within the city; to take an oath of office before he enters upon the duties of the same, and to call special session of

the council when he may deem it expedient. [As amended by Priv. Acts 1951, ch. 513, § 1(3); Priv. Acts 1959, ch. 277, § 1; and Priv. Acts 1963, ch. 39]

**Sec. 8. Be it further enacted,** That (a) The Mayor and Aldermen shall have full power and authority to appoint officers, servants and agents of the corporation, such as they may deem necessary and provide for by ordinance. They shall also fix the compensation of such officers; provided, however, that the Board of Mayor and Aldermen of the City of Tullahoma, be hereby empowered to create a Board of Education for said City and to establish the number of members of said Board at seven (7).

(b) Be it further enacted, That the board of public utilities, having heretofore been created by the Board of Mayor and Aldermen of the City of Tullahoma pursuant to Tennessee Code Annotated, Sections 6-1507 and 6-1508, is hereby increased from three (3) members to five (5) members. Four (4) members of such board shall be nominated and elected by the Board of Mayor and Aldermen and one (1) member shall be a member of the Board of Mayor and Aldermen, who shall be appointed by the Mayor, pursuant to the provisions of Tennessee Code Annotated, Section 6-1508. The two (2) additional members shall be nominated and appointed as though they were original members, pursuant to Tennessee Code Annotated, Section 6-1508, to serve for initial one (1) and three (3) year terms, respectively, with those members currently serving on such board. All other provisions of Tennessee Code Annotated, Title 6, Chapter 15, not inconsistent herewith are hereby adopted by the City of Tullahoma and incorporated within this charter for all purposes.

(c) Be it further enacted, That the Mayor and/or the Board of Mayor and Aldermen, as the appointing authorities for the officers, servants and agents, such as members of the Tullahoma Utilities Board, Industrial Development Board of the City of Tullahoma, Tennessee, Tullahoma Municipal-Regional Planning Commission, Tullahoma Housing Authority, Tullahoma Board of Education, the Tullahoma Municipal Airport Authority, the Duck River Utility Commission, are hereby empowered to remove any of these officers, servants and agents or members of these boards, commissions or agencies, where removal provisions are not provided for under the laws of the State of Tennessee, the removal procedure shall be accomplished as follows:

(1) The Mayor may remove any officer, servant, agent, or board or commission member appointed by him, for cause, but only after the appointee is given a copy of the charges against him at least ten (10) days prior to a hearing thereon. The date of the hearing shall be set forth in the notice of charges given to the appointee. The notice shall be mailed by certified mail to the appointee at his last known address at least ten (10) days prior to a hearing thereon. The appointee shall have the opportunity to be heard in person or by counsel at the hearing.

(2) Any officer, servant or agent or member of any board, agency or commission appointed or elected by the Board of Mayor and Aldermen



may be removed, for cause, from office upon a vote of a majority of the members of the board, but only after preferment of formal charges against him. Upon motion of the board, properly approved, written charges shall be furnished to the appointee at least ten (10) days prior to a hearing thereon. The date of the hearing shall be set forth in a written notice of charges to be given to the appointee. The notice shall be mailed by certified mail to the appointee at his last known address, at least ten (10) days prior to a hearing thereon. The appointee shall have an opportunity to be heard in person or by counsel at the hearing. After the hearing, the appointee may be removed upon the affirmative vote of the majority of the members of the Board of Mayor and Aldermen. [As amended by Priv. Acts 1976, ch. 248, § 1; Priv. Acts 1979, ch. 135, § 1; and Priv. Acts 1983, ch. 39, § 1]

### **Sec. 9.**

(a) The corporation aforesaid shall have full power and authority to pass all ordinances necessary to health, convenience, safety and general welfare of the inhabitants within the meaning of this act as fully as if specifically authorized as if the powers were expressly conferred; to have and exercise all powers which now are or hereafter would be competent for this charter to specifically enumerate, as fully and completely as though said powers were specifically enumerated herein and no enumeration of particular powers by this charter shall be held to be exclusive; to construct, purchase, acquire, by condemnation or otherwise, lease, own, operate and maintain an electric power plant and distribution system, telecommunications system, water pumping plant and distribution system, sewage disposal system, and/or any other utilities, or any estate or interest therein or part thereof or the use of any such utility, and to furnish the product or service of any said utilities for its own uses and purposes and to the general public within or without the city; to fix and regulate the charges of such products and services; and the right to sell, lease, mortgage, pledge or otherwise dispose of any said utilities or any part thereof; the right to purchase electric power, telecommunications, gas, water or other products for distribution, for the use of the city and for sale to the general public, and to make all contracts and to do all things in regard to any of such things that may appear advisable for the city; the right to provide "telecommunications service" to any person, firm, corporation or any other user or consumer of telecommunications service as defined hereinbelow; to expend funds of other utility systems for the construction, acquisition, operation, maintenance and improvement of telecommunications facilities provided such is permitted by the general law of the State of Tennessee; to enact and pass such laws and ordinances as are necessary to preserve the

health of the inhabitants of said city, prevent and remove nuisances; to establish night watch and patrol; to ascertain when necessary the boundaries and location of streets, lots and alleys; to restrain and prohibit gaming; to provide for licensing and regulating theatrical and other public exhibitions of shows and sleight-of-hand performances in the limit of said city; to regulate and restrain disorderly assemblies, riots, drunkenness, profane swearing or obscene language or behavior; to levy and collect taxes upon all such property and privileges as are taxable by the laws of this State; to appoint and organize fire companies, and to enact such laws and ordinances as may be necessary to guard against fire; to impose and appropriate fines and forfeitures for any breach of their by-laws and ordinances; to provide for grading, graveling and paving streets, alleys and sidewalks, the removal of obstructions and suppression of all disorderly conduct whereby the citizens of said city shall be disturbed or their safety in danger; to impose proper punishment for the cruelty to animals, to elect a recorder, and to pass all such laws and ordinances necessary to carry the intent and meaning of this act into effect, provided they are not incompatible with the laws of this State.

The Mayor and Aldermen of the City of Tullahoma be, and they are hereby, authorized and empowered to grant to persons, firms, and corporations the right to use and occupy such highways or parts of highways in said town, for such time, upon such terms and conditions, and for such purposes as may seem to the said Mayor and Aldermen proper; provided, the said use and occupancy so granted does not interfere with the public use of the said highways or become a nuisance.

And the said corporation is hereby authorized and empowered to contract with railroad corporations by ordinance for the elevation or depression of railroad tracks crossing streets and alleys, and for the construction of subways and viaducts under or over such tracks, and in making such contracts to open, close and abolish such streets and alleys as may be necessary and said corporation is further authorized and empowered to grant to railroad corporations the privilege of construction railroad tracks across streets for the purpose of providing spur tracks to manufacturing or other industrial enterprises.

The term "telecommunications" or "telecommunications service" means the offering of telecommunications for a fee directly to the public, or to such class of users as to be effectively available directly to the public regardless of the facilities used, including, but not limited to, voice, data, and video transmissions; load control; meter reading; appliance monitoring; power exchange, billing or any other telecommunications service(s) that may be provided, as allowed by law, including servicing and repairing related equipment.

(b) The City is authorized to transfer to the Tullahoma Utilities Authority (the "Authority") created by the Private Acts of the State of

Tennessee (the "Tulahoma Utilities Authority Act"), all its right, title, and interest in and to all the assets in the City's water, wastewater, electric, and telecommunications systems currently under the jurisdiction and control and being operated and maintained for the City by the Tulahoma Utilities Board, including all real and personal property, tangible or intangible, and any right or interest in any such property, whether or not subject to mortgages, liens, charges, or other encumbrances, and all appurtenances, contracts, leases, franchises, and other intangibles. The transfer shall be authorized by resolution of the Board of Mayor and Aldermen adopted on one (1) reading and shall be accomplished through documents and instruments authorized by said resolution and executed by such officers of the City as shall be designated by said resolution. A transfer to the Authority in accordance with the terms hereof shall not be deemed a disposition of assets for purposes of Tennessee Code Annotated, § 7-52-132.

(c) Notwithstanding Section 2B of the city charter, the City is hereby authorized, by resolution of the Board of Mayor and Aldermen to grant a franchise to the Authority to provide within the corporate limits of the city any and all of the services that it is authorized to provide under applicable law upon such terms and conditions as shall be prescribed by the Board of Mayor and Aldermen.

(d) Upon the Tulahoma Utilities Authority Act becoming effective and upon adoption of the resolution of the Board of Mayor and Aldermen referred to in the Tulahoma Utilities Authority Act, the jurisdiction and control of the systems of the city shall be transferred to the Authority. If such transfer has not occurred and the city bonds as defined in the Tulahoma Utilities Authority Act have not been defeased or retired by the Authority or the obligation for payment therefor assigned to the Authority by July 31, 2018, then all provisions of this charter, existing prior to this amendment thereto set forth herein, relating to the provisions of electric, telecommunications, water, and wastewater services by the Tulahoma Utilities Board shall remain in full force and effect and the provisions of this charter relating to the Tulahoma Utilities Authority shall no longer be effective. [As amended by Priv. Acts 1905, ch. 256, § 1; Priv. Acts 1905, ch. 395, § 3; Priv. Acts 1917, ch. 468, § 1; and Priv. Acts 1951, ch. 513, § 1(3); and replaced by Priv. Acts 1997, ch. 93; and amended by Priv. Acts 2016, ch. 54, § 33]

**Sec. 10. Be it further enacted,** That the Mayor and Aldermen shall have power within the corporation:

(1) Taxes. To levy, assess and collect taxes upon property taxable by law for State purposes, and that said assessment may be made by corporation Assessors, or by the adoption of assessments made by State and County Assessors, or modifications of the same, provided the valuation shall not exceed

that made under State law, and the collection shall be made by corporation collectors, as may be provided by ordinance of said corporation.

(a) When taxes upon real estate and personal property or poll taxes become delinquent in the office of the Recorder of the City of Tullahoma, the same shall bear six per cent interest per annum, and in addition a penalty of one-half of one per cent month until paid.

(b) All taxes due said municipality shall become delinquent on March 1 of each year hereafter and ten days before said taxes become delinquent the Recorder of the City of Tullahoma shall cause to be published in a newspaper published in Coffee County, once a week for two consecutive weeks a warning to taxpayers as follows: "Warning to Taxpayers. After \_\_\_\_\_, unpaid taxes bear interest and in addition a penalty of one-half of one per cent a month. Taxes may be paid at my office until \_\_\_\_\_ when lists will be delivered to officers for collection at the cost of the taxpayer. \_\_\_\_\_, Recorder of Tullahoma."

(c) All taxes delinquent for thirty days shall immediately be collected by the City Recorder by distress and sale of any personal property liable therefor; and the tax books in the hands of said Recorder and the delinquent lists to be furnished by him as hereinafter provided, to the city marshal or policeman, or to any deputy sheriff or Sheriff or constable, shall have the force and effect of a judgment and execution from a court of record in this State, and shall be full, complete and ample authority, for the officer having such taxes for collection to distrain and sell a sufficient amount of personal property of any delinquent to satisfy his or her taxes, interest, penalties and costs.

(d) The officer to whom delinquent lists are delivered as provided in the foregoing Section may proceed against the delinquent taxpayers by garnishment proceedings returnable before any Justice of the Peace in the district where the delinquent resides, which garnishment shall run in the name of the municipality. The officer making said collection shall receive as compensation therefor a commission of seven per cent on the dollar and twenty-five cents on each receipt by him issued, to be paid by the delinquent taxpayer as a part of the costs of collection. In case of a levy or garnishment proceeding the officer shall receive in addition to the above mentioned compensation, the fees allowed by law in such cases, the same to be taxed as a part of the costs of collection and to be paid by the delinquent. The municipality shall not be liable for costs where no collections are made by the officer. The Recorder shall receive no compensation for making out the delinquent tax list for the officer as provided in this Act. The city constable, policeman, Sheriff or constable having the delinquent list for collection shall make settlements with the Recorder whenever required by him, and shall on or before the first day of January file a receipt of his delinquent tax list, make final settlement with the Recorder, return the list and report what

disposition was made on each item of taxes, and set out the reasons for not collecting the items remaining unpaid, and shall sign said return in his official capacity.

(e) Immediately after the first of January of each year and before the first of February, the Recorder of said city shall cause to be published once a week for two consecutive weeks in the month of January a notice as follows: "To Delinquent Taxpayers: You are advised that after February 1, additional penalties and costs will be imposed in consequence of suits to be filed for enforcement of the lien for taxes against land; until the filing of such suits, taxes may be paid at my office. \_\_\_\_\_, Recorder of Tullahoma." The cost of advertisement to be paid by the municipality.

After the publication of the aforesaid notice and between the date of February 1 and March 1, the Recorder of said municipality shall deliver the delinquent tax list of all unpaid taxes to the city attorney or to the city tax attorney of the City of Tullahoma, and it shall be the duty of said attorney to at once proceed and file suits in the chancery court of Coffee County for the collection of all said delinquent land taxes.

(f) Upon the filing of suits as aforesaid to enforce the tax lien, an additional penalty of ten per cent upon all delinquent land taxes, shall accrue and the same shall be imposed upon the amount due from any delinquent to the municipality, which penalty shall be devoted to the enforcement of the procedure of said suits and shall be allowed to the attorney filing the suits as compensation for his services. The Sheriff or officer serving the subpoena in Chancery shall receive as costs to be taxed against each delinquent Fifty Cents for serving all original process and the statutory fees for all other services by him performed. The Clerks of the Courts shall receive for their services the statutory fees allowed the Clerks under the law.

(g) The city attorney or the city tax attorney shall after February 1 and not later than March 1 file suits in the Chancery Court of Coffee County for the collection of delinquent land taxes due said municipality, together with the interest, penalties and costs attached thereto, and such taxes, interest and penalties and costs are declared a lien upon the lands against which said taxes were assessed, and for the enforcement of this lien said suits shall be brought in the name of the municipality, and the bill shall be in substance and form as the other bills for the enforcement of liens, and shall include not more than twenty-five defendants in one bill, and the fact that the bill contains names of more than one defendant shall not be considered by the court multifarious, or a misjoinder of parties. Such suits shall be prosecuted according to the rules of procedure of Chancery Court and all lands imposed with the lien for taxes, interest, penalties and costs, shall be subject to a sale under such proceedings, when the amount due is decreed, and the Court shall

order a sale of such land so as to provide that such land shall be sold for cash subject to the equity of redemption. At all sales the municipality, or some officer acting for it, may bid the debt decreed to be due for taxes, interest, penalties and costs, incident to the collection thereof, where no other party offers the same or a larger bid. The proceeds from such sale shall be applied: First, to the payment of the ten per cent penalty allowed for compensation for preparing suits. Second, to the costs. Third, the remainder to be paid to the municipality, provided, however, that in the event the municipality shall become the purchaser of said property the cost and ten per cent attorneys' fees shall not become a charge against the municipality until said items have been collected by the municipality or the property redeemed by the owner.

(h) The equity of redemption provided in this Act shall be the usual two years right of redemption from the date of sale, and that after said two years shall have expired, the purchaser of any property sold under the provisions of this Act, if the same shall not be redeemed within two years, shall be vested with a good and indefeasible title in fee simple to said property.

(i) Pro confesso may be taken and entered of record against any one defendant included in a bill and the cause proceeded with against any one or more defendants, to a final judgment, for a sale of the property without affecting the right of the other parties to the suit.

(j) Any defendant after filing of suit may have the sale dismissed as to his property by paying into the Clerk and Master the amount of taxes due from him, together with interest, penalties and such court costs as may have accrued against him in consequence of the filing of such suits.

(k) In the event of sale under the decree of the court the property shall be advertised in one sale notice, which notice shall set out the names of the owners of the different parcels of land and description of the property, and the amount of the judgment against each defendant, and said advertisement may be by publication in a newspaper or by printed hand bills as the court may decree.

(2A) Appropriations and borrowing. To appropriate money and provide for the payment of the debts and expenses of the city; and

For said purposes that the mayor and aldermen shall have the power to borrow money from banks or such persons or institutions loaning money, in the sum of not exceeding one million two hundred and fifty thousand dollars (\$1,250,000.00), total indebtedness of the city at one (1) time, and the mayor and recorder of said city are authorized to execute notes of the corporation for said loans, not to exceed one million two hundred fifty thousand dollars (\$1,250,000), total indebtedness of the city at any one (1) time.

(3) To make regulations to prevent the introduction of contagious diseases in the city; to make quarantine laws for that purpose and to enforce the same within three miles of the corporate limits of the city.

(4) To erect a markethouse, establish a market and regulate the same.

(5) To provide for the erection of all buildings necessary for the use of the city, including city hall, jail and calaboose; they may own and control the waterworks system, electric light plant, gas plant and all buildings for their construction and use; also public school buildings and equipments.

(6) To license, tax and regulate all occupations, businesses and privileges now or hereafter taxed under the general laws of the State, such taxes not to exceed those levied by the State.

(7) To provide for and regulate the inspection of beef, pork, flour, meal, oils in barrels and other vessels; also lard, butter and other provisions; to regulate the vending of meats, poultry, fish and vegetables; restrain and punish the forestalling of provisions, and to regulate hucksters.

(8) To appoint and to regulate the police of the city; to impose fines, forfeitures and penalties for the breach of any ordinance, and to provide for their recovery and appropriation, and such recovery may be had before the Mayor or before the city judge, and jurisdiction in either of said officers to issue warrants, under judgments issue executions, and such other process as may be necessary for the enforcement of fines, forfeitures and penalties for the violations of the ordinances of the corporation, and any person against whom a judgment has been rendered by the city judge for violation of any ordinance of the city may within two days thereafter appeal to the Circuit Court of Coffee County, upon giving bond and security in the sum of two hundred and fifty dollars for his appearance at the next term of the said court to be held thereafter, conditioned according to the terms of appearance bonds required by law in criminal cases.

(9) To provide for the arrest and confinement until trial of all persons charged with the violation of any corporate ordinance within the corporation by day or by night; to authorize the arrest of all suspects and all persons found violating any ordinance of the city.

(10) To prevent and punish by pecuniary penalties, all breaches of the peace, noise, disturbances or disorderly assemblies or conduct in any street, house or place in the city by day or by night.

(11) To prevent and remove all encroachments into and upon all streets, lanes, alleys and avenues established by law or ordinance.

(12) To remove all obstructions from the sidewalk, and to provide for the construction and repair of all sidewalks and curbstones and for cleaning the same.

(13) To prohibit by ordinance the sale of by retail for beverage purposes or the giving away for beverage purposes of intoxicating liquors, including ale, wine and beer within the limits of the corporation and to provide by ordinance suitable penalties for the violation of such ordinances, and to prevent the sale

or giving such liquors to minors within the limits of the corporation, and to provide suitable penalties for violation of same.

(14) To appropriate money for the construction of sidewalks, to levy assessments for the payment for such improvements against the property along and in front of which such sidewalks shall have been constructed.

(15) To pay all of the expenses incident to and growing out of the issuance, sale and collection of any bonds and the expenses for a civil engineer, out of the funds derived from the sale of such bonds.

(16) To advertise and let contracts for the expenditure of any sidewalk or street improvement to the lowest, competent and responsible bidder, with the right to reject any or all bids for such improvements, or to construct sidewalks or street paving or improvements under the supervision of the Board of Mayor and Aldermen as it may elect.

(17) Purchasing authority of the mayor. The Board of Mayor and Aldermen shall cause to be maintained proper purchasing regulations regulating city purchases. Said regulations shall be approved by the Board of Mayor and Aldermen. The purchasing authority of the Mayor shall be limited to any authority that may be provided in said regulation. [As amended by Priv. Acts 1905, ch. 395, § 3; Priv. Acts 1919, ch. 200, § 1; Priv. Acts 1931, ch. 105; Priv. Acts 1931, ch. 460, §§ 1-11; Priv. Acts 1931, ch. 700, § 1; Priv. Acts 1931, ch. 707; Priv. Acts 1951, ch. 252; Priv. Acts 1951, ch. 513, § 1(3); Priv. Acts 1963, ch. 40; Priv. Acts 1974, ch. 311; Priv. Acts 1977, ch. 71; Priv. Acts 1979, ch. 59, § 1; Priv. Acts 1983, ch. 16; Priv. Acts 1991, ch. 124; and Priv. Acts 1997, ch. 76]

**Sec. 11. Be it further enacted,** That the Mayor and Aldermen shall have power to erect, organize and maintain a workhouse within said corporation; and any person who shall fail or neglect to pay any fine or cost imposed upon him by any ordinance of the city, shall be committed to the workhouse until such fine and cost be fully paid, but said Mayor and Aldermen shall have and are hereby vested with the power if they so desire or deem it for the best interest of the municipality to contract with the Sheriff or Workhouse Commissioners or other proper authorities of Coffee County for the keeping of corporation prisoners and for working them on the public road for the county or otherwise as may be determined and agreed. Every person committed to the workhouse or other place of confinement as provided by this Act shall be required to work for the city or for its benefit at such labor as his or her health or strength will permit within or without said workhouse or place of confinement, not exceeding ten (10) hours a day and for such work and labor the person employed shall be allowed exclusive of his or her board a credit of forty cents (\$0.40) a day upon such fine and costs until the whole is discharged, when he or she shall be released; provided, that when the corporation prisoners desire to work out their fine and cost and board themselves, and give bond with solvent security for their appearance from day to day to work out their said fine and cost, they shall be allowed to do so, and shall be allowed a credit on their said



fine and cost of seventy-five cents (\$0.75) a day when they so board themselves; provided further, upon failure to work out said fine and cost said corporation may enforce the collection of said bond or rearrest said prisoners and confine him and work him as if no bond had been made. [As amended by Priv. Acts 1951, ch. 513, § 1(3)]

**Sec. 12. Be it further enacted,** That said Mayor and Aldermen are hereby empowered to fix by ordinance the time when taxes for municipal purposes shall be levied and assessed when same shall be due and payable, the manner in which same shall be assessed and collected and provide for interest and penalties on the same for nonpayment when due, not exceeding the provisions of State laws.

**Sec. 13. Be it further enacted,** That it shall be the duty of Mayor and Aldermen to order and direct an election to be opened and held at the several voting precincts in said corporation, ten days' notice in writing having been given of the same on the first Thursday in February in each and every year as herein provided for the election of Mayor and Aldermen, who shall be resident citizens of said corporation over the age of twenty-one years, and when so elected, and at the time fixed by this Act for organizing, will take and subscribe to an oath in writing before some Justice of the Peace of said Coffee County that they will truly, faithfully and impartially, without prejudice or favor, discharge all duties devolving upon them by law as Mayor and Aldermen of the City of Tullahoma, to the best of their skill and ability. All officers elected or appointed by said board shall also take and subscribe to an oath that they will faithfully discharge all the duties Encumbent upon them by law, and enter into bond with sufficient security to be approved by the Mayor of said board in such sum as the board may direct for the faithful discharge of all their duties enjoined upon them by law.<sup>1</sup> [As amended by Priv. Acts 1951, ch. 513, § 1(3)]

**Sec. 14. Be it further enacted,** That a court is hereby established, to be known as the City Court, which shall be presided over by the Recorder [now city judge], who shall issue warrants in the name of the City of Tullahoma for the arrest of all offenders for offenses created by this Act or any lawful ordinance of said city, and he shall try the same and impose fine and penalty and enforce the collection and payment of the same or committal to the workhouse all as provided in this chapter. The Recorder [now city judge] be and is hereby invested with concurrent jurisdiction with Justices of the Peace in all cases of the violation of the criminal laws of the State, and also with full power and authority to try and punish all persons guilty of violations of the ordinances of the Mayor and Aldermen of said city; provided, said violation takes place

---

<sup>1</sup>Mayor is now elected every two years, see § 4.

within the corporate limits of said City of Tullahoma. [As amended by Priv. Acts 1951, ch. 513, § 1(3)]

**Sec. 15. Office of recorder created; election; duties; compensation; powers.** The office of recorder for the city is hereby created. The recorder shall be elected by the Board of Mayor and Aldermen of the city and shall hold office at the will and pleasure of the Board, provided, however, (s)he shall be considered a permanent employee and shall be suspended or dismissed only for cause. His duties shall be such as may be defined by ordinance; he shall give bond as may be prescribed; his salary shall be fixed by the Board. Among the duties of the recorder shall be to keep the minutes of all meetings of the governing body, to be the custodian of all official minutes, records, and ordinances of the governing body, and to perform all administrative duties for the governing body of the municipality not assigned by the Charter or Ordinances of the governing body to other corporate officers.<sup>1</sup> [As replaced by Acts 1905, ch. 395, § 1; amended by Acts 1907, ch. 405, § 1; replaced by Priv. Acts 1919, ch. 200, § 2; Priv. Acts 1974, ch. 171, § 1; and Priv. Acts 1974, ch. 311, § 1]

**Sec. 16. Office of city constable and/or chief of police—created; election and term of office; compensation; bond; duties.** There is created the office of city constable and/or chief of police; he shall be elected by the Board of Mayor and Aldermen and shall hold office at the will and pleasure of the Board. He shall be considered a permanent employee and shall be suspended or dismissed only for cause. His salary and fees shall be fixed by the Board. He shall give such bond as may be prescribed and his duties shall be such as may be fixed by the Board. [As replaced by Acts 1905, ch. 395, § 2; Priv. Acts 1919, ch. 200, § 3; Priv. Acts 1974, ch. 172, § 1]

**Sec. 16A. Office of city judge created; creation of city court and city judge; duties; powers.** (a) City judge. The officer designated by the charter to handle judicial matters within the municipality shall preside over the city court and be known as the City Judge. In addition to the powers and duties hereinafter enumerated, the City Judge shall be vested with concurrent jurisdiction, rights, authority, duties and powers with the judges of the general sessions courts of Coffee and Franklin counties in all cases of violation of criminal laws committed within the corporate limits of the City of Tullahoma. He shall have the power to bind over to the grand jury for indictment all persons who are accused of committing felonies in such municipality.

---

<sup>1</sup>Amendatory Acts apparently erroneously designated this section as 14, except Priv. Acts 1974, ch. 171, which designated it as 15.

(b) Maintenance of docket. The city judge shall keep a complete docket of all matters coming before him in his judicial capacity. The docket shall include for each defendant such information as his name, warrant and/or summons numbers, alleged offense, disposition, fines, penalties, and costs imposed and whether collected, whether committed to workhouse, and all other information which may be relevant.

(c) Issuance of arrest warrants. The city judge shall have the power to issue warrants for the arrest of persons charged with violating municipal ordinances, and shall have the power to issue search warrants.

(d) Issuance of summonses. When a complaint of an alleged ordinance violation is made to the city judge, the judge may in his discretion, in lieu of issuing an arrest warrant, issue a summons ordering the alleged offender to personally appear before the city court at a time specified therein to answer to the charges against him. The summons shall contain a brief description of the offense charged but need not set out verbatim the provisions of the ordinance alleged to have been violated. Upon failure of any person to appear before the city court as commanded in a summons lawfully served on him, the cause may be proceeded with ex parte, and the judgement of the court shall be valid and binding subject to the defendant's right of appeal.

(e) Issuance of subpoenas. The city judge may subpoena as witnesses all persons whose testimony he believes will be relevant and material to matters coming before his court, and it shall be unlawful for any person lawfully served with such a subpoena to fail or neglect to comply therewith.

(f) Trial and disposition of cases. Every person charged with violating a municipal ordinance shall be entitled to an immediate trial and disposition of his case, provided the city court is in session or the city judge is reasonably available. However, the provisions of this section shall not apply when the alleged offender, by reason of drunkenness or other incapacity, is not in proper condition or is not able to appear before the court.

(g) Appearance bonds authorized. When the city judge is not available or when an alleged offender requests and has reasonable grounds for a delay in the trial of his case, he may, in lieu of remaining in jail pending disposition of his case, be allowed to post an appearance bond with the city judge, or, in the absence of the judge, with the ranking police officer on duty at the time, provided such alleged offender is not drunk or otherwise in need of protective custody.

(h) Imposition of fines, penalties, and costs. All fines, penalties, and costs shall be imposed and recorded by the city judge on the city court docket in open court. In all cases heard or determined by him, the city judge shall tax in the bill of costs the same amounts and for the same items allowed in courts of justices of the peace for similar work in state cases.

(i) Appeals. Any defendant who is dissatisfied with any judgment of the city court against him may, within ten (10) days next after such judgment

is rendered, appeal to the next term of the circuit court upon posting a proper appeal bond.

(j) Bail. All provisions set forth in Title 40, Tennessee Code Annotated, Chapter 11, currently in force, and as amended from time to time, shall apply to the City Court of the City of Tullahoma, Tennessee.

(k) Disposition and report of fines, penalties and costs. All funds coming into the hands of the city judge in the form of fines, penalties, costs, and forfeitures shall be recorded by him and paid over daily to the municipality. At the end of each month he shall submit to the governing body a report accounting for the collection or noncollection of all fines, penalties, and costs imposed by his court during the current month and to date for the current fiscal year.

(l) Disturbance of proceedings. It shall be unlawful for any person to create any disturbance of any trial before the city court by making loud or unusual noises, by using indecorous, profane, or blasphemous language, or by any distracting conduct whatsoever.

(m) Issuance of arrest warrants, summons and subpoenas. In addition to the powers vested in the city judge of the city of Tullahoma, regarding issuance of arrest warrants, summons and subpoenas, the Board of Mayor and Aldermen may, from time to time, vest said powers in an officer or officers to be selected as is hereinafter set out who shall be known as the municipal judicial officer, and deputy municipal judicial officers, who shall be empowered to issue warrants, summons and subpoenas. Said judicial officers shall be selected in the following manner: the Board of Mayor and Aldermen shall, upon the enactment hereof and at such time thereafter as vacancies should occur, select by the nomination and election process, a judicial officer, or a deputy judicial officer, as the case may be, to serve until such time as he is replaced. Said deputy municipal judicial officer shall serve in the absence of said judicial officer. The term of office of said judicial officer and any deputy judicial officer(s) shall be established by the Board of Mayor and Aldermen from time to time by ordinance, which ordinance shall also prescribe the methods and causes of removal from office; compensation; selection criteria; additional powers and duties; qualifications; and such other matters relating to said officer as the Board of Mayor and Aldermen shall deem to be wise, from time to time, not inconsistent with the provisions of this Act.

(n) Litigation tax. A litigation tax is authorized of not more than twelve dollars and fifty cents (\$12.50), the amount of said tax to be established by the Board of Mayor and Aldermen from time to time, by resolution, said tax to be assessed as part of the costs in all criminal actions filed in the City (Municipal) Court of the City of Tullahoma, Tennessee. The Clerk of such Court shall collect the litigation tax and transmit it to the general fund of the City of Tullahoma, Tennessee. The revenue from such tax shall be appropriated for the construction, improvements, renovation, or maintenance of jail facilities in the City of Tullahoma, Tennessee, as well as for any and all administrative expenses of any nature whatsoever relative to maintenance of the City (Municipal) Court

of the City of Tullahoma, Tennessee.<sup>1</sup> [As added by Priv. Acts 1974, ch. 311, § 2; amended by Priv. Acts 1981, ch. 70, § 1; Priv. Acts 1983, ch. 48, § 1; Priv. Acts 1983, ch. 81, § 1; Priv. Acts 1983, ch. 86, § 1; and Priv. Acts 1986, ch 115]

**Sec. 16B. Election, compensation, and qualifications of city judge.**

The City Judge<sup>2</sup> of the City of Tullahoma, Tennessee, shall be elected in the year 1974 at such time as members of the Board of Mayor and Aldermen are elected at the annual municipal election. Beginning in the year 1984, said City Judge shall be elected for a term of three (3) years and thereafter there shall be an election for said office every three (3) years. His term of office shall be for three (3) years. His compensation shall be as is established by the Board of Mayor and Aldermen by ordinance. He shall be elected by the public at large qualified to vote in municipal elections. He shall have duties and powers as are prescribed by the Code of the City of Tullahoma, Tennessee, and by any ordinances enacted pursuant thereto. He shall be a practicing attorney in good standing, admitted to practice before the courts of the State of Tennessee, and shall be a resident of the City of Tullahoma, Tennessee; provided, however, that for the year 1974, prior to the annual municipal election, the office of the city judge may be filled by an election of the Board of Mayor and Aldermen of the City of Tullahoma, Tennessee, such term to be until the annual Board of Mayor and Aldermen election (municipal election) for the year 1974. Such appointee shall be a lawyer admitted to practice in the State of Tennessee in good standing and shall be a resident of the City of Tullahoma, Tennessee.

In the event that the city judge of the City of Tullahoma should die during office or should resign during office, then a successor shall be selected by the Board of Mayor and Aldermen of the City of Tullahoma to fill out the unexpired term, by nomination and election, that nominee polling the largest number of votes by the Board of Mayor and Aldermen of the City of Tullahoma to be elected to fill said unexpired term. Said nominees shall have the same qualifications as required for the city judge by this section. In the event that, for any reason whatsoever, the elected city judge may be absent from the city or unable to act as such on a temporary basis for any other reason then he shall be empowered to designate a judge pro tempore for a specific period of time by order entered in the docket book of the court. The city judge may designate the city recorder of the City of Tullahoma as Clerk of the Municipal Court to take and account for the money received by the city court, maintain the docket, and any and all other records and clerical work to be preformed in conjunction with the Office of the

---

<sup>1</sup>Both Priv. Acts 1983, ch. 48, § 1, and Priv. Acts 1983, ch. 81, § 1, added provisions designated as § 16A(m). Such provisions have been set forth herein as § 16A(m) and (n) in accordance with the chronological sequence of adoption.

<sup>2</sup>See Ord. #1076 of record in the office of the recorder setting a term of eight years for the city judge beginning with the judge elected in August 1993.

City Judge by issuing an order to that effect and entering same in the docket book of the court. [As added by Priv. Acts 1974, ch. 311, § 2; amended by Priv. Acts 1978, ch. 233, § 1; and Priv. Acts 1983, ch. 17, § 1]

**Sec. 17. Be it further enacted,** That all (past) due and uncollected taxes levied and assessed by the Board of Mayor and Aldermen of the late corporation of Tullahoma or their legally authorized agents and officers, all fines, penalties and other assets of said former corporation are hereby declared to be the property of the municipality hereby created and shall be collected by the Board of Mayor and Aldermen of the municipality hereby created by the officers and agents and applied to the use and benefit of said municipalities under the ordinances and order of said board.

**Sec. 18. Be it further enacted,** That the said Board of Mayor and Aldermen may cause an assessment of the property and polls within said municipality to be made as of January the 10th, 1903, and may levy such tax thereon as they may deem necessary for the purpose of sustaining the interest of said municipality; provided, such taxes have not been assessed by the former municipality.

**Sec. 19. Be it further enacted,** That all and singular of the debts and liabilities of the former corporation of Tullahoma, whether evidenced by bonds, warrants or otherwise, are hereby declared to be valid and subsisting debts of the corporation of Tullahoma created by this Act, and shall be provided for and paid according to the provisions of the laws and ordinances provided for the creation of such debts, and the Board of Mayor and Aldermen herein provided for and their successors in office shall have full power and authority to carry out the provisions of this section.

**Sec. 20. Be it further enacted,** That all ordinances and resolutions of the former corporation of Tullahoma which were in force at the date of the abolishing of the charter of said former corporation are hereby declared to be in full force and effect as the ordinances and resolutions of the corporation created by this Act, until such time as the same shall be repealed, altered or amended by the Board of Mayor and Aldermen created by this Act.

**Sec. 21. Be it further enacted,** That the officers and agents of the former corporation of Tullahoma are hereby declared to be the officers and agents of the corporation created by this Act until the election and qualification of the Mayor and Aldermen provided in this charter.

**Sec. 22. Be it further enacted,** That all the property, both real, personal and mixed, belonging to the late corporation of Tullahoma is hereby declared to be the property of the corporation created by this Act.

**Sec. 23. Be it further enacted,** That the last and present digest or codification of the ordinances and resolutions of a public nature of said municipality and published by the authority of the City Council are hereby declared to be the laws and ordinances of said city upon the matters touched upon therein, excepting such as have been repealed, altered or amended since the publication thereof, and such published laws shall be received and read in evidence in all the courts of the State. [As amended by Priv. Acts 1951, ch. 513, § 1(3)]

**Sec. 24. Be it further enacted,** That this Act is not intended as an amendment of former charters creating and regulating the municipality of Tullahoma, but the said Act is intended and shall be construed as a new charter of incorporation so as to permit the territory and the inhabitants thereof within the boundaries aforesaid the right to obtain all the benefits of the law passed by the present General Assembly known as the Adams law.

**Sec. 25. Be it further enacted,** That nothing in this Act can be construed to repeal any other Acts of the General Assembly of the State of Tennessee in force at the time of the repeal of the former charter of incorporation of Tullahoma which related to the waterworks, electric light plants or systems public schools and sidewalks of said former corporation, but the same with all their provisions are hereby declared to be in full force and effect and shall apply to the corporation of Tullahoma created by this Act.

**Sec. 26. Be it further enacted,** That this Act takes effect from and after 12 o'clock p.m., July 1, 1903, the public welfare requiring it.

**Sec. 27. Be it further enacted,** That the Board of Mayor and Aldermen of the city shall have the power by ordinance to levy and collect for the year 1925 a special tax upon all real and personal property within the limits of the city for the maintenance and upkeep of the city cemetery in the northwest part of the city and the city cemetery in the southern part of the city, said special tax for the year 1925 not to exceed thirty cents on the hundred dollars of the assessed valuation of property, and to provide that said Board of Mayor and Aldermen of the city shall have the power by ordinance to levy and collect for each year after the year 1925 a special tax upon all real and personal property within the limits of the city for the general maintenance and upkeep of said two cemeteries, said tax for all of said years after 1925 not to exceed in any one year more than ten cents on the hundred dollars of the assessed valuation of said property within

the limits of the city.<sup>1</sup> [Priv. Acts 1925, ch. 505, as amended by Priv. Acts 1951, ch. 513, § 1(3)]

**Sec. 28. Be it further enacted,** That (a) For the purpose of providing additional revenue for the City of Tullahoma, there is hereby levied a privilege tax of ten (10%) per cent on the amount paid for beer sold at retail in said city. This privilege tax shall apply to sales made by wholesale dealers in case lots to be consumed by the purchaser and all sales of beer except sales made by wholesalers to retailers of beer for resale.

(b) The term "beer" as used in this Act shall include beer and all other beverages of like alcoholic content as defined by the provisions of Chapter No. 69, Public Acts of Tennessee for the year 1933, as amended by Chapter No. 170, Public Acts of Tennessee for the year 1935.

The term "person" as used in this Act shall include individuals, partnerships, corporations and associations.

(c) Every person selling beer at retail shall collect from the purchaser thereof the tax imposed by this Act and hold same in a separate fund until paid to the City. Every such person shall, on or before the tenth (10th) day of each month after the effective date of this Act, make a return in duplicate to the City Recorder showing the amount of tax collected during the preceding calendar month, together with such other facts and information as the City Recorder may reasonably require for the verification of the tax due. Said return shall be made on a form provided by the City.

Every person making a return shall, at the time of making same, pay the amount of tax shown thereby to the City Recorder. If the tax imposed by this Act is not paid when due there shall be added as a part of the tax interest and penalty of two (2%) per cent per month from the time the tax becomes due until paid.

For the purpose of enforcing the payment of the tax due hereunder, the City Recorder is hereby given, and may avail himself of the process of distraint provided in the case of other tax delinquents.

(d) Any person who shall neglect, fail or refuse to collect the tax herein levied upon all retail sales of beer made by him, his agents or employees shall be liable for the full amount of the tax which should have been collected, and shall pay the tax himself.

The City Recorder is authorized, if not satisfied with the correctness of any return or payment hereunder, to make an investigation of the books and records of any person charged with the collection of the tax hereunder, and, upon discovery of any discrepancy in the return or payment, is authorized to make a deficiency assessment against such person.

---

<sup>1</sup>Priv. Acts 1925, ch. 505 did not specifically amend the charter; hence, the addition thereof as § 27 was at the editor's discretion.



Any person charged with the collection of the tax hereby levied shall make all his books and records available to the City Recorder, or his agents, at all reasonable times, and shall keep all invoices and records of sales and purchases of beer for a period of not less than two (2) years, unless sooner authorized to destroy them by the city recorder.

(e) Said city may, by ordinance, make rules and regulations and impose penalties for violation of the provisions of this Act and for the enforcement of the provisions hereof and for the collection of the tax herein levied.<sup>1</sup> [Priv. Acts 1951, ch. 259, §§ 2-6, as amended by Priv. acts 1951, ch. 513, § 1(3)]

**Sec. 29.** The Board of Mayor and Aldermen of the City of Tullahoma, Tennessee, is hereby empowered to levy by ordinance a privilege tax upon the privilege of occupancy in any "hotel", as that term is defined in Tennessee Code Annotated, section 67-4-1401(2), of each transient in an amount not to exceed five percent (5%) of the consideration charged by the operator of such hotel. The privilege tax shall be levied and administered in the same manner as that provided in Tennessee Code Annotated, Title 67, Chapter 4, Part 14, subject to the limitations imposed in Section 67-4-1425.<sup>2</sup> [As added by Priv. Acts 1992, ch. 161, § 1]

**Sec. 30. Be it further enacted,** That (a) Definitions. In the interpretation of this Act, the following definitions of terms shall apply:

(1) Electric system. The electric system of the City of Tullahoma, Tennessee, including all tangible and intangible property and resources of every kind and description used or held for use in the purchase, transmission, distribution and sale, but not the generation, of electric energy.

(2) Net plant value. The depreciated original cost of the tangible property, as shown on the books of the Electric System, including materials and supplies, used and held for use in the transmission and distribution of electric energy.

(3) Tax equivalent. The amount transferred to the general fund of, or otherwise provided to, the City of Tullahoma from the revenues of its Electric System as payments in lieu of taxes or other charges on the Electric System.

---

<sup>1</sup>Priv. Acts 1951, ch. 259, § 1 expressly amended the charter generally; hence, the addition thereof as § 28 was at the editor's discretion.

<sup>2</sup>Priv. Acts 1983, ch. 36, § 2, provided for the repeal of Priv. Acts 1965, ch. 16 and Priv. Acts 1982, ch. 350, being former § 29(a)-(m), captioned "Board of trustees of John W. Harton Memorial Hospital."

(4) Fiscal year. Twelve months beginning July 1 and ending June 30.

(b) Allocation of funds. Not later than thirty days after a tax equivalent is transferred to the general fund of, or otherwise provided to, the City, the Board of Mayor and Aldermen shall distribute to the Counties in which the City's Electric System is located the following amount: Seven and one-half percent (7½%) of said tax equivalent to be allocated among the counties in proportion to the net plant value of the Electric System located within each County and to be paid into the general fund of each County. The County Court of each County may appropriate such tax equivalents received for any County purpose or function.<sup>1</sup> [Priv. Acts 1969, ch. 148, § 2]

**Sec. 31. Sales tax school bond sinking fund**. There is hereby recognized the previous establishment of a School Bond Sinking Fund created from the deposit of sales tax revenues thereto, for the purpose of setting aside funds necessary to amortize debt incurred for capital school projects. The sums in said fund, as it now exists, and hereafter, shall be dedicated and utilized by the Board of Education of the City of Tullahoma, Tennessee, and/or the Board of Mayor and Aldermen of the City of Tullahoma, Tennessee, solely for debt service for the retirement of Bonds whose proceeds were used for City Schools capital improvements. Therefore, the funds in this Sinking Fund are hereby dedicated solely for the purpose of debt service for general obligation bond issues whose proceeds were used for City Schools capital improvements. These funds shall not be diverted for any other purposes, whether educational or otherwise. No cap shall be placed upon the sums representing said fund. [As added by Priv. Acts 1995, ch. 35, § 1]

**32. Power of Recall**. Except as otherwise provided by law, the people of the city may recall any elected local official and may exercise this power by filing in accordance with the requirements set forth by state law. [As added by Priv. Acts 2008, ch. 104, § 1]

**33. Recall Election**. If the petition is certified by the county election commission and the elected official whose removal is sought resigns within ten (10) days after the certification and notice to the Board of Mayor and Aldermen, no recall election will be held.

---

<sup>1</sup>The Act from which this section is derived did not expressly amend the charter; therefore, the addition thereof as § 30 was at the discretion of the editor. Said Act was ratified by the board of mayor and aldermen by Ord. #483, dated June 9, 1969.

(a) Recall Ballot

Ballots used at recall elections shall conform to the following requirements:

(i) With respect to each person whose removal is sought the question shall be submitted:

*Shall (name of elected official) be removed from office?*

(ii) Immediately below each such question there shall be printed the two (2) following propositions, one above the other, in the order indicated:

*For the recall of (name of elected official)*

*Against the recall of (name of elected official)*

(iii) Results of Recall Election

If a majority of the votes cast at a recall election are against removal of the elected official named on the ballot, he or she shall continue in office. If the majority of the votes cast are for the removal of the elected official named on the ballot, the Board of Mayor and Aldermen shall at the next regularly scheduled meeting declare his or her office vacant and the vacancy shall be filled in accordance with the provisions of this Charter for the filling of vacancies. An elected official thus removed is not eligible to fill the vacancy for the remainder of the term.

(iv) Limitation on Recall

No recall petition may be filed against an elected official within six (6) months after he or she takes office, and no elected official may be subject to more than one (1) recall election during a term of office. [As added by Priv. Acts 2008, ch. 104, § 1]

Passed March 19, 1903

ED. T. SEAY,  
Speaker of the Senate.

L.D. TYSON,  
Speaker of the House of Representatives.

Approved April 1, 1903

JAMES B. FRAZIER,  
Governor.

**RELATED PRIVATE ACTS**

Priv. Acts 1965, ch. 194  
"Additional Justices of the Peace" ..... C-29

Priv. Acts 2016, ch. 54  
"Tulahoma Utilities Authority Act" ..... C-31

**CHAPTER NO. 194**

**House Bill No. 1072**

**(By Wiseman)**

AN ACT to provide for additional Justices of the Peace for the Town of Manchester and the City of Tullahoma in Coffee County, Tennessee.

SECTION 1. Be it enacted by the General Assembly of the State of Tennessee, That in addition to the Justices of the Peace now allowed by any general or special law or otherwise allowed for such town and city, at the August general election in 1966 and each six years thereafter, the qualified voters of the Town of Manchester shall elect two additional Justices of the Peace, and the City of Tullahoma shall elect six additional Justices of the Peace, to take office on September 1 following such election. Such Justices of the Peace shall be regular members of the quarterly county court for Coffee County, Tennessee, and shall have all the powers, duties and receive the same compensation as the other members of such quarterly county court elected from such town and city.

SECTION 2. Be it further enacted, That this Act shall have no effect unless the same shall have been approved by two-thirds vote of the quarterly county court of any county to which it may apply on or before the next regular meeting of such quarterly county court after its approval by the Chief Executive of this State, or after its otherwise effective date. Its approval or non-approval shall be proclaimed by the presiding officer of the body having jurisdiction to approve, and shall be certified by him to the Secretary of State.

SECTION 3. Be it further enacted, That this Act shall be effective from and after its passage, the public welfare requiring it, but the provisions thereof shall not become operative until validated as provided in Section 2 herein.

Passed: March 19, 1965.

WILLIAM L. BARRY,  
Speaker of the House of Representatives.

JARED MADDUX,  
Speaker of the Senate.

Approved: March 25, 1965.

FRANK G. CLEMENT,  
Governor.

This is to certify that according to the official records on file in this office, House Bill No. 1072, which is Chapter No. 194 of the Private Acts of 1965, was properly ratified and approved and is therefore operative and in effect in accordance with its provisions.

JOE C. CARR,  
Secretary of State.

PRIVATE CHAPTER NO. 54

HOUSE BILL NO. 2633

By Representative Matheny

Substituted for: Senate Bill No. 2658

By Senator Bowling

AN ACT to create and empower the Tullahoma Utilities Authority and to amend Chapter 553 of the Acts of 1903; and any other acts amendatory thereto, relative to the provision of electric, water, wastewater, and telecommunications services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the "Tullahoma Utilities Authority Act".

SECTION 2. As used in this act, unless the context clearly requires otherwise:

(1) "Acquire" means to construct or to acquire by purchase, lease, lease-purchase, devise, gift, exercise of the power of eminent domain, or exercise of any other mode of acquisition;

(2) "Authority" means the Tullahoma Utilities Authority created by this act;

(3) "Board" means the board of directors of the authority;

(4) "Bonds" means bonds, interim certificates, notes, debentures, lease-purchase agreements, loan agreements, and all other evidences of indebtedness either issued by or the payment of which has been assumed by the authority;

(5) "City" or "City of Tullahoma" means the City of Tullahoma, Tennessee;

(6) "City Bonds" means bonds of the City of Tullahoma issued to finance or refinance any of the systems, as more fully described herein;

- (7) "City Board" means the legislative body of the City of Tullahoma;
- (8) "Dispose" means to sell, lease, convey, or otherwise transfer any property or any interest in property of the authority;
- (9) "Division" means a department of the authority that deals with the operation, maintenance, and provision of services of a specific system or systems, as hereinafter defined;
- (10) "Electric Service" means the furnishing of electric power and energy for lighting, heating, power, or any other purpose for which electric power and energy can be used;
- (11) "Energy" means any and all forms of energy no matter how or where generated or produced;
- (12) "Federal Agency" means the United States of America, the president of the United States of America, the Tennessee Valley Authority, and any other authority, agency, instrumentality, or corporation of the United States of America heretofore or hereafter created by or pursuant to any act or acts of the Congress of the United States;
- (13) "Improve" means to construct, reconstruct, improve, repair, extend, enlarge, or alter;
- (14) "Improvement" means any improvement, extension, betterment, or addition to any system;
- (15) "Mayor" means the Mayor of the City of Tullahoma;
- (16) "Municipality" means any county or incorporated city or town within or outside the State;
- (17) "Person" means any natural person, firm, association, corporation, limited liability company, business trust, or partnership;
- (18) "President" means the President and Chief Executive Officer of the authority;
- (19) "Refunding Bonds" means bonds of the authority issued to refund all or any part of bonds of the authority or the city bonds, as more fully described herein;



(20) "Short Springs Property" means that certain tract or parcel of land consisting of approximately one hundred ninety (190) acres located in the 5<sup>th</sup> Civil District of Coffee County, Tennessee, over which the Tullahoma Utilities Board exercises jurisdiction and control and maintains as a backup water supply source;

(21) "State" means the state of Tennessee;

(22) "System" means any plant, works, system, facility, property, or parts thereof, together with all appurtenances thereto, used or useful in connection with the furnishing of any of the services and commodities authorized to be provided herein, including generation or production facilities, transmission facilities, storage facilities, distribution and collection facilities, and all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and all appurtenances, contracts, leases, franchises, and other intangibles relating to the foregoing;

(23) "Telecommunications Service" means the offering of telecommunications for a fee directly to the public, or to such class of users as to be effectively available directly to the public regardless of the facilities used, including, but not limited to, telephone, cable television, voice, data, and video transmissions, video programming, internet access and related services, load control, meter reading, appliance monitoring, power exchange, and billing, or any other telecommunications services that may be provided, as allowed by law, including servicing and repairing related equipment;

(24) "Tullahoma Utilities Board" means the Board of Public Utilities of the City of Tullahoma;

(25) "Wastewater Service" means the collection, transportation, and treatment of water discharged from residential, commercial, industrial, or other processes for final discharge to the environment; and

(26) "Water Service" means the procurement, treatment, and distribution of water for domestic use or any other purpose for which water can be used.

SECTION 3. A governmental authority, to be known as the Tullahoma Utilities Authority, is hereby created and constituted. The authority shall be a public corporation in perpetuity under the corporate name of the Tullahoma Utilities Authority, and shall under that name be a political subdivision of the state and a body politic and corporate. The authority is created for the purpose of planning, acquiring, constructing, improving, furnishing, equipping, financing, owning, operating, and maintaining water, wastewater,

telecommunications, and electric utility systems within or outside the corporate limits of the city, and such other utility systems as a municipal water, wastewater, telecommunications, or electric utility is authorized by the general laws of the state of Tennessee to own or operate.

SECTION 4. The authority shall have the power and is authorized, effective immediately upon the effective date of this act, either singly or jointly with one (1) or more persons, municipalities, or federal agencies, or with the state, or with one (1) or more agencies or instrumentalities of the state or any municipality:

(1) To sue and be sued;

(2) To have a seal and alter the same at the authority's pleasure;

(3) To acquire, construct, improve, furnish, equip, finance, own, lease, operate and maintain, within or outside the corporate limits of the city, a system for the furnishing of water service and to provide water service to any person, governmental entity, or other user or consumer of water services within or outside the city; provided, the system shall be operated as a separate system independent of and separate from the other systems of the authority and managed by the water division of the authority (except as otherwise provided herein); and provided, further, the authority shall not exercise any of the powers granted in this subsection wholly or partly within the legal boundaries of an incorporated city or town or a utility district incorporated pursuant to the Utility District Law of 1937, compiled in Tennessee Code Annotated, Title 7, Chapter 82, or any other municipality, without the consent of the governing body of such city, town utility district, or municipality except as allowed by law and unless such services were being provided in such area by the Tullahoma Utilities Board at the time of the effective date of this act;

(4) To acquire, construct, improve, furnish, equip, finance, own, lease, operate, and maintain, within or outside the corporate limits of the city, a system for providing wastewater service to any person, governmental entity, or other user or consumer of wastewater services within and outside the city; provided, the system shall be operated as a separate system independent of, and separate from, the other systems of the authority and managed by the wastewater division of the authority (except as otherwise provided herein); and provided, further, the authority shall not exercise any of the powers granted in this subsection wholly or partly within the legal boundaries of an incorporated city or town or a utility district incorporated pursuant to the Utility District Law of 1937, compiled in Tennessee Code Annotated, Title 7, Chapter 82, or any other municipality, without the consent of the governing body of such city, town, utility district, or municipality except as allowed by law and unless such

services were being provided in such area by the Tullahoma Utilities Board at the time of the effective date of this act;

(5) To acquire, construct, improve, furnish, equip, finance, own, lease, operate, and maintain, within or outside the corporate limits of the city, a system for the furnishing of electric service and to provide electric service to any person, governmental entity, or other user or consumer of electric services within or outside the city; provided, the system shall be operated as a separate system independent of, and separate from, the other systems of the authority and managed by the electric division of the authority (except as otherwise provided herein); and provided, further, the authority shall not exercise any of the powers granted in this subsection wholly or partly within the legal boundaries of an incorporated city or town or electric cooperative, without the consent of the governing body of such city, town, electric cooperative, or municipality except as allowed by law and unless such services were being provided in such area by the Tullahoma Utilities Board at the time of the effective date of this act;

(6) To acquire, construct, improve, furnish, equip, finance, own, lease, operate, and maintain, within and outside the corporate limits of the city, a system for the furnishing of telecommunications service, and to provide telecommunication service to any person, governmental entity, or other user or consumer of telecommunications services within or outside the city; provided, the system shall be operated as a separate system independent of, and separate from, the other systems of the authority; and provided, further, to the extent that the authority, or any joint venture, partnership, or cooperative arrangement of which the authority is a party, or any limited liability company or not-for-profit corporation of which the authority is a member provides retail telephone or telegraph services, the authority, or such other entity, shall be subject to regulation by the Tennessee regulatory authority in the same manner and to the same extent as other certified providers of such services, including, without limitation, rules or orders governing anti-competitive practices, and shall be considered as and have the duties of a public utility, as defined in Tennessee Code Annotated, § 65-4-101, but only to the extent necessary to effect such regulation and only with respect to the authority's provision of telephone and telegraph services; and provided, further, that the authority shall have all the powers and authority conferred upon municipalities by the general laws of the State of Tennessee, including, without limitation, Tennessee Code Annotated, Title 7, Chapter 52, Parts 4 and 6, and in the exercise of said powers and authority shall be subject to all the obligations, restrictions, and limitations imposed upon municipalities by the general law including said sections as the same may be amended from time to time, including the general law and imposed upon providers of the services described therein by federal law; provided, that all actions authorized by said sections to be taken by the board or supervisory

body having responsibility for a municipal electric plant or authorized to be taken by the chief legislative body of the municipality shall be authorized to be taken by the board of the authority and all powers granted to a municipal electric system under said sections shall be exercised by the electric division of the authority; and provided further, that notwithstanding the provisions of Section 5 hereof, the telecommunications system shall not be combined with any of the other systems. Notwithstanding anything in this act to the contrary, the authority shall be subject to the territorial limitations set forth in § 7-52-601, as the same may be amended from time to time, in the same manner and to the same extent as such limitations apply from time to time to a municipal electric system providing services pursuant to § 7-52-601;

(7) To fix, levy, charge, and collect such fees, rents, tolls, or other charges for the use of, or in connection with, any system of the authority as shall be consistent with the provision of the services or sale or other disposition of the commodities provided by the various utilities authorized herein at reasonable cost based on sound economy, public good, and prudent business operations, which fees, rents, tolls, or charges shall be established by the board without the necessity of review or approval by the city, any other municipality, the state, or any commission or authority thereof or any federal agency other than as provided in applicable federal statutes or contracts and other than as provided in subparagraph (6); provided, however, that whenever any of such fees, rents, tolls, or other charges, other than such charges as shall be regulated pursuant to subparagraph (6) are to increase, notice of the intended increase shall be published in a newspaper of general circulation in the area served by the authority, and the increase shall not be effective until thirty (30) days from and after the date of publication of the notice;

(8) To acquire, hold, own, lease to or from persons, municipalities, the state, state agencies, or federal agencies, and to dispose of property, real and personal, tangible and intangible, or interests therein, in its own name, subject to mortgages or other liens or otherwise including the provisions of this act with respect to the disposition of the Short Springs Property, and to pay therefore in cash or on credit through installment payments, and to secure the payment of all or any part of any installment obligations in connection with any acquisition;

(9) To have complete control and supervision of any system of the authority and to make such rules and regulations governing the rendering of service thereby as may be just and equitable;

(10) To contract debts, borrow money, issue bonds, and enter into lease-purchase agreements to acquire, construct, improve, furnish, equip, extend, operate, or maintain any system or systems, or any part thereof, or to provide the authority's share of the funding for any joint undertaking or project, and to

assume and agree to pay any indebtedness incurred for any of the foregoing purposes;

(11) To accept gifts or grants of money or property, real or personal, and voluntary and uncompensated services or other financial assistance from any person, the city, federal agency, the state or any state agency, or municipality, for, or in aid of, the acquisition or improvement of any system;

(12) To condemn either the fee or such right, title, interest, or easement in property as the board may deem necessary for any of the purposes mentioned in this act, and such property or interest in such property may be so acquired whether or not the same is owned or held for public use by corporations, associations, or persons having the power of eminent domain, or otherwise held or used for public purposes, and such power of condemnation may be exercised in the mode or method of procedure prescribed by Tennessee Code Annotated, Title 29, Chapter 16, or in the mode or method of procedure prescribed by any other applicable statutory provisions now in force or hereafter enacted for the exercise of the power of eminent domain; provided, however, that where title to any property sought to be condemned is defective, it shall be passed by decree of court; provided further, that where condemnation proceedings become necessary, the court in which such proceedings are filed shall, upon application by the authority and upon the posting of a bond with the clerk of the court in such amount as the court may deem commensurate with the value of the property, order that the right of possession shall issue immediately or as soon and upon such terms as the court, in its discretion, may deem proper and just; provided further, that nothing contained in this subsection shall be construed as granting the authority the power to condemn property owned by the city, the Board of Education of the city, and/or any other agency of the city holding title to real property;

(13) To make and execute any and all contracts and instruments necessary or convenient for the full exercise of the powers herein granted, and in connection therewith to stipulate and agree to such covenants, terms, and conditions and such term or duration as shall be appropriate, including, but without limitation, contracts for the purchase or sale of any of the commodities or services authorized herein to be provided by the authority, and, carry out and perform the covenants, terms, and conditions of all such contracts and instruments. In connection with any contract to acquire or sell any of the commodities or services authorized herein, the authority may enter into commodity price exchange or swap agreements, agreements establishing price floors or ceilings, or both, or other price hedging contracts with any person or entity under such terms and conditions as the authority may determine, including, without limitation, provisions permitting the authority to indemnify or otherwise pay any person or entity for any loss of benefits under such

agreement upon early termination thereof or default thereunder. When entering into any such contract or arrangement or any such swap, exchange, or hedging agreement evidencing a transaction bearing a reasonable relationship to this state and also to another state or nation, the authority may agree in the written contract or agreement that the rights and remedies of the parties thereto shall be governed by the laws of this state or the laws of such other state or nation; provided, that jurisdiction over the authority shall lie solely in the courts of Coffee County, Tennessee;

(14) To sell, exchange, or interchange any of the commodities or services authorized to be provided herein either within or outside the state and to establish prices to be paid for such commodities or services and establish pricing structures with respect thereto, including provision for price rebates, discounts, and dividends; and, in connection with any such sales, exchanges, or interchanges, to act as agent for such consumers, to secure contracts and arrangements with other entities or persons, to make contracts for the sale, exchange, interchange, pooling, transmission, distribution, or storage of any of the commodities or services authorized to be provided herein, inside or outside this state, and to transmit, transport, and distribute any such commodities or services both for itself and on behalf of others;

(15) To make contracts and execute instruments containing such covenants, terms, and conditions as may be necessary, proper, or advisable for the purpose of obtaining loans from any source, or grants, loans, or other financial assistance from the state, any state or federal agency, the city, or any municipality and to carry out and perform the covenants and terms and conditions of all such contracts and instruments;

(16) To enter on any lands, waters, and premises for the purpose of making surveys, soundings, and examinations in connection with the acquisition, improvement, operation, or maintenance of any system and the furnishing of any of the services herein;

(17) To provide to the city, any municipality, person, federal agency, the state, or any agency or instrumentality thereof, transportation and storage capacity for any of the commodities or services authorized herein, and management and purchasing services associated therewith;

(18) To employ, engage, retain, and pay compensation to such officers, agents, consultants, professionals, and employees of the authority as shall be necessary to operate the systems, manage the affairs of the authority, and otherwise further the purposes of the authority and the exercise of the powers thereof, and to fix their compensation and to establish a program of employee benefits, including a retirement system;

(19) To establish a retirement system for all employees of the authority and to maintain all rights and benefits of employees as they existed under the retirement system of the Tullahoma Utilities Board without diminution and to participate in the Tennessee Consolidated Retirement System in accordance with Tennessee Code Annotated, Title 8, Chapter 35, Part 2;

(20) To enter into joint ventures and cooperative arrangements with one (1) or more persons, including the formation of a partnership, limited liability company, or not-for-profit corporation to accomplish any of the purposes set forth herein or to exercise any of the powers set forth herein and to act jointly with the city, any municipality, the state, or a state or federal agency in the exercise of the powers enumerated herein; provided, however, that the records of any joint venture or other business arrangement shall be open to the public in accordance with the Open Records Law, compiled in Tennessee Code Annotated, Title 10, Chapter 7, and the meetings of such joint venture or other business arrangement shall be subject to the Open Meetings Law, compiled in Tennessee Code Annotated, Title 8, Chapter 44;

(21) Upon the effective date of this act and upon proper action by the city, to commence operating the systems, to exercise exclusive control and direction of the systems, and to accept title to the assets and assume the liabilities of the systems;

(22) To contribute its funds for the financial aid of any nonprofit charitable organization or nonprofit civic organization, as such terms are defined in Tennessee Code Annotated, § 6-54-111; and

(23) To do any and all acts and things herein authorized or necessary or convenient to carry out the powers expressly given in this act under, through, or by means of its own officers, agents, and employees, or by contracts with any person, federal agency, or municipality.

SECTION 5. Each system of the authority shall operate independently of the others and shall be self-sustaining, except insofar as the board may by resolution combine any of the systems which in the opinion of the board shall be advisable and economical and which by the general laws of the state or any federal laws or any contracts or indentures are not required to be operated separately.

#### SECTION 6.

(a) The affairs of the authority and the exercise of the powers of the authority shall be vested in the board. The following powers shall be exercised directly by the board by resolution of the board:

(1) Selection and employment of the president of the authority, who shall serve at the pleasure of the board and whose compensation shall be set by the board. All other officers and employees of the authority shall be selected, employed, and discharged pursuant to procedures approved by the president;

(2) Issuance of bonds of the authority and the encumbering of assets of the authority, to the extent authorized herein, to secure any such bonds;

(3) Approval of rates of each of the systems, except for minor changes to electric rates resulting from TV A fuel costs adjustments, which may be made by the president;

(4) Approval of the annual budget of each of the systems;

(5) Adoption of by-laws for the conduct of the business of the board;

(6) Selection of a certified public accountant or accountants to perform audits of the books and affairs of the authority; and

(7) Adoption of a purchasing policy for the authority as hereinafter provided and the approval of purchases and disposition of property in accordance with the terms thereof.

(b) All other powers of the authority shall be exercised by the president and the officers, agents, and employees of the authority, unless the board, acting by resolution, shall revoke the delegation of any such powers.

#### SECTION 7.

(a) The board of the authority shall consist of five (5) directors, one (1) of which shall be a member of the city board, and be appointed by the mayor of the city, and four (4) of which shall be elected by the city board. Notwithstanding the foregoing, the initial board shall be composed of those members currently serving on the board of directors of the Tullahoma Utilities Board, who shall serve as directors for the unexpired terms of their appointment and who shall take office and begin exercising the powers herein granted immediately upon the effective date hereof. All subsequent appointments shall be for a one (1) year term for the director appointed by the mayor and shall be for five (5) year terms for the



directors elected by the city board. Each term of office shall commence on September 1 and end on August 31 of the last year of the respective term. The mayor of the city shall fill each vacancy, however created, in the position of directors appointed by the mayor and, as to positions for directors elected by the city board, such vacancies shall be filled by election of the city board prior to an expected vacancy, or the expiration of that term of office of any such director, or as soon as possible as vacancies arise. Such appointment by appointees of the mayor to be effective immediately, and appointments by city board appointees to be effective immediately or on the following August 31, whichever is appropriate. Except as provided in Section 8 hereof, each director shall hold office until such director's successor is appointed, approved, and qualified, and each director shall be eligible for reappointment. A director having served two (2) consecutive terms, whether full or partial, will be ineligible for reappointment for a period of one (1) year.

(b) Immediately upon its qualification as a board, and in September of each subsequent year, the board shall select from the board's membership a chairman and vice-chairman. No additional compensation shall be paid to a director for serving as chairman or vice-chairman. The board shall have a recording secretary, who need not be a member of the board and who shall be appointed by the president subject to the approval by the board. The recording secretary shall record all minutes of the board, keep and maintain all books and records of the board, and perform such duties as the president shall determine.

(c) The board shall hold regular monthly meetings and special meetings as may be necessary for the transaction of the business of the authority. Special meetings of the board may be called by the chairman or, in the absence or disability of the chairman, by any board member. No meeting of the board shall be held unless a majority of the directors are present. All acts of the board shall be by a vote of three (3) or more directors. Resolutions of the board shall be effective upon adoption after one (1) reading and may be adopted at the same meeting at which they are introduced. The time and place of all meetings will be set by the board. The compensation of directors for serving on the board shall be in an amount fixed by resolution of the board.

(d) Each director shall be (i) a resident of the city and be a customer of the authority and (ii) at least twenty-five (25) years of age. Each director shall be bonded in the sum of ten thousand dollars (\$10,000), with good security, conditioned to faithfully perform the duties of the office, and shall take and subscribe an oath or make affirmation to uphold the Constitution and laws of the state and to faithfully discharge

the duties of the office. No director shall be an employee of the authority or the city. No more than one (1) director may be a member of the city board, who shall be appointed by the mayor in accordance with subpart (a) of this section.

(e) Directors shall be entitled to receive allowances for necessary traveling and other expenses while engaged in the business of the authority, including allowances for attending board meetings. Allowances for attending board meetings shall not exceed the maximum authorized by Tennessee Code Annotated, § 7-52-110, as the same may be amended from time to time.

SECTION 8. Any director may be removed from office for cause whether appointed by the Mayor or elected by the city board, as provided for in Section 8(c)(1) and (2) of the charter of the city.

#### SECTION 9.

(a) The board shall appoint a president, as provided herein, who shall be chief executive officer of the authority and who shall be qualified by training and experience for the general management of the acquisition, improvement, and operation of the business and affairs of the authority. The salary of the president shall be fixed by the board. The president shall serve at the pleasure of the board. The authority is authorized to enter into an employment contract with the president.

(b) Within the limits of the funds available therefore and subject to exercise by the board of the powers reserved to it pursuant to Section 6 hereof, all powers of the authority granted herein shall be exercised by the president and the various officers and employees of the authority.

(c) The president shall have charge of the management and operation of the systems and the enforcement and execution of all rules, regulations, programs, plans, and decisions made or adopted by the board.

(d) The president shall appoint each system division head and all officers of the authority, all of whom shall serve at the pleasure of the president, and the president shall be responsible for maintaining an adequate work force for the authority and establishing a compensation structure for the work force.

(e) Subject to the terms of Section 10 and Section 34 hereof and the provisions hereof relating to disposition of the Short Springs

Property, the president is authorized to acquire and dispose of all property, real and personal, necessary to effectuate the purposes of this act. The title of such property shall be taken in the name of the authority.

(f) All contracts, agreements, indentures, trust agreements, and other instruments necessary or proper in carrying out the purposes and powers of the authority or in conducting the affairs of the authority or in operating the systems of the authority shall be executed by the president, or the president's designee or designees, the signature thereof to be binding upon the authority; provided, however, the execution by the president of any such contract, agreement, indenture, trust agreement, or instrument implementing or evidencing the exercise of powers reserved to the board pursuant to Section 6 hereof shall first be approved by resolution of the board.

(g) The president shall cause to be kept full and proper books and records of all operations and affairs of the authority and shall cause to be kept separate books and accounts for each system, so that these books and accounts will reflect the financial condition of each division separately, and may require that the moneys and securities of each division be placed in separate funds to the end that each division shall be self-sustaining. All divisions will be audited annually by an independent certified public accountant selected by the board.

SECTION 10. The board shall adopt a policy governing all purchases of services or property, whether real or personal, all leases and lease-purchase agreements, and the disposition of all property of the authority. The policy shall authorize the president, or the president's designee or designees, to enter into contracts and agreements for the purchase of services or property, real or personal, leases and lease-purchases, disposition of property of the authority with a value not exceeding an amount from time to time established by the board, and to provide for the board's approval, such purchases, leases, lease-purchases, and dispositions in excess of such amount. Subject to the terms of the purchasing policy relating to board approval, the president, or the president's designee or designees, on behalf of the authority, shall be authorized to execute all contracts, purchase orders, and other documents necessary or proper in connection with the purchase of property or services and the disposition of property of the authority, including deeds of conveyance of real property. The policy authorized by this section shall provide for competitive bidding in appropriate circumstances, exceptions to any competitive bidding requirements when competitive bidding is not practical, procedures for the purchase of commodities and other energy sources traded in public markets, procedures for documentation of compliance with purchasing procedures, and such other provisions and terms as the board deems necessary or desirable.

## SECTION 11.

(a) The authority shall have power and is authorized to issue its bonds for the construction, acquisition, reconstruction, improvement, betterment, or extension of any system of the authority and to assume and to agree to pay any bonds or indebtedness incurred for any of the foregoing purposes. The proceeds of any bonds may be applied to:

(1) The payment of the costs of such construction, acquisition, reconstruction, improvement, betterment, or extension;

(2) The payment of the costs associated with any such construction, acquisition, reconstruction, improvement, betterment, or extension, including engineering, architectural, inspection, legal, and accounting expenses;

(3) The payment of the costs of issuance of such bonds, including underwriter's discount, financial or municipal advisory fee, preparation of the bonds, preparation of all public offering and marketing materials, advertising, credit enhancement, and legal, accounting, fiscal, and other similar expenses;

(4) The payment of interest during the period of construction and for six (6) months thereafter on any money borrowed or estimated to be borrowed;

(5) Reimbursement of the authority for moneys previously spent by the authority for any of the foregoing purposes;

(6) The establishment of reasonable reserves for the payment of debt service on such bonds, or for repair and replacement to the system of the authority for whose benefit the financing or refinancing is being undertaken, or for such other purposes as the board shall deem necessary and proper in connection with the issuance of any bonds and operation of the system for whose benefit the financing or refinancing is being undertaken;

(7) The contribution of the authority's share of the funding for any joint undertaking for the purposes hereinabove set forth; and

(8) The contribution by the authority to any subsidiary or separate entity controlled by the authority for the purposes hereinabove set forth.

(b) The authority shall have the power and is hereby authorized to issue its bonds to refund and refinance outstanding bonds of the authority or of the city related to any system or lawfully assumed by the authority. The proceeds of the bonds may be applied to:

(1) The payment of the principal of the principal amount of the bonds being refunded and refinanced;

(2) The payment of the redemption premium thereon, if any;

(3) The payment of unpaid interest on the bonds being refunded, including interest in arrears, for payment of which sufficient funds are not available, to the date of delivery or exchange of the refunding bonds;

(4) The payment of interest on the bonds being refunded and refinanced from the date of delivery of the refunding bonds to maturity or to, and including, the first or any subsequent available redemption date or dates on which the bonds being refunded may be called for redemption;

(5) The payment of the costs of issuance of the refunding bonds, including underwriter's discount, financial or municipal advisory fee, preparation of the bonds, preparation of all public offering and marketing materials, advertising, credit enhancement, and legal, accounting, fiscal, and other similar expenses, and the costs of refunding the outstanding bonds, including the costs of establishing an escrow for the retirement of the outstanding bonds, trustee and escrow agent fees in connection with any escrow, and accounting, legal, and other professional fees in connection herewith; and

(6) The establishment of reasonable reserves for the payment of debt service on the refunding bonds, or for repair and replacement to the system of authority for whose benefit the financing is being undertaken, or for such other purposes as shall be deemed necessary and proper in connection with the issuance of the refunding bonds and operation of the system for whose benefit the financing is being undertaken. Refunding bonds may

be issued to refinance and refund more than one (1) issue of outstanding bonds, notwithstanding that such outstanding bonds may have been issued at different times. Refunding bonds may be issued jointly with other refunding bonds or other bonds of the authority. The principal proceeds from the sale of refunding bonds may be applied either to the immediate payment and retirement of the bonds being refunded or, to the extent not required for the immediate payment of the bonds being refunded, to the deposit in escrow with a bank or trust company to provide for the payment and retirement at a later date of the bonds being refunded.

(c) The authority shall have the power and is authorized to issue its bonds to retire all bonds of the city issued to finance or refinance any of the systems, and, to the extent permitted by contracts with any of the owners of the city bonds or parties to any loan agreement, to assume and agree to pay when due the city bonds, retire the city bonds, or deposit in escrow funds sufficient, together with earnings thereon, to retire the city bonds at maturity or upon redemption.

(d) The authority shall have the power and is hereby authorized to issue bonds in anticipation of the collection of revenues from the system for whose benefit the financing is undertaken for the purpose of financing electrical power purchases. Any such bonds shall be secured solely by a pledge of, and lien on, the revenues of the system for whose benefit the financing is undertaken. The principal amount of bonds that may be issued during any twelve (12) month period shall not exceed sixty percent (60%) of total electrical power for the same period, and all bonds issued during such period shall be retired and paid in full on, or before, the end of such period. The bonds shall be sold in such manner, at such price, and upon such terms and conditions as may be determined by the board. No bonds shall be issued under this subsection unless the electric system has positive retained earnings as shown in the most recent audited financial statements of the system, and the system has produced positive net income at least one (1) fiscal year out of three (3) fiscal years next preceding the issuance of the bonds as shown on the audited financial statements of the system. No bonds issued under this subsection shall be issued without first being approved by the director of state and local finance. If revenues of such system are insufficient to pay all such bonds at maturity, any unpaid bonds may be renewed one (1) time for a period not to exceed one (1) year or otherwise liquidated as approved by the office state and local finance in the office of the comptroller of the treasury.

(e) Bonds issued hereunder as a part of an issue, the last maturity of which is not later than five (5) years following the date of issue, shall be issued, and referred to, as notes.

## SECTION 12.

(a) No bonds shall be issued or assumed hereunder unless authorized to be issued or assumed by resolution of the board, which resolution may be adopted at the same meeting at which it is introduced by a majority of all members thereof then in office, and shall take effect immediately upon adoption. Bonds authorized to be issued hereunder may be issued in one (1) or more series, may bear such date or dates, mature at such time or times, not exceeding forty (40) years from their respective dates, bear interest at a zero (0) rate or at such rate or rates (which may vary from time to time), payable at such time or times, be in such denominations, be in such form, either coupon or registered, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, with or without premium, as such resolution or resolutions may provide. Bonds may be issued for money or property at competitive or negotiated sale for such price or prices as the board, or its designee, shall determine.

(b) Bonds may be repurchased by the authority out of any available funds at a price not to exceed the principal amount thereof and accrued interest, and all bonds so repurchased shall be cancelled or held as an investment of the authority as the board may determine.

(c) Pending the preparation or execution of definitive bonds, interim receipts or certificates or temporary bonds may be delivered to the purchaser of bonds.

(d)

(1) With respect to all or any portion of any issue of bonds issued hereunder, at any time during the term of the bonds, and upon receipt of a report of the comptroller of the treasury or the comptroller's designee finding that the contracts and agreements authorized in this subsection are in compliance with the guidelines, rules, or regulations adopted or promulgated by the state funding board, as set forth in Tennessee Code Annotated, § 7-34-109(h), the authority, by resolution of the board, may authorize and enter into interest rate swap or exchange agreements, agreements establishing interest rate floors or ceilings or both, and other interest rate hedging agreements under such

terms and conditions as the board may determine, including, without limitation, provisions permitting the authority to pay to, or receive from, any person or entity any loss of benefits under such agreement upon early termination thereof or default under such agreement.

(2) The authority may enter into an agreement to sell bonds (other than its refunding bonds) under this act providing for delivery of its bonds on a date greater than ninety (90) days and not greater than five (5) years (or such greater period of time if approved by the comptroller of the treasury or the comptroller's designee), from the date of execution of such agreement or to sell its refunding bonds providing for delivery thereof on a date greater than ninety (90) days from the date of execution of the agreement and not greater than the first optional redemption date on which the bonds being refunded can be optionally redeemed resulting in cost savings or at par, whichever is earlier, only upon receipt of a report of the comptroller of the treasury or the comptroller's designee finding that the agreement or contract of the authority to sell its bonds as authorized in this subsection is in compliance with the guidelines, rules, or regulations adopted or promulgated by the state funding board in accordance with Tennessee Code Annotated, § 7-34-109(h). Agreements to sell bonds and refunding bonds for delivery ninety (90) days or less from the date of execution of the agreement do not require a report of the comptroller of the treasury or the comptroller's designee.

(3) Prior to the adoption by the board of a resolution authorizing a contract or agreement described in subdivision (d)(1) or (2), a request shall be submitted to the comptroller of the treasury or the comptroller's designee for a report finding that such contract or agreement is in compliance with the guidelines, rules, or regulations of the state funding board. Within fifteen (15) days of receipt of the request, the comptroller of the treasury or the comptroller's designee shall determine whether the contract or agreement substantially complies with the guidelines, rules, or regulations and shall report thereon to the authority. If the report of the comptroller of the treasury or the comptroller's designee finds that the contract or agreement complies with the guidelines, rules, or regulations of the state funding board or the comptroller of the treasury shall fail to report within the fifteen (15) day period, then the authority may take such action with respect to the proposed contract or agreement as it deems advisable in accordance with the provisions of this section and the guidelines,



rules, or regulations of the state funding board. If the report of the comptroller of the treasury or the comptroller's designee finds that such contract or agreement is not in compliance with the guidelines, rules, or regulations, then the authority is not authorized to enter into such contract or agreement. The guidelines, rules, or regulations shall provide for an appeal process upon determination of noncompliance.

(4) When entering into any contracts or agreement facilitating the issuance and sale of bonds, including contracts or agreements providing for liquidity and credit enhancement and reimbursement agreements relating thereto, interest rate swap or exchange agreements, agreements establishing interest rate floors or ceilings or both, other interest rate hedging agreements, and agreements with the purchaser of the bonds, evidencing a transaction bearing a reasonable relationship to this state and also to another state or nation, the authority may agree in the written contract or agreement that the rights and remedies of the parties thereto shall be governed by the laws of this state or the laws of such other state or nation; provided, that jurisdiction over the authority shall lie solely in the courts of Coffee County, Tennessee.

(5) Prior to the adoption or promulgation by the state funding board of guidelines, rules, or regulations with respect to the contracts and agreements authorized in subdivisions (d)(1) and (2), the authority may enter into such contracts or agreements to the extent otherwise authorized by the general laws of this state.

SECTION 13. In order to secure the payment of the principal and interest on the bonds issued hereunder, or in connection with such bonds, the authority has the power to secure such bonds and to covenant as to the bonds set forth in Tennessee Code Annotated, §§ 9-21-306 and 7-34-110.

SECTION 14. No owner or owners of any bonds issued hereunder shall ever have the right to compel any exercise of the taxing power of the state, the city, or any other municipality or political subdivision of the state to pay such bonds or the interest thereon. Each bond issued under this act shall recite in substance that such bond, including the interest thereon, is payable solely from the revenues pledged to the payment thereof, and that the bond does not constitute a debt of the state, any municipality, or any other political subdivision therein.

SECTION 15. Bonds issued hereunder bearing the signature of the president in office on the date of the signing thereof shall be valid and binding

obligations, notwithstanding that before the delivery thereof and payment therefor any or all persons whose signatures appear thereon shall have ceased to be officers. The validity of any bonds shall not be dependent on, or affected by, the validity or regularity of any proceeding relating to the acquisition or improvement of the system or systems for which such bonds are issued. The resolution or resolutions authorizing bonds may provide that the bonds shall contain a recital that they are issued pursuant to this act, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

SECTION 16. In connection with the issuance of bonds and in order to secure the payment of its bonds, the authority shall have power:

(1) To pledge all or any part of its revenues;

(2) To vest in a trustee or trustees the right to enforce any covenant made to secure, to pay, or in relation to its bonds, to provide for the powers and duties of such trustee or trustees, to limit the liabilities thereof, and to provide the terms and conditions upon which the trustee or trustees or the holders of bonds or any amount or proportion of them may enforce any such covenant; and

(3) To make such covenants and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds or which, in the absolute discretion of the board, tend to make the bonds more marketable notwithstanding that such covenants, acts, and things may restrict or interfere with the exercise of the powers herein granted; it being the intention hereof to give the authority power to do all things in the issuance of bonds, and for their security, that a private business corporation can do under the general laws of this state.

SECTION 17. In addition to all other rights and remedies, any holders of bonds of the authority, including a trustee for bondholders, shall have the right:

(a) By mandamus or other suit, action, or proceeding at law or in equity, to enforce the bondholder's rights against the authority and the board, including the right to require the authority and such board to fix and collect rates and charges adequate to carry out any agreement as to, or pledge of, the revenues produced by such rates or charges, and to require the authority and such board to carry out any other covenants and agreements with such bondholders and to perform their duties under this act;

(b) By action, or suit in equity to enjoin any acts or things which may be unlawful or a violation of the rights of such holder or holders of bonds;

(c) By suit, action, or proceeding in the Chancery Court of Coffee County to obtain an appointment of a receiver of any system or systems of the authority or any part or parts thereof. If such receiver be appointed, such receiver may enter and take possession of such system or systems or part or parts thereof and operate and maintain same, and collect and receive all fees, rents, tolls, or other charges thereafter arising therefrom in the same manner as the authority itself might do and shall dispose of such money in a separate account or accounts and apply the same in accordance with the obligations of the authority as the court shall direct; and

(d) By suit, action, or proceeding in the Chancery Court of Coffee County to require the board of the authority to account as if it were the trustee of an express trust.

#### SECTION 18.

(a) The authority shall not be operated for gain or profit or primarily as a source of revenue to the city or any other person or entity. The authority shall, however, prescribe and collect reasonable rates, fees, or charges for the services, facilities, and commodities made available by it, and shall revise such rates, fees, or charges from time to time whenever necessary so that each system, or any combined systems as authorized herein, shall be and always remain self-supporting, and shall not require appropriations by the city or any other municipality, the state, or any political subdivision to carry out its purpose. Any one (1) system of the authority shall not subsidize any other system, unless the systems are operated as a combined system in accordance with the terms hereof, in which case the combined system shall be self-supporting.

(b) The rates, fees, or charges prescribed for each system shall be such as will produce revenue at least sufficient:

(1) To provide for the payment of all expenses of operation and maintenance of such system;

(2) To pay when due principal of, and interest on, all bonds of the authority payable from the revenues of such system;

(3) To pay any payments in lieu of taxes authorized to be paid pursuant to the terms hereof; and

(4) To establish proper reserves for the system.

SECTION 19. Any pledge of, or lien on, revenues, fees, rents, tolls, or other charges received or receivable by the authority to secure the payment of any bonds of the authority, and the interest thereon, shall be valid and binding from the time that the pledge or lien is created or granted and shall inure to the benefit of the owner or owners of any such bonds until the payment in full of the principal thereof and premium and interest thereon. The priority of any pledge or lien with respect to competing pledges or liens shall be determined by the date such pledge or lien is created or granted. Neither the resolution nor any other instrument granting, creating, or giving notice of the pledge or lien need be filed or recorded to preserve or protect the validity or priority of such pledge or lien.

SECTION 20. So long as the authority owns any of the systems, the property and revenue of such system shall be exempt from all state, county, and municipal taxation. Any bonds issued by the authority pursuant to the provisions hereof, and the income therefrom, shall be exempt from all state, county, and municipal taxation except inheritance, transfer, and estate taxes, and except as otherwise provided by the general laws of this state; provided, however, the authority shall make the payments required by Tennessee Code Annotated, §§ 7-52-404 and 7-52-606, and shall be subject to all other state and local fees and charges imposed upon private providers of such services.

SECTION 21. The authority shall make payments in lieu of taxes to the city and other municipalities, accruing from and after the effective date hereof, from the electric system revenues on the same basis and under the same formula as payments are currently being made by the Tullahoma Utilities Board as prescribed by the general laws of this state.

SECTION 22. The authority is authorized to provide water service, wastewater service, electric service, and telecommunications services to all areas that are hereafter lawfully and properly annexed within the corporate limits of the city. Such services shall be provided as soon as practical and economically feasible after the annexation becomes effective.

SECTION 23. All moneys of the authority, from whatever source derived, shall be deposited in one (1) or more banks or trust companies and, if the authority shall so require, such accounts shall be continuously insured by an agency of the federal government or secured by a pledge of direct obligations of the United States or of the state of Tennessee having an aggregate market

value, exclusive of accrued interest, at all times at least equal to the balance of deposit in such account or accounts. Such securities shall either be deposited with the authority or be held by a trustee or agent satisfactory to the authority in lieu of any pledge of such securities, and such deposits may be secured by a surety bond or bonds which shall be in form, sufficiency, and substance satisfactory to the authority.

SECTION 24. All funds of the authority are authorized to be invested as follows:

- (1) Direct obligations of the United States government or any of its agencies;
- (2) Obligations guaranteed as to principal and interest by the United States government or any of its agencies;
- (3) Certificates of deposit and other evidences of deposit at state and federally chartered banks, savings and loan institutions, or savings banks deposited and collateralized as described in subdivision (1);
- (4) Repurchase agreements entered into with the United States or its agencies or with any bank, broker-dealer, or other such entity so long as the obligation of the obligated party is secured by a perfected pledge of full faith and credit obligations of the United States or its agencies;
- (5) Guaranteed investment contracts or similar agreements providing for a specified rate of return over a specified time period with entities rated in one (1) of the two (2) highest rating categories of a nationally recognized rating agency;
- (6) In accordance with the local government investment pool created by Tennessee Code Annotated, Title 9, Chapter 4, Part 7;
- (7) Direct general obligations of a state of the United States, or a political subdivision or instrumentality thereof, having general taxing powers and rated in either of the two (2) highest rating categories by a nationally recognized rating agency of such obligations; or
- (8) Obligations of any state of the United States, or a political subdivision or instrumentality thereof, secured solely by revenues received by, or on behalf of, the state or political subdivision or instrumentality thereof irrevocably pledged to the payment of the principal and interest on such obligations, rated in the two (2) highest

rating categories by a nationally recognized rating agency of such obligations.

SECTION 25. In the event that the authority shall cease to exist, all of its assets remaining after all of its obligations and liabilities have been satisfied or discharged shall pass to, and become the property of, the city.

SECTION 26. The authority is and shall be considered a political subdivision for purposes of Tennessee Code Annotated, Title 65, Chapter 4.

SECTION 27. The board shall be considered a governing body for the purposes of the Open Meetings Act, codified at Tennessee Code Annotated, Title 8, Chapter 44.

SECTION 28. The authority shall be considered a governmental entity for purposes of the Tennessee Governmental Tort Liability Act, codified at Tennessee Code Annotated, Title 29, Chapter 20.

SECTION 29. The authority shall be considered a public agency for the purposes of the Interlocal Cooperation Act, codified at Tennessee Code Annotated, Title 12, Chapter 9.

SECTION 30. The authority shall be considered a municipality for the purposes of the Energy Acquisition Corporation Act, codified at Tennessee Code Annotated, Title 7, Chapter 39, and may be an associated municipality of an energy acquisition corporation under Tennessee Code Annotated, Title 7, Chapter 39, and the board shall be a governing body for purposes of Tennessee Code Annotated, Title 7, Chapter 39.

SECTION 31. The powers conferred by this act shall be in addition, and supplemental, to the powers conferred by any other law.

SECTION 32. This act shall not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before the effective date of this act.

SECTION 33. Chapter 553 of the Private Acts of 1903, and any other acts amendatory thereto, is amended by designating Section 9 as Section 9(a) and adding the following as new subsections 9(b), 9(c), and 9(d):<sup>1</sup>

---

<sup>1</sup>These changes have been made in the basic charter at § 9.

(b) The City is authorized to transfer to the Tullahoma Utilities Authority (the "Authority") created by the Private Acts of the State of Tennessee (the "Tullahoma Utilities Authority Act"), all its right, title, and interest in and to all the assets in the City's water, wastewater, electric, and telecommunications systems currently under the jurisdiction and control and being operated and maintained for the City by the Tullahoma Utilities Board, including all real and personal property, tangible or intangible, and any right or interest in any such property, whether or not subject to mortgages, liens, charges, or other encumbrances, and all appurtenances, contracts, leases, franchises, and other intangibles. The transfer shall be authorized by resolution of the Board of Mayor and Aldermen adopted on one (1) reading and shall be accomplished through documents and instruments authorized by said resolution and executed by such officers of the City as shall be designated by said resolution. A transfer to the Authority in accordance with the terms hereof shall not be deemed a disposition of assets for purposes of Tennessee Code Annotated, § 7-52-132.

(c) Notwithstanding Section 2B of the city charter, the City is hereby authorized, by resolution of the Board of Mayor and Aldermen to grant a franchise to the Authority to provide within the corporate limits of the city any and all of the services that it is authorized to provide under applicable law upon such terms and conditions as shall be prescribed by the Board of Mayor and Aldermen.

(d) Upon the Tullahoma Utilities Authority Act becoming effective and upon adoption of the resolution of the Board of Mayor and Aldermen referred to in the Tullahoma Utilities Authority Act, the jurisdiction and control of the systems of the city shall be transferred to the Authority. If such transfer has not occurred and the city bonds as defined in the Tullahoma Utilities Authority Act have not been defeased or retired by the Authority or the obligation for payment therefor assigned to the Authority by July 31, 2018, then all provisions of this charter, existing prior to this amendment thereto set forth herein, relating to the provisions of electric, telecommunications, water, and wastewater services by the Tullahoma Utilities Board shall remain in full force and effect and the provisions of this charter relating to the Tullahoma Utilities Authority shall no longer be effective.

SECTION 34. The terms and provisions of all contracts and agreements between the city and the Tullahoma Utilities Board, including, without limitation, the agreement regarding the disposition of the Short Springs Property that is maintained by and under the jurisdiction of the Tullahoma

Utilities Board as a backup water supply source shall be binding upon and inure to the benefit of the authority and the city.

SECTION 35. It shall be a condition of the transfer of the systems from the city to the authority that upon such transfer the authority shall retire the city bonds by the payment thereof in full upon transfer, defease the city bonds by depositing funds in irrevocable escrow for the payment of these bonds, or assume and agree to pay in full principal of and interest on the city bonds to the extent consistent with all covenants in bond documents relating to the city bonds. If this condition is not met on or before July 31, 2018, then the Tullahoma Utilities Authority shall be dissolved and shall cease to exist, and all city charter provisions relating to the Tullahoma Utilities Board shall remain in full force and effect. Upon the assumption by the Authority of the city bonds and its agreement to pay those bonds when due, the Authority shall be fully obligated to pay when due, principal, premium, and interest with respect to those bonds with the same force and effect as if those bonds were issued by the Authority. The transfer of each of the systems shall be accomplished in such a manner as not to impair the obligations of contract with reference to the city bonds and other legal obligations of the city and to preserve and protect the contract rights vested in the owners of such bonds and other obligations.

SECTION 36. If any provision of this act or the application thereof to any person or circumstance is held to be invalid, such invalidity shall not affect any other provision or application of the act which can be given effect without the invalid provisions or application, and to that end the provisions of this act are declared to be severable.

SECTION 37. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of the city of Tullahoma. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body and certified by the presiding officer to the secretary of state.

SECTION 38. For the purpose of approving or rejecting this act, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect upon being approved as provided in Section 37.



HOUSE BILL NO. 2633

PASSED: April 19, 2016

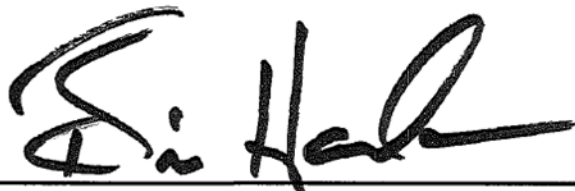


BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES



RON RAMSEY  
SPEAKER OF THE SENATE

APPROVED this 27<sup>th</sup> day of April 2016



BILL HASLAM, GOVERNOR

CHARTER AND RELATED ACTS FOR THE CITY OF  
TULLAHOMA, TENNESSEE

---

YEAR	CHAPTER	SUBJECT
1905	256	Amended § 9, powers of board.
1905	347	Amended § 2, corporate boundaries.
1905	395	Replaced § 15, recorder; § 16, city constable; and amended § 9, powers of board and § 10, taxes.
1907	405	Amended § 4, elections; § 5 election dates; and § 15, election of recorder.
1909	260	Authority to purchase University of Middle Tennessee property. <sup>1</sup>
1915	512	Authorized \$5,000.00 appropriation for Highlands Community. <sup>1</sup>
1917	468	Amended § 9, powers of board.
1919	199	Authorized \$50,000.00 bond issue for streets. <sup>1</sup>
1919	200	Amended § 10 by adding subsections 14, 15, and 16, taxes; and replaced § 14 city court and § 16, city constable.
1919	243	Authorized \$35,000.00 bond issue. <sup>1</sup>

---

<sup>1</sup>This act has not been included in the foregoing compilation because its purpose and effect are temporary.

---

YEAR	CHAPTER	SUBJECT
1921	294	Abutting property law. <sup>1</sup>
1921	763	Establishes a Circuit Court for Tullahoma. (Repealed by Priv. Acts 1923, ch. 31.)
1921	861	Abutting property law. <sup>2</sup>
1921	941	Abutting property law. <sup>3</sup>
1923	31	Repealed Priv. Acts 1921, ch. 763.
1923	510	Amended § 2, corporate boundaries.
1925	504	Authorized \$100,000.00 bond issue for schools. <sup>4</sup>
1925	505	Cemetery tax. (Compiler added as § 27.)
1931	460	Amended § 10, taxes.
1931	466	Amended § 2, corporate boundaries.

---

<sup>1</sup>Abutting property laws have not been included in the foregoing compilation because they are now general laws with substantially the same provisions available for use by all municipalities.

<sup>2</sup>Abutting property laws have not been included in the foregoing compilation because they are now general laws with substantially the same provisions available for use by all municipalities.

<sup>3</sup>Abutting property laws have not been included in the foregoing compilation because they are now general laws with substantially the same provisions available for use by all municipalities.

<sup>4</sup>This act has not been included in the foregoing compilation because its purpose and effect are temporary.

---

YEAR	CHAPTER	SUBJECT
1931	700	Added § 10(2A), taxes.
1931	707	Amended § 10, subsection (17), taxes. (Repealed by Priv. Acts 1983, ch. 16, § 2.)
1931	105 EX. SESS.	Amended § 10(2A), taxes.
1935	9	Validated \$60,000.00 bond issue. <sup>2</sup>
1935	828	Authorized \$75,000.00 bond issue. <sup>1</sup>
1937	231	Authorized \$14,000.00 bond issue. <sup>1</sup>
1941	332	Validated \$60,000.00 bond issue. <sup>1</sup>
1943	334	Amended § 2 and added §§ 2A and 2B, corporate boundaries.
1951	252	Amended Priv. Acts 1931, ch. 105, ex. sess. (Charter § 10(2A).)
1951	259	Amended charter. (Compiler added as § 28.)
1951	513	Replaced § 1, incorporation; amended charter to replace "Town of Tullahoma" with "City of Tullahoma"; replaced §§ 2, 2A, and 2B, corporate boundaries.
1953	466	Replaced § 2, corporate boundaries.
1955	376	Rejected.

---

<sup>1</sup>This act has not been included in the foregoing compilation because its purpose and effect are temporary.

---

YEAR	CHAPTER	SUBJECT
1957	277	Amended § 7. (Repealed by Priv. Acts 1963, ch. 39.)
1963	39	Repealed Priv. Acts 1957, ch. 277.
1963	40	Amended Priv. Acts 1951, ch. 252 (Charter § 10 (2A).)
1965	16	Amended charter. Replaced by Priv. Acts 1983, ch. 36.
1965	194	Added additional justices of peace to city. (See Related Acts at the end of the charter.)
1967	238	Rejected.
1969	148	Amended charter. (Compiler added as §§ 30 a and b.)
1972	233	Rejected.
1974	171	Replaced § 15, city recorder.
1974	172	Replaced § 16, city constable.
1974	241	Replaced § 4, elections and replaced § 5, terms of office.
1974	311	Replaced § 14, recorder; added §§ 16A and 16B, city judge.
1974	337	Rejected.
1976	248	Amended § 8, authority to appoint officers.
1977	71	Amended § 10(2A), taxes.

---

YEAR	CHAPTER	SUBJECT
1978	233	Amended § 16(B), city judge.
1979	59	Amended § 10 by adding subsection (17), taxes and § 5, terms of office.
1979	135	Amended § 8, authority to appoint officers.
1981	70	Amended § 16A, city judge.
1982	350	Amended Priv. Acts 1965, ch. 16. (Repealed by Priv. Acts 1983, ch. 36.)
1982	353	Rejected.
1983	8	Replaced § 4, elections, and § 5, terms of office.
1983	16	Amended § 10(17), taxes. (Repealed Priv. Acts 1931, ch. 707.)
1983	17	Amended § 16B, city judge.
1983	36	Repealed Priv. Acts 1965, ch. 16 and Priv. Acts 1982, ch. 350.
1983	39	Amended § 8, authority to appoint officers.
1983	48	Amended § 16A by adding (m), city judge.
1983	81	Amended § 16A by adding (n), city judge.
1983	86	Amended § 16A by replacing (j), city judge.

---

YEAR	CHAPTER	SUBJECT
1986	115	Amended § 16A by replacing (m), city judge.
1991	124	Replaced § 10(2A), taxes.
1992	161	Created § 29, privilege tax on hotels.
1995	35	Added § 31, sales tax school bond sinking fund.
1997	76	Amended § 10 2A, appropriations and borrowing.
1997	93	Replaced § 9, powers of board generally.
2005	40	Amended § 5, terms of office.
2008	103	Amended § 4, persons entitled to vote.
2008	104	Added § 32, power of recall, and § 33, recall election.
2016	54	Added "Tulahoma Utilities Authority Act" (See Related Acts at the end of the charter.) and amended § 9, powers of board generally.