



1997

# Tennessee Public Acts 1997: Summaries of Interest to Municipal Officials

Dennis Huffer

*Municipal Technical Advisory Service*

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# Tennessee Public Acts 1997



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## Summaries of Interest to Municipal Officials

*By Dennis W. Huffer*

*Director of Legal Services*

*Tennessee Municipal League Risk Management Pool*

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### **Municipal Technical Advisory Service**

A statewide agency of  
The University of Tennessee's Institute for Public Service  
in cooperation with the  
Tennessee Municipal League

## **MTAS Mission Statement**

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

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

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

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## **WARNING**

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

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## Alcoholic Beverages

**Chapter No. 146 (SB 1813/HB 1725).** Liquor at bed and breakfasts. Amends T.C.A. § 57-4-102 (14) to include certain bed and breakfast establishments in cities of over 150,000 population in the definition of "hotel" where liquor may be served for on premise consumption.

*Effective date: April 29, 1997.*

**Chapter No. 423 (SB 1822/HB 1680).** Illegal purchases of beer. Amends T.C.A. § 57-5-301(d)(2) to make the purchase of beer by any person for someone under 21 a class A misdemeanor punishable by not more than 30 days of community service work in addition to the fine and jail term.

Amends T.C.A. § 57-5-301(d)(3)(A) to allow a maximum fine of \$250.00 in addition to 20 hours of community service work for a person less than 18 years old who illegally purchases beer.

Amends T.C.A. § 57-5-301(d)(3)(B) to increase the maximum fine for a person 18 or older but less than 21 who illegally purchases beer from \$200 to \$500.

*Effective date: July 1, 1997.*

**Chapter No. 492 (SB 1693/HB 1413).** Warning signs by alcoholic beverage licensees. Requires all alcoholic beverage licensees to post conspicuous signs warning that drinking alcoholic beverages during pregnancy can cause birth defects, including fetal alcohol syndrome and fetal alcohol effects. The ABC will provide the signs at no cost.

*Effective date: July 1, 1997.*

**Chapter No. 543 (SB 561/HB 1836).** Retail liquor licenses -- residence requirements. Amends T.C.A. § 57-3-204(b)(2) and 204(b)(3)(A) to allow persons who at any time have been residents of Tennessee for at least 10 consecutive years to be eligible for a retail liquor license.

Amends T.C.A. § 57-3-204(b)(3)(C) to prohibit the sale of stock in a corporate licensee to anyone but a person who has resided in Tennessee for the immediately preceding 2 years or who at any time has resided in Tennessee for 10 consecutive years.

*Effective date: June 19, 1997.*

**Chapter No. 560 (SB 1210/HB 1023).** Beer permits -- proximity to residence; size unrestricted. Amends T.C.A. § 57-5-109 to prohibit cities and counties from denying a beer permit to a business based on its proximity to a residence if a permit had been issued to any business at the same location as of January 1, 1993.

Amends T.C.A. Title 57, Chapter 5 to allow beer wholesalers and retailers to distribute beer in containers of any size.

*Effective date: June 23, 1997.*

## **Animals**

**Chapter No. 90 (SB 1914/HB 1366).** Cruelty to livestock. Amends T.C.A. Title 59, Chapter 14, Part 2 to place limitations on the ability to bring an action against a person suspected of cruelty to livestock.

*Effective date: July 1, 1997.*

**Chapter No. 106 (SB 829/HB 542).** Animal euthanasia -- certification of agencies and technicians. Amends T.C.A. Title 63, Chapter 12 and Title 44, Chapter 17, Part 3 to do the following:

Require the Board of Veterinary Medical Examiners to certify animal control agencies to perform euthanasia. Require the Board to certify qualified individuals as certified animal euthanasia technicians. Limit animal euthanasia to licensed veterinarians, licensed animal technicians under the supervision of a veterinarian, and certified animal euthanasia technicians. Limit drugs that can be used for euthanasia to sodium pentobarbital and other drugs approved by the Board. Make it a class B misdemeanor for any person or entity to falsely claim that they have been certified to do animal euthanasia.

*Effective date: January 1, 1998.*

## **Building and Utility Codes**

(See also *Utilities*)

**Chapter No. 88 (SB 302/HB 967).** Electrical safety code for supply stations and lines. Amends T.C.A. § 68-101-104 to adopt the August 1, 1996 edition of the American National Standard Electrical Safety Code for supply stations and lines.

*Effective date: April 15, 1997.*

## **Business Regulation**

**Chapter No. 46 (SB 407/HB 720).** Fraud relative to minority and disadvantaged business programs. Amends T.C.A. § 39-14-137, to prohibit fraudulent conduct to qualify for participation in programs to encourage minority, small, and disadvantaged businesses.

*Effective date: April 8, 1997.*

**Chapter No. 137 (SB 1380/HB 1136).** Exemption for certain commissioned persons from Private Protection Services Licensing and Regulatory Act. Amends T.C.A. § 62-35-103(a) to exempt from the Private Protective Services Licensing and Regulatory Act a person compensated by a resort area owner or management company who has been commissioned by the chief law enforcement officer of the appropriate government. The person must meet approved training requirements.

*Effective date: October 31, 1996.*

**(Business Regulation continued on next page.)**

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

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

It is a class A misdemeanor for any person or entity to fail to observe the above requirements.

*Effective date: July 1, 1997.*

**Chapter No. 311 (SB 1655/HB 1249).** Sealer of weights and measures authorized. Amends T.C.A. Title 47, Chapter 26 to authorize each city to appoint weights and measures officials, including a sealer of weights and measures. These officials would enforce weight and measure laws and standards in the jurisdiction.

*Effective date: July 1, 1997.*

### **City Manager - Commission Charter**

**Chapter No. 98 (SB 1191/HB 1000).** Incorporation -- distribution of situs - based revenues; incorporation elections. Amends all three general law charters to provide that situs-based revenues within a newly incorporated area continue to go to the county until the next July 1. The new municipality must notify the Department of Revenue of its incorporation before the incorporation is effective for tax administration purposes.

Amends T.C.A. §§ 6-1-202, 6-18-104, and 6-30-106 to provide for a special incorporation election not fewer than 45 nor more than 60 days after the incorporation petition is certified, rather than having the election coincide with a general election.

*Effective date: April 16, 1997*

## Civil Procedure

**Chapter No. 231 (SB 1052/HB 810).** Ouster suits -- costs and attorney fees. Amends T.C.A. § 8-47-122 to allow the complainant in an ouster suit to have costs and attorney fees taxed against him/her under Rule 11 of the Tennessee Rules of Civil Procedure if the complaint is withdrawn or found to be meritless.

*Effective date: May 15, 1997.*

**Chapter No. 262 (SB 1410/HB 1524).** Reimbursement of attorney fees to officer when ouster fails. Amends T.C.A. § 8-47-121 to allow governments to reimburse reasonable attorney fees to an official against whom an ouster attempt fails. Reimbursement may not be made until after a final judgment.

*Effective date: July 1, 1997.*

**Chapter No. 403 (SB 396/HB 535).** Anti-slapp Act enacted. Enacts the Tennessee Anti-slapp Act of 1997. SLAPP stands for strategic lawsuits against political participation.

This Act grants immunity to individuals communicating information to governmental entities unless the person knew the information to be false, recklessly disregarded its falsity, or if the information was transferred negligently in failing to ascertain its falsity if in regard to someone not a public figure.

This Act allows the government to intervene in a lawsuit against a person brought because of the communication of information.

*Effective date: June 6, 1997.*

## Contracts

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

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

It is a class A misdemeanor for any person or entity to fail to observe the above requirements.

*Effective date: July 1, 1997.*

**(Contracts continued on next page.)**



**Chapter No. 260 (SB 1050/HB 1056).** Communication and information systems. Amends T.C.A. Title 4, Chapter 3 to authorize the information systems council to lease state communications services to public agencies.

*Effective date: May 22, 1997.*

### **Crimes & Criminal Procedure**

(See also *Juveniles, Law Enforcement, and Motor Vehicles & Traffic*)

**Chapter No. 107 (SB 902/HB 603).** Drugs -- catha edulis. Amends T.C.A. §§ 39-17-406 and 412 to add catha edulis (khat or chat) when cathinone is present to the list of Schedule I controlled drugs and the same substance when cathinone is absent but cathine is present to the list of Schedule IV controlled drugs. Amends T.C.A. § 39-17-417 to increase the fine for manufacturing, selling, etc., flunitrazepam to not more than \$100,000.

*Effective date: July 1, 1997.*

**Chapter No. 116 (SB 633/HB 1302).** Interference with or theft of sanitary sewer service. Amends T.C.A. §§ 65-35-101, 102, and 103 to add sanitary sewer services to the list of utility service it is unlawful to interfere with or steal.

*Effective date: April 22, 1997.*

**Chapter No. 149 (SB 67/HB 15).** Drugs -- methcathinone. Amends T.C.A. § 39-17-406 to add methcathinone to the list of Schedule I controlled substances.

*Effective date: April 29, 1997.*

**Chapter No. 154 (SB 1233/HB 1030).** Inhaling of nitrous oxide. Amends T.C.A. § 39-17-422 to add nitrous oxide to the list of gases it is unlawful to inhale to get high.

*Effective date: July 1, 1997.*

**Chapter No. 256 (SB 198/HB 267).** Sexual battery by an authority figure. Amends T.C.A. Title 39, Chapter 13, Part 5 to make sexual battery by an authority figure a class C felony.

*Effective date: July 1, 1997.*

**Chapter No. 284 (SB 585/HB 1495).** Arson and vandalism of places of worship; rewards. Amends T.C.A. §§ 39-14-301, 302, and 408 to increase penalties for arson and vandalism of places of worship.

Amends T.C.A. § 40-8-101 to allow the Governor to offer rewards of up to \$50,000 for class A and B felonies and up to \$5,000 for Class C, D, and E felonies for information leading to conviction

*Effective date: May 27, 1997.*

**Chapter No. 317 (SB 116/HB 215).** Failure to appear. Amends T.C.A. § 39-16-609(e) to make failure to appear for a class A misdemeanor a class E felony.

*Effective date: July 1, 1997.*

**(Crimes & Criminal Procedure continued on next page.)**

**Chapter No. 321 (SB 315/HB 1275).** Wearing bullet proof vest while committing certain crimes. Amends T.C.A. Title 39, Chapter 17, Part 13 to make it a class E felony to wear a bullet proof vest during a violent felony, burglary, car jacking, auto theft, arson, or drug offense.

*Effective date: May 30, 1997.*

**Chapter No. 339 (SB 1175/HB 615).** Electronic tracking devices. Amends T.C.A. Title 39, Chapter 13, Part 6 to make it a class C misdemeanor, except for law enforcement personnel and parents, to install, conceal, or place an electronic tracking device in a motor vehicle without the owner's consent for the purpose of monitoring or following occupants of the vehicle.

*Effective date: July 1, 1997.*

**Chapter No. 388 (SB 281/HB 1843).** Sexual contact with prisoners. Amends T.C.A. Title 41, Chapter 21 to make it a class A misdemeanor for law enforcement officers to engage in sexual contact or sexual penetration with persons in custody of a penal institution.

*Effective date: July 1, 1997.*

**Chapter No. 408 (SB 510/HB 437).** Requirements for entities supervising misdemeanor probationers. Amends T.C.A. § 40-35-302 to enact stringent requirements for entities supervising misdemeanor probationers. Prescribes application form. This Act is not applicable in several counties.

*Effective date: July 1, 1997.*

**Chapter No. 437 (SB 1216/HB 370).** Gang offenses. Amends T.C.A. Title 40, Chapter 35, Part 1 to provide for enhanced punishment for criminal gang offenses.

*Effective date: July 1, 1997.*

**Chapter No. 455 (SB 1367/HB 756).** Sexual offenders -- expungement of records. Amends T.C.A. §§ 40-32-101 and 40-35-313 to prohibit expungement of sexual offenders' records when they complete diversion programs or are dismissed from probation.

Amends T.C.A. Title 40, Chapter 39 to prohibit sexual offender information from being expunged from the TBI's central record system unless ordered by a court of competent jurisdiction.

*Effective date: June 13, 1997.*

**Chapter No. 456 (SB 1364/HB 759).** Sexual offenders -- ineligibility for suspension of prosecution and deferral of other proceedings and probation. Amends T.C.A. §§ 40-15-105 and 40-35-313 to make alleged sexual offenders ineligible for suspension of prosecution and convicted sexual offenders ineligible for deferral of further proceedings and probation.

*Effective date: July 1, 1997.*

**Chapter No. 458 (SB 1366/HB 761).** Sexual offenders from other states. Amends T.C.A. Title 40, Chapter 28, Part 4 to require applicants from a sending state to enroll in a sex offender treatment program within 30 days of arrival in Tennessee.

*Effective date: June 13, 1997.*

**(Crimes & Criminal Procedures continued on next page.)**

**Chapter No. 461 (SB 1552/HB 798).** Sexual offenders -- information public. Amends T.C.A. § 40-39-106 to make sexual offender information in the TBI's records public. The TBI must place the information on the Internet. This applies to sexual offenses committed on and after July 1, 1997.  
*Effective date: June 13, 1997.*

**Chapter No. 462 (SB 1465/HB 799).** Sexual offenders -- accessories and aiders and abettors. Amends T.C.A. § 40-39-102 to make persons who facilitate sex crimes, who are accessories before or after the fact, and aiders and abettors subject to sexual offender registration and monitoring.  
*Effective date: July 1, 1997.*

**Chapter No. 466 (SB 1460/HB 905).** Sexual offenders -- statute comprehensively revised. Comprehensively revises the Sexual Offender Registration and Monitoring Act (T.C.A. Title 40, Chapter 39).  
*Effective date: July 1, 1997.*

**Chapter No. 468 (SB 843/HB 983).** Perjury on handgun application. Amends T.C.A. § 39-16-782 to make perjury on a handgun application a class E felony.  
*Effective date: June 13, 1997.*

### **Disabled Persons**

**Chapter No. 122 (SB 8/HB 9).** Disabled voters. Amends T.C.A. § 2-7-116 to allow election officers to move disabled voters to the front of any line at the polling place.  
*Effective date: April 29, 1997.*

**Chapter No. 315 (SB 1783/HB 1731).** Enforcement of disabled parking laws. Amends T.C.A. § 55-21-110 to allow anyone 21 or older regardless of disability status, to be appointed as a volunteer to enforce parking laws for the disabled. Allows any municipality, county, or metropolitan government to establish a special enforcement unit to enforce disabled parking laws. Requires members of the special enforcement unit to wear a distinctive piece of clothing, rather than a uniform, and a badge while on duty. Allows local authorities to issue cellular phones and other communication devices to the volunteers.

This Act and the section it amends apply only in those municipalities, counties, and metropolitan governments that adopt it by a 2/3 vote.

*Effective date: July 1, 1997.*

## **Districts, Authorities, and Commissions**

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

*Effective date: April 11, 1997.*

**Chapter No. 103 (SB 1692/HB 1437).** Watershed district boards of directors. Amends T.C.A. § 69-7-122(d) to require bylaws of watershed districts to provide for board representation that is fairly spread among the counties comprising the district and to designate which county or municipal officials are the appointing authorities.

*Effective date: April 16, 1997.*

**Chapter No. 126 (SB 425/HB 1127).** Housing authority security officers. Amends T.C.A. § 13-20-419 to give housing authority security officers the same authority as a law enforcement officer when the security officer meets the same qualifications and training requirements as a full-time police officer. Arrest power is limited to offenses committed on housing authority property.

*Effective date: July 1, 1997.*

**Chapter No. 136 (SB 1310/HB 382).** Property number posting requirements. Amends T.C.A. § 7-86-127 to allow counties, cities, and emergency communications districts with delegated authority to establish and enforce policies for the assignment and posting of property numbers.

*Effective date: April 29, 1997.*

**Chapter No. 233 (SB 602/HB 1165).** Port authorities -- residence requirement for directors eliminated. Amends T.C.A. § 7-87-105 to eliminate the requirement that port authority directors must reside in the creating municipality.

*Effective date: May 15, 1997.*

**Chapter No. 308 (SB 1183/HB 1310).** Human service delivery organizations subject to evaluation and sunset. Amends T.C.A. §§ 4-29-102 and 222 to make certain human resource agencies, community action agencies, and economic authorities subject to evaluation and termination.

*Effective date: May 27, 1997.*

**Chapter No. 405 (SB 1467/HB 823).** Public building authorities -- issuance of obligations in registered form; leases, loan agreements, etc., payable from revenue; appointment of board of directors. Amends T.C.A. § 12-10-111 to provide for issuance of bonds and notes by building authorities in registered form and to make minor adjustments to the requirements for refunding bonds.

*(Districts, Authorities, and Commissions continued on next page.)*

Amends T.C.A. § 12-10-115 to allow municipalities to make leases, loan agreements, sales contracts or operating contracts with a public building authority payable exclusively from the revenues from one or more projects of the municipality.

Amends T.C.A. §12-10-116 to allow leases, loans, sales contracts, and operating contracts to be made by resolution.

Amends T.C.A. § 12-10-108(a) to provide that the chief executive officer, subject to confirmation by the governing body, appoints the board of directors of public building authorities, and not the governing body.

*Effective date: June 6, 1997.*

**Chapter No. 482 (SB 824/HB 1234).** TACIR membership. Amends T.C.A. § 4-10-103 to revise membership on the Tennessee Advisory Commission on Intergovernmental Relations beginning July 1, 1997.

**Chapter No. 529 (SB 823/HB 1235).** TACIR functions. Amends T.C.A. § 4-10-104 to require TACIR to study federalism issues, including devolution, block grants, preemption, mandates and 10th Amendment issues. Also requires an annual study of the fiscal capacity of local governments to fund education.

*Effective date: June 19, 1997.*

### **Economic Development**

**Chapter No. 46 (SB 407/HB 720).** Fraud relative to minority and disadvantaged business programs. Amends T.C.A. § 39-14-137, to prohibit fraudulent conduct to qualify for participation in programs to encourage minority, small, and disadvantaged businesses.

*Effective date: April 8, 1997.*

**Chapter No. 398 (SB 1817/HB 1912).** In lieu of tax payments by hotel and motel lessees. Amends T.C.A. § 7-53-305(b) to eliminate the requirement that hotel and motel lessees of industrial development corporations must make in lieu of tax payments, 10 years after completion of the project, of not less than property taxes that would otherwise be due on the property.

*Effectivedate: June 5, 1997.*

**Chapter No. 517 (SB 628/HB 861).** Tennessee Technology Development Corporation created. Amends T.C.A. Title 4 to create the Tennessee Technology Development Corporation. One member of the 17 member board of directors is to be chosen from a list of 3 submitted by TML.

*Effective date: July 1, 1997.*

## Education

**Chapter No. 52 (SB 714/HB 344).** Surplus computers for education. Amends T.C.A. § 12-2-403 to allow the Commissioner of General Services to transfer surplus state computer equipment to local education agencies without charge if the equipment is suitable for educational purposes. The local education agency must request the equipment.

*Effective date: July 1, 1997.*

**Chapter No. 72 (SB 256/HB 301).** Uses of excess instructional time. Amends T.C.A. § 49-6-3004(e)(1) to allow excess instructional time to be used in whole day increments for faculty development, M-team meetings, S-team meetings, parent-teacher conferences, or other meetings.

*Effective date: April 9, 1997.*

**Chapter No. 179 (SB 7/HB 44).** Restricted commercial license for operation of school bus prohibited. Amends T.C.A. §§ 55-50-302, 303, and 404 to provide that a restricted commercial license may not be issued or valid for operation of a school bus.

*Effective date: May 6, 1997.*

**Chapter No. 210 (SB 1785/HB 1730).** Conflict of interests for school employees. Amends T.C.A. § 49-6-2003 to provide that nothing precludes a spouse or family member of a school employee from participating in business transactions with the school system when there are sealed bids and the employee does not have discretion in the selection of bids.

*Effective date: July 1, 1997.*

**Chapter No. 215 (SB 405/HB 1082).** Drop-out rates. Amends T.C.A. Title 49, Chapter 1, Part 2 to urge school systems with a variance in drop-out rates between the overall rate and the African-American rate of 5% or more and with more than 100 African-American students to develop a plan to reduce the variance.

*Effective date: July 1, 1997.*

**Chapter No. 326 (SB 1341/HB 1521).** Expulsion for possession of drugs. Amends T.C.A. § 49-6-4018 to require that students unlawfully possessing prescription drugs or other controlled substances must generally be expelled for not less than 1 year.

*Effective date: July 1, 1997.*

**Chapter No. 329 (SB 777/HB 475).** Transfer -- disclosure of student records. Amends T.C.A. § 49-6-3001 to allow local education agencies to require disclosure of potential transfer students' records, including disciplinary records.

*Effective date: May 30, 1997.*

**Chapter No. 348 (SB 1846/HB 1909).** Pilot programs for cognitive development. Requires the Department of Education to develop a pilot program for the cognitive development of children.

*Effective date: May 30, 1997.*

**(Education continued on next page.)**

**Chapter No. 365 (SB 1193/HB 1522).** Leaves of absence. Amends T.C.A. § 49-5-702(b) to allow the director of schools to waive or reduce the 30 days notice generally required for requested leaves of absence.

Amends T.C.A. § 49-5-703 to require the director to act on the request within 15 days and to notify the applicant in writing of his/her actions and the beginning and ending date of the leave granted.

*Effective date: July 1, 1997.*

**Chapter No. 371 (SB 1579/HB 894).** Advertising on school buses. Amends T.C.A. § 49-6-2109 to allow advertising on the back quarter panels of school buses. The state Board of Education will adopt rules to effect this law. Campaign advertising and alcohol and tobacco advertising are not allowed.

*Effective date: June 2, 1997.*

**Chapter No. 378 (SB 1263/HB 1344).** Inspection of instructional materials. Amends T.C.A. Title 49, Chapter 6, Part 70 to require boards of education to adopt and file in their operating policy their policy on inspection by parents and guardians of instructional materials.

*Effective date: June 2, 1997.*

**Chapter No. 392 (SB 901/HB 1378).** School age lowered. Amends T.C.A. § 49-6-3001 to lower school age from 6 to 5. Parents may make application for deferral.

*Effective date: June 5, 1997.*

**Chapter No. 422 (SB 1792/HB 1922).** Religious liberty. Enacts the Tennessee Student Religious Liberty Act of 1997.

*Effective date: September 15, 1997.*

**Chapter No. 499 (SB 1560/HB 1523).** Employment of substitute teachers. Amends T.C.A. § 49-5-709(a) to provide that substitute teachers are employed by the Director of Schools rather than the school board.

*Effective date: July 1, 1997.*

## **Elections**

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

*Effective date: April 8, 1997.*

**Chapter No. 122 (SB 8/HB 9).** Disabled voters. Amends T.C.A. § 2-7-116 to allow election officers to move disabled voters to the front of any line at the polling place.

*Effective date: April 29, 1997.*

**(Elections continued on next page.)**

**Chapter No. 399 (SB 1819/HB 1898).** Failure to file campaign finance reports. Amends T.C.A. Title 2, Chapter 10, Part 1 to make it a class E felony for a multicandidate political campaign committee that has a prior assessment record to fail intentionally to file a required campaign finance report.

*Effective date: July 1, 1997.*

**Chapter No. 410 (SB 739/HB 1574).** Reports of contributions. Amends T.C.A. §§ 2-10-105 and 107 to require the statement of each candidate for local public office to include the date of receipt of each contribution and to require the statement of a political campaign committee to indicate the date of each expenditure.

*Effective date: June 13, 1997.*

**Chapter No. 464 (SB 1337/HB 872).** Treasurer liable. Amends T.C.A. § 2-10-110 to make the treasurer of a multicandidate campaign committee personally liable for any penalty levied by the Registry of Election Finance.

*Effective date: June 13, 1997.*

**Chapter No. 558 (SB 1771/HB 1691).** Special elections. Amends T.C.A. § 2-3-204 to require resolutions, ordinances, or petitions requiring elections on questions to be held on a regular general election date or the presidential preference primary to be filed with the county election commission not fewer than 60 days before the election.

Amends T.C.A. § 2-5-102(b) to prohibit nominating petitions from being issued more than 90 days before the qualifying deadline.

Amends T.C.A. § 2-10-101(b), part of the campaign financial disclosure law, to provide that it does not apply to any office for which the compensation is less than \$500 per month, rather than \$100. Deletes this exemption if the candidate spends more than \$1000, rather than \$500.

Amends T.C.A. Title 2, Chapter 5 to enact requirements for local governments having charter provisions for recall, referendum, or initiative. These requirements include the following:

- A registered voter must submit the prepared petition and question to the county election commission.
- The election commission must certify whether the petition is in proper form within 30 days.
- The person filing the petition has 15 days to cure defects.
- Petitions must be signed by at least 15% of those registered to vote in the municipality.
- The petition must include the question, required signatures, printed name of each signer, and the date of the signature.
- The completed petition must be filed within 75 days after certification by the election commission and at least 60 days before the election.
- Persons may request that their name be removed from the petition within 8 days of filing the petition.

***(Elections continued on next page.)***



- These provisions control contrary charter provisions. After July 1, 1997, the municipality can enact controlling charter requirements relative to the number of signatures required and the 75 day deadline after election commission certification.

*Effective date: June 23, 1997.*

### **Emergency Services**

(See also *Law Enforcement*)

**Chapter No. 161 (SB 1181/HB 678).** Ambulances -- EMT, doctor, or nurse required. Amends T.C.A. § 68-140-159 to require an EMT, physician, or nurse to attend every patient transported by ambulance in this state. The previous exception for volunteer rescue squads was repealed.

*Effective date: May 2, 1997*

**Chapter No. 280 (SB 1340/HB 767).** Run records. Amends T.C.A. Title 68, Chapter 140, Part 5 to require each ambulance service and vehicle operator for invalids to maintain run records.

*Effective date: May 27, 1997.*

**Chapter No. 320 (SB 5/HB 48).** Exemptions to public safety dispatcher qualifications. Amends T.C.A. § 7-86-201 to exempt a dispatcher in Ardmore from the education requirements for public safety dispatchers that take effect July 1, 1997.

This Act also provides that any person who has 10 years experience as a public safety dispatcher or 30 years experience in emergency services or communications management is deemed to meet the education requirement.

*Effective date: May 30, 1997.*

**Chapter No. 539 (SB 1931/HB 1819).** Emergency workers -- exposure to infectious diseases. Amends T.C.A. Title 68, Chapter 10, Part 1 to allow firefighters, paramedics, emergency response employees, first response workers, emergency medical technicians, and volunteers making an authorized emergency response who are exposed to potentially life threatening airborne or bloodborne diseases to request in writing that the individual who may have exposed the worker be evaluated to determine the presence of disease. The designated exposure control officer or county medical examiner shall conduct the evaluation. Evaluation will cover medical records. Cost shall be paid by the agency. Agencies and individuals providing records are granted immunity.

*Effective date: June 19, 1997.*

### **Environment**

**Chapter No. 221 (SB 1620/HB 1592).** Recycling grants. Amends T.C.A. § 68-211-825(a) to prohibit grants for processing equipment at sites where there is already adequate equipment at private facilities unless the grant applicant demonstrates that the equipment will not be used to compete with the private facility.

*Effective Date: May 15, 1997.*

**(Environment continued on next page.)**

**Chapter No. 230 (SB 1497/HB 622).** Hazardous waste facilities -- hearings and impact statements. Amends T.C.A. § 68-21-108 to require applicants for hazardous waste storage or disposal facilities to hold a public meeting and to do a community impact statement before submitting the application.  
*Effective date: May 15, 1997.*

**Chapter No. 444 (SB 1033/HB 595).** Petroleum underground storage tanks. Amends T.C.A. § 68-215-110(h)(3) to provide for appropriations of environmental taxes and fees to the Local Development Authority to pay debt service on bonds and notes issued by the authority to clean up underground tank sites.  
*Effective date: July 1, 1997.*

**Chapter No. 471 (SB 819/HB 1014).** Environmental fees. Amends T.C.A. § 68-203-104 to prohibit increases in environmental fees that result in a ratio between general fund appropriation and environmental fund fees in which the fees constitute a higher percentage of the total funds for the program than they did in 1994-95.  
*Effective date: June 13, 1997.*

### **Finance**

(See also *Contracts, Purchasing and Taxes*)

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

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

This act does not apply in Metropolitan Nashville and Davidson County.

*Effective date: July 1, 1997.*

**(Finance continued on next page.)**

**Chapter No. 206 (SB 339/HB 280).** MTAS allocation increased. Amends T.C.A. § 67-6-103(a)(3)(E) to increase the allocation to MTAS from the municipal share of the state sales tax in increments over 3 years from .75% to 1.0%.

*Effective date: May 13, 1997.*

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

*Effective Date: May 15, 1997.*

**Chapter No. 241 (SB 822/HB 953).** Studies of fiscal relations, etc. Amends T.C.A. § 67-9-102(b) (3) to provide for the use of an amount of up to 10% of TVA impact funds, after allocations to local governments, to be used by the Tennessee Advisory Commission on Intergovernmental Relations for studies of state - local fiscal relations, education finance, mandates, and federalism issues.

*Effective date: May 20, 1997.*

**Chapter No. 390 (SB 627/HB 1395).** Certain unfunded pension obligations. Amends T.C.A. Title 9, Chapter 21, Part 1, part of the Local Government Public Obligations Act, to allow local governments to issue general obligation bonds for certain unfunded pension obligations if approved by the state funding board after a recommendation by the director of local finance. "Certain unfunded pension obligations" means benefits for past service of employees whose employment results from the local governments assumption of governmental responsibilities of another local government.

*Effective date: June 5, 1997.*

**Chapter No. 405 (SB 1467/HB 823).** Public building authorities -- issuance of obligations in registered form; leases, loan agreements, etc., payable from revenue; appointment of board of directors. Amends T.C.A. § 12-10-111 to provide for issuance of bonds and notes by building authorities in registered form and to make minor adjustments to the requirements for refunding bonds.

Amends T.C.A. § 12-10-115 to allow municipalities to make leases, loan agreements, sales contracts or operating contracts with a public building authority payable exclusively from the revenues from one or more projects of the municipality.

Amends T.C.A. §12-10-116 to allow leases, loans, sales contracts, and operating contracts to be made by resolution.

Amends T.C.A. § 12-10-108(a) to provide that the chief executive officer, subject to confirmation by the governing body, appoints the board of directors of public building authorities, and not the governing body.

*Effective date: June 6, 1997.*

**Chapter No. 446 (SB 1516/HB 631).** Audits. Amends T.C.A. § 6-56-104 to require each municipality to place a copy of each audit in the main branch of the public library in the municipality. The municipality may also place the audit on the Internet.

*Effective date: June 13, 1997.*

**Chapter No. 447 (SB 1517/HB 632).** Reports relative to community development block grants and in lieu of property tax payments. Amends T.C.A. Title 6, Chapter 54, Part 1 to require municipalities that receive community development block grants and municipalities or industrial development corporations that are a party to an in lieu of property tax agreement to make a report concerning the expenditures of the funds and the agreement itself for in lieu of tax agreements. The municipality must place a copy of the reports in the main branch of the public library located in the municipality. The municipality may also place the report on the Internet.

*Effective date: June 13, 1997.*

**Chapter No. 483 (SB 1671/HB 1264).** Drinking water revolving loan fund. Amends T.C.A. Title 68, Chapter 221, Part 10 to do the following:

- Create in the state treasury a drinking water revolving loan fund.
- Provide for loans from the fund to water systems.
- Provide that water systems serving jurisdictions falling in the lower economic scale are eligible for lower interest rates.
- Provide for priority for projects that address the most severe health problems.
- Provide for affordability criteria for loans based upon per capita income and property values in the jurisdiction.
- Place restrictions on the use of funds; i.e., funds may be used only to comply with federal and state safe drinking water acts or for purposes that otherwise further public health objectives.
- Require the borrowing system to establish dedicated source of revenues to repay the loan and to agree to periodically adjust fees and charges and to maintain financial records.
- Provide that loans may be interest free.
- Allow extended terms for loans under certain conditions for disadvantaged communities.

This Act also amends T.C.A. §§ 68-221-1007 through 1015 to bring water systems under the jurisdiction of the Wastewater Financing Board, which is now known as the Water and Wastewater Financing Board. This Board will have substantially the same power over water systems as it does over wastewater systems.

*Effective date: June 13, 1997.*

**(Finance continued on next page.)**

**Chapter No. 552 (SB 1698/HB 1793).** Appropriations Act. Makes appropriations to pay the expenses of state government. Of interest to municipalities, the Act makes the following appropriations:

Safe drinking water revolving loan fund	\$2,500,000
Bridge grant program	\$9,600,000
Firefighter pay supplement	Maximum of \$450 per firefighter
Police pay supplement	Maximum of \$600 per officer
Small cities community development block grants	\$59,772,000

*Effective date: July 1, 1997.*

### **Juveniles**

**Chapter No. 465 (SB 1922/HB 899).** Punishment of parents. Amends T.C.A. Title 37, Chapter 1, Part 1 to provide that when a child under 16 commits a delinquent or unruly act and the parent did not take reasonable steps to control the conduct, the juvenile court can order the parent to participate in the child's treatment, seek assistance, or do community service work. Failure can cause contempt of court.

*Effective date: July 1, 1997.*

**Chapter No. 479 (SB 344/HB 1110).** Recidivistic delinquency. Amends T.C.A. § 37-1-129(b) to provide that a juvenile's acts reflecting recidivistic delinquency, in the absence of evidence to the contrary, will sustain a finding that the child needs treatment or rehabilitation.

*Effective date: July 1, 1997.*

**Chapter No. 500 (SB 473/HB 1593).** Immunity for juvenile community service work. Amends T.C.A. § 37-1-131(a)(7) to grant immunity to municipalities, counties, and other entities using juveniles for community service work for injuries sustained by the juvenile, to other persons caused by the juvenile, for any act of the juvenile, and for liability to the juvenile or his or her family for death or injuries to the juvenile proximately caused by the juvenile, if the municipality or other organization exercised due care in supervising the juvenile.

*Effective date: June 13, 1997.*

### **Law Enforcement**

*(See also Crimes & Criminal Procedure and Motor Vehicles & Traffic)*

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

- Relieves the district attorney of the duty of approving expenditures from drug fund monies.

***(Law Enforcement continued on next page.)***

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

This act does not apply in Metropolitan Nashville and Davidson County.

*Effective date: July 1, 1997.*

**Chapter No. 57 (SB 384/HB 826).** Personal flotation devices for persons 12 and under. Amends T.C.A. Title 69, Chapter 10, Part 2, to make it a class C misdemeanor punishable by a fine of not more than \$50 for a child 12 or under to be on a boat or open deck of a watercraft used for recreational purposes without wearing a personal flotation device. A person cited must be given 30 days to show proof of legal age. This may be extended another 30 days by the officer. If the person is over 12, he or she may not be required to appear in court and the court, upon request of the officer, must dismiss the citation and assess no costs.

*Effective date: July 1, 1997.*

**Chapter No. 126 (SB 425/HB 1127).** Housing authority security officers. Amends T.C.A. § 13-20-419 to give housing authority security officers the same authority as a law enforcement officer when the security officer meets the same qualifications and training requirements as a full-time police officer. Arrest power is limited to offenses committed on housing authority property.

*Effective date: July 1, 1997.*

**Chapter No. 137 (SB 1380/HB 1136).** Exemption for certain commissioned persons from Private Protection Services Licensing and Regulatory Act. Amends T.C.A. § 62-35-103(a) to exempt from the Private Protective Services Licensing and Regulatory Act a person compensated by a resort area owner or management company who has been commissioned by the chief law enforcement officer of the appropriate government. The person must meet approved training requirements.

*Effective date: October 31, 1996.*

***Law Enforcement continued on next page.)***

**Chapter No. 148 (SB 1910/HB 1849).** Proceeds from forfeiture of vehicle. Amends T.C.A. § 40-33-211 to change the percentage of the sale price of vehicles forfeited for second or subsequent DUI or for driving on license suspended or revoked for DUI from 15% to 30% to local government seizing the vehicle and from 85% to 70% to state for an alcohol and drug treatment fund.

*Effective date: April 29, 1997.*

**Chapter No. 250 (SB 529/HB 788).** Foreign orders of protection. Amends T.C.A. Title 36, Chapter 3, part 6 to make foreign orders of protection enforceable in this state.

*Effective date: May 22, 1997.*

**Chapter No. 299 (SB 426/HB 557).** Use of emergency red and white lights. Amends T.C.A. § 55-9-402 to prohibit non-emergency vehicles from having emergency flashing light systems within the headlight assembly, grill area, tail light lamp, spotlight area, or backup light area. Prohibits flashing red or white lights or any combination that shows to the front of a vehicle except for school buses; rural mail passenger vehicles; authorized law enforcement vehicles, but only when in combination with a flashing blue light; firefighting vehicles, ambulances, division of forestry vehicles, rescue vehicles, and privately owned firefighter vehicles.

*Effective date: July 1, 1997.*

**Chapter No. 320 (SB 5/HB 48).** Exemptions to public safety dispatcher qualifications. Amends T.C.A. § 7-86-201 to exempt a dispatcher in Ardmore from the education requirements for public safety dispatchers that take effect July 1, 1997.

This Act also provides that any person who has 10 years experience as a public safety dispatcher or 30 years experience in emergency services or communications management is deemed to meet the education requirement.

*Effective date: May 30, 1997.*

**Chapter No. 341 (SB 1449/HB 800).** TBI computer data bases. Amends T.C.A. Title 38, Chapter 6 to require the TBI to create a Tennessee Internet Criminal Information Center. The data bases maintained by the Center must include: (1) Out-of-State Parole and Probation Supervision Registry; (2) Sexual Offense Registry; and (3) Tennessee Missing Children Registry. These databases will be on the Center's internet home page.

*Effective date: January 1, 1998.*

**Chapter No. 413 (SB 1241/HB 371).** Donor cards and medical alert bracelets. Amends T.C.A. § 68-30-106 to require police officers responding to an accident to take reasonable steps to insure that donor cards, driver's license, or other gift documents or medical alert bracelets accompany an injured individual to the hospital.

*Effective date: June 13, 1997.*

**(Law Enforcement continued on next page.)**

**Chapter No. 459 (SB 591/HB 789).** Protection orders. Amends T.C.A. § 36-3-606 to make protection orders valid and enforceable in any county of the state.

*Effective date: June 13, 1997.*

**Chapter No. 476 (SB 1170/HB 1055).** Handgun permits. Amends T.C.A. Title 39, Chapter 17, Part 13 to completely revise provisions on handgun permits.

*Effective date: Provisions requiring pending applications to be acted upon in 30 days took effect on June 13, 1997; other provisions take effect on July 1, 1997.*

**Chapter No. 494 (SB 1648/HB 1435).** Mutual aid agreements with campus police. Amends T.C.A. § 49-7-118 to allow campus police to make mutual aid agreements with municipalities and counties. Law enforcement officers in these situations must be covered for liability purposes by the policy of the officer's employer.

*Effective date: June 13, 1997.*

**Chapter No. 502 (SB 1894/HB 1636).** Fingerprints required. Amends T.C.A. § 8-8-201 and Title 38, Chapter 3 to require law enforcement agencies to make 2 full sets of fingerprints of each person arrested for an offense that results in incarceration or posting bond. Persons issued citations are not considered to have been arrested and do not have to be fingerprinted. The 2 sets of prints must be sent to the TBI, which keeps 1 set and sends the other to the FBI.

The Comptroller in consultation with the TBI, TCI, TSA, and TACP will develop standard booking procedures. The TCI will do training.

The Comptroller will audit police departments on an annual basis to determine whether the department has at least an 85% retention rate. If after notification by the Comptroller that the department is not in compliance the police chief does not show good cause for noncompliance, the chief must be decertified and his/her pay supplement impounded. The police chief may demonstrate compliance within 60 days of decertification and have certification restored and the supplement remitted except for 1/12. The police chief may be removed from office for failure to comply with this Act.

*Effective date: July 1, 1998.*

## **Mayors**

**Chapter No. 295 (SB 278/HB 474).** Rite of matrimony. Amends T.C.A. § 36-3-301 to allow officials who may perform marriage ceremonies, including mayors, to perform them in any county of the state.

*Effective date: May 29, 1997.*



## Mayor-Aldermanic Charter

**Chapter No. 27 (SB 264/HB 430).** Temporary appointments and vacancies; designation of mayor's duties. Amends T.C.A. § 6-3-106(a)(3)(A), part of the general law Mayor-Aldermanic Charter, to distinguish clearly between temporary appointments and appointments to fill vacancies in office.

Provides that the mayor makes temporary appointments of department heads and officers, except aldermen, arising from absence, sickness, or disability and must report the appointment to the board at the next regular meeting. The board may confirm the mayor's appointment or make its own appointment. The board fills all vacancies in office.

Amends T.C.A. § 6-3-106(b) to require the board to designate by ordinance which of the duties that would otherwise be performed by the mayor are to be performed by another officer or officers.

Amends T.C.A. § 6-3-108 to eliminate redundant items.

*Effective date: April 1, 1997.*

**Chapter No. 77 (SB 534/HB 469).** Increase in number of aldermen in certain one-ward municipalities. Amends T.C.A. § 6-3-101(a) to allow municipalities incorporated under the general law Mayor-Aldermanic Charter after June 30, 1991, that have a population of less than 5,000 and only one (1) ward to increase the number of aldermen to a maximum of four (4) by ordinance. The ordinance must provide for staggered four-year terms but may provide for transitional terms of less than four years.

*Effective date: April 14, 1997.*

**Chapter No. 98 (SB 1191/HB 1000).** Incorporation -- distribution of situs - based revenues; incorporation elections. Amends all three general law charters to provide that situs-based revenues within a newly incorporated area continue to go to the county until the next July 1. The new municipality must notify the Department of Revenue of its incorporation before the incorporation is effective for tax administration purposes.

Amends T.C.A. §§ 6-1-202, 6-18-104, and 6-30-106 to provide for a special incorporation election not fewer than 45 nor more than 60 days after the incorporation petition is certified, rather than having the election coincide with a general election.

Amends T.C.A. § 6-1-201(a)(1) to decrease the population required for incorporation under the general law Mayor-Aldermanic Charter from 1,500 to 225 for one year, from April 16, 1997 through April 15, 1998.

Amends T.C.A. § 6-1-201(b) to eliminate incorporation distance restrictions under the Mayor-Aldermanic Charter for one year, from April 16, 1997 through April 15, 1998.

***(Mayor-Aldermanic Charter continued on next page.)***

Amends T.C.A. § 6-1-201(h) to allow a letter from a territory resident to serve as an incorporation petition under the Mayor-Aldermanic Charter until December 31, 1997.

Amends T.C.A. § 6-1-201 to provide that any territory incorporated before the effective date of this act is deemed to have satisfied all incorporation requirements. Any ordinance of annexation into the territory is void. For municipalities incorporated under the Mayor - Aldermanic Charter after January 1, 1996, the municipality has priority over any annexation ordinance that encroaches on the territory.

*Effective date: April 16, 1997.*

**Chapter No. 213 (SB 1722/HB 1640).** Special court cost authorized for one city. Amends T.C.A. Title 6, Chapter 2, Part 2, Part of the Mayor-Aldermanic Charter to allow Mt. Juliet to charge a special court cost of \$10.00. CAVEAT: Mt. Juliet is incorporated under the City Manager-Commission Charter.

*Effective date: May 11, 1997.*

### **Metropolitan Government**

**Chapter No. 261 (SB 827/HB 1208).** Required appropriation for metro charter commission decreased. Amends T.C.A. § 7-2-104(a) to decrease the minimum appropriation for a metropolitan charter commission from \$35,000 to \$25,000.

*Effective date: May 22, 1997.*

### **Modified Council Manager Charter**

**Chapter No. 98 (SB 1191/HB 1000).** Incorporation -- distribution of situs - based revenues; incorporation elections. Amends all three general law charters to provide that situs-based revenues within a newly incorporated area continue to go to the county until the next July 1. The new municipality must notify the Department of Revenue of its incorporation before the incorporation is effective for tax administration purposes.

Amends T.C.A. §§ 6-1-202, 6-18-104, and 6-30-106 to provide for a special incorporation election not fewer than 45 nor more than 60 days after the incorporation petition is certified, rather than having the election coincide with a general election.

*Effective date: April 16, 1997*

## **Motor Vehicles & Traffic**

(See also *Crimes & Criminal Procedure* and *Streets and Public Ways*)

**Chapter No. 37 (SB 1246/HB 680).** Rescue squad vehicles as authorized emergency vehicles. Amends T.C.A. § 55-8-101(2)(C) to include rescue and emergency response vehicles owned by a state chartered rescue squad, emergency lifesaving crew, or active member unit of the Tennessee Association of Rescue Squads in the definition of "emergency authorized vehicle."

*Effective date: April 2, 1997.*

**Chapter No. 50 (SB 772/HB 31).** Commercial driver licenses -- unsafe vehicles. Amends T.C.A. § 55-50-322(c) to prohibit the Department of Safety from rejecting an applicant for a CDL when the examiner believes the vehicle is unsafe unless the examiner requests an inspection by a qualified inspector. Inspections must be done in accordance with North American Standard Inspection Procedure. The vehicle may be ordered out of service for safety defects defined in the North American Uniform Out-of-Service Criteria. The applicant must be given a written report on defects.

*Effective date: July 1, 1997.*

**Chapter No. 179 (SB 7/HB 44).** Restricted commercial license for operation of school bus prohibited. Amends T.C.A. §§ 55-50-302, 303, and 404 to provide that a restricted commercial license may not be issued or valid for operation of a school bus.

*Effective date: May 6, 1997.*

**Chapter No. 242 (SB 1327/HB 1107).** Moving vehicles after minor accidents on divided highways. Amends T.C.A. Title 55, Chapter 10, Part 1 to allow drivers to move vehicles to the shoulder, median, or other safe place after an accident with no personal injury or extensive property damage on a divided controlled access or interstate highway.

*Effective date: July 1, 1997.*

**Chapter No. 315 (SB 1783/HB 1731).** Enforcement of disabled parking laws. Amends T.C.A. § 55-21-110 to allow anyone 21 or older regardless of disability status, to be appointed as a volunteer to enforce parking laws for the disabled. Allows any municipality, county, or metropolitan government to establish a special enforcement unit to enforce disabled parking laws. Requires members of the special enforcement unit to wear a distinctive piece of clothing, rather than a uniform, and a badge while on duty. Allows local authorities to issue cellular phones and other communication devices to the volunteers.

This Act and the section it amends apply only in those municipalities, counties, and metropolitan governments that adopt it by a 2/3 vote.

*Effective date: July 1, 1997.*

**(Motor Vehicles & Traffic continued on next page.)**

**Chapter No. 322 (SB 500/HB 889).** Youth buses. Amends T.C.A. § 55-8-151 to require youth buses to be clearly marked using 6" letters. A "youth bus" is defined as a vehicle designed to carry 15 or more passengers and used in transporting children to and from child care centers or to and from religious, charitable, scientific, educational, athletic, or youth activities.

This Act requires drivers on meeting a stopped youth bus to stop the same as they would for a school bus when the youth bus has the same safety equipment as school buses, except on divided highways. Failure to stop is a class C misdemeanor.

*Effective date: July 1, 1997.*

**Chapter No. 339 (SB 1175/HB 615).** Electronic tracking devices. Amends T.C.A. Title 39, Chapter 13, Part 6 to make it a class C misdemeanor, except for law enforcement personnel and parents, to install, conceal, or place an electronic tracking device in a motor vehicle without the owner's consent for the purpose of monitoring or following occupants of the vehicle.

*Effective date: July 1, 1997.*

**Chapter No. 371 (SB 1579/HB 894).** Advertising on school buses. Amends T.C.A. § 49-6-2109 to allow advertising on the back quarter panels of school buses. The state Board of Education will adopt rules to effect this law. Campaign advertising and alcohol and tobacco advertising are not allowed.

*Effective date: June 2, 1997.*

**Chapter No. 375 (SB 288/HB 298).** When vehicle subject to forfeiture. Amends T.C.A. § 55-50-102 and 504 to clarify that a vehicle is subject to forfeiture for driving on a cancelled or revoked license upon arrest or citation and that a conviction is not required.

*Effective Date: June 2, 1997.*

**Chapter No. 532 (SB 1717/HB 1553).** Seizure of commercial vehicles. Amends T.C.A. § 40-33-203 to require officers who seize a commercial vehicle (including rental cars) that the driver does not own to make reasonable efforts to determine the name of the owner and give him/her notice of the seizure. If the interest of the owner is not subject to forfeiture, the officer shall not seek a forfeiture warrant and shall release the vehicle.

*Effective date: June 19, 1997.*

### **Open Meetings**

**Chapter No. 346 (SB 485/HB 1340).** Nashville Thermal Transfer Authority. Amends T.C.A. § 8-44-102(b)(1) to include the Board of Directors of the Nashville Thermal Transfer Authority under the Open Meetings Law.

*Effective date: May 30, 1997.*

## Open Records

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

*Effective date: April 11, 1997.*

**Chapter No. 97 (SB 250/HB 350).** Charges for computer generated maps or similar geographic data. Amends T.C.A. § 10-7-506(c)(5) to make the provisions of that subsection establishing criteria for charges for computer generated maps and other geographic data applicable to municipally owned rate-based utilities in Madison, Bradley, and Hamilton Counties.

*Effective date: April 16, 1997.*

**Chapter No. 290 (SB 1718/HB 1591).** Police officer and firefighter critical incident counseling - work notes of mental health professionals confidential. Makes all memoranda, work notes or products, case files, and communications related to group counseling of law enforcement officers firefighters, and emergency medical technicians and paramedics for job related critical incidents by qualified mental health professionals privileged and not subject to disclosure in any judicial or administrative hearing unless the privilege is waived. These memoranda, etc., are also exempted from the open records law. They are subject to discovery in a malpractice action.

*Effective date: May 28, 1997.*

**Chapter No. 461 (SB 1552/HB 798).** Sexual offenders -- information public. Amends T.C.A. § 40-39-106 to make sexual offender information in the TBI's records public. The TBI must place the information on the Internet. This applies to sexual offenses committed on and after July 1, 1997.

*Effective date: June 13, 1997.*

## Personnel

(See also *Mayors, Recorders, Retirement, and Workers' Compensation*)

**Chapter No. 82 (SB 1667/HB 1244).** Penalty for failure to pay unemployment compensation premiums. Amends T.C.A. § 50-7-404(c)(2) to provide for a minimum penalty of \$50.00 for failure to pay unemployment compensation premium.

*Effective date: April 14, 1997.*

**Chapter No. 142 (SB 1668/HB 1247).** Unemployment benefits when wages payable. Amends T.C.A. § 50-7-301 (c)(1) to provide that, beginning July 6, 1997, an eligible claimant for unemployment compensation shall be paid the weekly benefit amount less that part of the wages in excess of the greater of \$50.00 or 25% of the weekly benefit.

*Effective date: July 6, 1997.*

***Personnel continued on next page.)***

**Chapter No. 157 (SB 1699/HB 1825).** Health insurance. Enacts the Tennessee Health Insurance Portability, Availability and Renewability Act.

*Effective Date: April 30, 1997.*

**Chapter No. 231 (SB 1052/HB 810).** Ouster suits -- costs and attorney fees. Amends T.C.A. § 8-47-122 to allow the complainant in an ouster suit to have costs and attorney fees taxed against him/her under Rule 11 of the Tennessee Rules of Civil Procedure if the complaint is withdrawn or found to be meritless.

*Effective date: May 15, 1997.*

**Chapter No. 262 (SB 1410/HB 1524).** Reimbursement of attorney fees to officer when ouster fails. Amends T.C.A. § 8-47-121 to allow governments to reimburse reasonable attorney fees to an official against whom an ouster attempt fails. Reimbursement may not be made until after a final judgment.

*Effective date: July 1, 1997.*

**Chapter No. 290 (SB 1718/HB 1591).** Police officer and firefighter critical incident counseling - work notes of mental health professionals confidential. Makes all memoranda, work notes or products, case files, and communications related to group counseling of law enforcement officers firefighters, and emergency medical technicians and paramedics for job related critical incidents by qualified mental health professionals privileged and not subject to disclosure in any judicial or administrative hearing unless the privilege is waived. These memoranda, etc., are also exempted from the open records law. They are subject to discovery in a malpractice action.

*Effective date: May 28, 1997.*

**Chapter No. 332 (SB 1573/HB 1307).** Medical insurance -- coverage for diabetes. Amends T.C.A. Title 56, Chapter 7, Part 26 to require medical insurance to provide coverage for diabetes, including outpatient self-management training and education when prescribed by a doctor.

*Effective date: Applies to policies issued or renewed after January 1, 1998.*

**Chapter No. 428 (SB 549/HB 94).** Personnel policy required. Amends T.C.A. Title 6, Chapter 54, Part 1 to require each municipality that has not adopted one to adopt a personnel policy by July 1, 1998. The municipality may work with MTAS and TML in developing the policy. A copy of the resolution or ordinance adopting the policy, or its caption, must be published in a newspaper of general circulation in the municipality before it is adopted. A copy of the personnel policy must be kept in the recorder's office and made available to employees on request. Municipalities incorporated after June 13, 1997, have 2 years to adopt a personnel policy.

*Effective date: June 13, 1997.*

**Chapter No. 443 (SB 996/HB 570).** Prostate coverage. Amends T.C.A. Title 56, Chapter 7, Part 23 to require medical policies to cover prostate cancer screening when a physician determines it medically necessary.

*Effective date: July 1, 1997.*

**(Personnel continued on next page.)**

**Chapter No. 452 (SB 237/HB 697).** Coverage for reconstruction breast surgery. Amends T.C.A. Title 56, Chapter 7, Part 25 to require medical policies that provide coverage for mastectomy to provide coverage for reconstructive surgery.

*Effective date: July 1, 1997.*

**Chapter No. 511 (SB 1864/HB 1788).** Whistleblower statute extended to local governments. Amends T.C.A. § 50-1-304, which prohibits an employer from firing an employee for refusing to participate in or remain silent about illegal activities, to include local governments. This statute also prohibits an employer from firing an employee for using tobacco as long as the employee abides by employer work rules.

*Effective date: June 13, 1997.*

**Chapter No. 524 (SB 1346/HB 1066).** Insurance coverage for emergency services. Amends T.C.A. Title 56, Chapter 7, part 23 to prohibit medical benefit plans from denying coverage for emergency services if the symptoms indicate an emergency could exist regardless of whether prior authorization was obtained to provide those services and regardless of whether there is a contract between the provider and the benefit plan for the provision of the services.

*Effective date: June 19, 1997.*

### **Purchasing**

(See also *Contracts* and *Finance*)

**Chapter No. 246 (SB 165/HB 264).** Purchases through federal contracts. Amends T.C.A. § 12-3-1001 to allow local governments to purchase through federal contracts to the extent allowed by federal law. No purchase may be made at a higher price than that contained in the contract between the general services administration and the vendor.

*Effective date: May 22, 1997.*

**Chapter No. 335 (SB 303/HB 339).** Purchasing from local sources without competitive bidding. Amends T.C.A. § 12-3-1001 to allow local governments to purchase from local sources without competitive bidding when the item is available at the same or a lower price from local sources than through a state contract and when the local government is not permitted to purchase through an existing state contract. This Act does not apply in Shelby and Davidson Counties.

This Act is optional and has no effect unless approved by a 2/3 vote of the governing body and the approval is filed with the Comptroller.

This Act also allows local governments to adopt programs to encourage minority participation in government purchasing programs.

*Effective date: May 30, 1997.*

**Chapter No. 359 (SB 1888/HB 1652).** Purchase of state surplus property. Amends T.C.A. § 12-2-403 to allow political subdivisions to purchase surplus state personal property.

*Effective date: May 30, 1997.*

## **Recorders**

(See also *Personnel*)

**Chapter No. 114 (SB 1279/HB 1059).** Recorder certification -- exemption. Amends T.C.A. § 6-54-120 to exempt from recorder certification requirements any person appointed or acting in the capacity of city manager or administrator and who has a master's degree in public administration.

*Effective date: April 22, 1997.*

## **Recreation**

**Chapter No. 382 (SB 1635/HB 1397).** Sports authorities -- appointment of directors in Jackson - special allocation for minor league team. Amends T.C.A. § 7-67-108(a)(4)(B) to provide that the Mayor in Jackson, rather than the governing body, appoints the sports authority board of directors.

Amends T.C.A. § 67-6-103(d)(1)(A) to provide for a special allocation for a sports authority receiving a minor league baseball team based on sales tax revenue generated at its stadium. The allocation is limited to 30 years and must be used to retire debt on and maintain the stadium.

*Effective date: June 4, 1997.*

## **Retirement**

(See also *Personnel*)

**Chapter No. 63 (SB 370/HB 1512).** Increases in annual earnable compensation allowed to continue. Amends T.C.A. § 8-34-101(4)(B)(i) to allow the increase in annual earnable compensation to extend through June 30, 1998. This increase is optional for locals.

*Effective date: April 8, 1997.*

**Chapter No. 105 (SB 4/HB 4).** Credit for service in Vietnam War. Amends T. C. A. § 8-34-605(b)(2) to increase the amount of retirement credit available for service in Vietnam from the period 8/5/64 - 5/7/75 to 2/28/61 - 5/7/75.

*Effective date: April 22, 1997.*

**Chapter No. 219 (SB 770/HB 563).** Death and disability benefits. Amends T.C.A. Title 8, Chapter 36, Parts 1 and 5 to make housekeeping changes to retirement provisions on death and disability benefits.

*Effective date: July 1, 1997.*

**(Retirement continued on the next page.)**



**Chapter No. 432 (SB 379/HB 166).** Increases in earnable compensation. Amends T.C.A. § 8-34-101(4)(B) to continue yearly increases in annual earnable compensation indefinitely for noncontributing employees. The governing body may authorize and accept liability for the continued increase by resolution.

*Effective date: July 1, 1998.*

**Chapter No. 490 (SB 517/HB 1401).** Increase in benefits. Amends T.C.A. § 8-36-701 to provide for increases in retirement allowance based upon increases in the consumer price index when that index is at least .5%. These increases are optional for local governments.

*Effective date: January 1, 1998.*

### **Streets and Public Ways** (See also *Motor Vehicles & Traffic*)

**Chapter No. 136 (SB 1310/HB 382).** Property number posting requirements. Amends T.C.A. § 7-86-127 to allow counties, cities, and emergency communications districts with delegated authority to establish and enforce policies for the assignment and posting of property numbers.

*Effective date: April 29, 1997.*

### **Taxes -- Business** (See also *Finance*)

**Chapter No. 383 (SB 1758/HB 1673).** Credit for personal property transferred to government. Amends T.C.A. § 67-4-713(a) to provide for a credit against business taxes of the amount of personal property taxes that would be due unless the property had been lawfully transferred to a government. The person is eligible for the credit only to the extent of the tax generated from its receipts for services rendered to an affiliated person and either person owns or controls 80% of the other or 80% of both persons is owned by a common parent.

This Act must be approved by a 2/3 vote of the county or municipal governing body to be effective.

*Effective date: June 4, 1997.*

### **Taxes -- Gasoline**

**Chapter No. 316 (SB 1945/HB 1817).** Gasoline taxes revised; maintenance of effort requirement removed. Amends T.C.A. Title 67, Chapter 3 to comprehensively revise gasoline taxes to deter tax evasion. Tax rates, distribution formulas, and other provisions affecting local governments appear unchanged.

**(Taxes - Gasoline continued on next page.)**

New T.C.A. § 67-3-901 as created by this Act, in subsection (d), removes the maintenance of effort requirement on municipalities that previously must have been met before they were eligible to receive certain gas tax revenues.

*Effective date: January 1, 1998.*

**Chapter No. 323 (SB 544/HB 442).** Gasoline taxes increased if federal tax decreased. Amends T.C.A. Title 67 to provide that state gasoline taxes will increase commensurate with any decrease in federal gasoline taxes. If the federal tax is increased, the state tax is decreased.

*Effective date: May 30, 1997.*

### **Taxes -- In Lieu of**

**Chapter No. 398 (SB 1817/HB 1912).** In lieu of tax payments by hotel and motel lessees. Amends T.C.A. § 7-53-305(b) to eliminate the requirement that hotel and motel lessees of industrial development corporations must make in lieu of tax payments, 10 years after completion of the project, of not less than property taxes that would otherwise be due on the property.

*Effective date: June 5, 1997.*

**Chapter No. 447 (SB 1517/HB 632).** Reports relative to community development block grants and in lieu of property tax payments. Amends T.C.A. Title 6, Chapter 54, Part 1 to require municipalities that receive community development block grants and municipalities or industrial development corporations that are a party to an in lieu of property tax agreement to make a report concerning the expenditures of the funds and the agreement itself for in lieu of tax agreements. The municipality must place a copy of the reports in the main branch of the public library located in the municipality. The municipality may also place the report on the Internet.

*Effective date: June 13, 1997.*

### **Taxes -- Local Sales**

**Chapter No. 174 (SB 1607/HB 1280).** Exemption for certain contractually committed sales in Chattanooga. Amends T.C.A. Title 67, Chapter 6, Part 7 to exempt from an increase in the local option sales tax in Chattanooga sales contractually committed before the effective date of the increase.

*Effective date: Applies to sales from July 1, 1996 through June 30, 1998*

### **Taxes -- Property**

**Chapter No. 109 (SB 450/HB 830).** Golf course holes as farm property. Amends T.C.A. § 67-5-501(3) to include golf course playing hole improvements as farm property and thereby to require that property tax rates be applied to 25% rather than 40% of their appraised value.

*Effective date: April 22, 1997.*

*(Taxes -- Property continued on next page.)*

**Chapter No. 115 (SB 1189/HB 1231).** Property tax relief. Amends T.C.A. § 67-5-701(c) to change procedures for applying for property tax relief. The taxpayer must apply for relief on a form approved by the state Board of Equalization. The collecting official makes a preliminary determination of eligibility. The official forwards the application to the state for final approval. The official may allow the taxpayer a credit for the projected amount of relief. The collecting official then must present evidence of the credit on an approved form to the division of property assessments.

The division then approves payment to the jurisdiction of the amount credited. If the state determines the applicant was not eligible, the state can recover the amount paid from the jurisdiction. This amount then becomes payable by the taxpayer as property taxes but does not accrue penalty or interest until 60 days after notification of the taxpayer.

*Effective date: April 22, 1997.*

**Chapter No. 187 (SB 253/HB 340).** Partial payments of property taxes. Amends T.C.A. § 67-5-1801(e) to allow all trustees in all counties to accept partial payments of property taxes. Allows Metro Nashville to set a minimum of no more than the lesser of 15% or \$25.00 for any partial payment.

*Effective date: May 8, 1997.*

**Chapter No. 195 (SB 1588/HB 628).** Use valuation of certain residential property zoned commercial. Amends T.C.A. § 67-5-601 to make the provisions of that section providing for present use valuation for certain residential real property applicable in Davidson County. Amends T.C.A. § 67-5-601(c)(3)(A) to allow use valuation to be extended to properties occupied by a person “to whom the current owner is a lineal descendent.”

*Effective date: 1997 tax year.*

**Chapter No. 197 (SB 647/HB 1462).** Refunds for multiple properties -- Shelby County. Amends T.C.A. § 67-5-1512(b)(2)(B) to allow a taxpayer or agent who is successful on appeal and has multiple properties to receive refunds in one check. This Act applies only in Shelby County.

*Effective date: May 13, 1997.*

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

*Effective date: May 15, 1997.*

**Chapter No. 243 (SB 1851/HB 1904).** In lieu of tax payments by hotel lessees. Amends T.C.A. § 7-53-305 (b) to remove the requirement that hotel and motel leases of an industrial development corporation must, 10 years after completion of the project, make in lieu of tax payments of not less than the taxes that would otherwise be due based upon the fair market value of the property,

*Effective date: May 20, 1997.*

**(Taxes -- Property continued on next page.)**

**Chapter No. 254 (SB 1559/HB 1429).** Tax treatment of housing authority property. Amends T.C.A. § 13-20-205 to provide that after July 1, 1997 only housing authority property financed with tax increment financing will be treated for tax purposes as if it is owned by the private lessee and therefore subject to taxation. Other property will be exempt from taxation.

*Effective date: May 22, 1997.*

**Chapter No. 313 (SB 1736/HB 1485).** County trustees -- acceptance of property taxes. Amends T.C.A. § 67-1-702(b) to allow all trustees, after a resolution by the county legislative body, to begin accepting property taxes after July 10 and after tax rates are set, tax rolls are received, and receipts are prepared. The trustee can accept tax relief applications on the same day he/she accepts payments.

*Effective date: May 29, 1997.*

**Chapter No. 318 (SB 1174/HB 1075).** Reappraisal cycles. Amends T.C.A. § 67-5-1601 to require 6-year reappraisal cycles or, upon approval of the State Board of Equalization, to allow 4-year cycles, or if approved by the assessor and county legislative body, to allow 5-year cycles. In counties with 4 or 5 year cycles, there would be no updating or indexing of values as in counties with a 6-year cycle. Changes state funding of reappraisals to a per parcel grant rather than the state paying 1/2 the "sharable costs." Limits state grants to 4 and 5 year programs to the amount that would have been required in a 6-year program. Gives the Division of Property Assessments the authority to approve, pursuant to minimum standards adopted by the Board of Equalization, computer assisted appraisal systems. The initial schedule of review and revaluation will be as determined by the Board of Equalization.

*Effective date: May 29, 1997.*

**Chapter No. 347 (SB 1778/HB 1791).** Exemption for certain low income housing. Amends T.C.A. § 67-5-207 to exempt property of nonprofit organizations used as housing for low and very low income persons and funded as a special needs project under the HOUSE Program established by Public Chapter 900 of 1988.

*Effective date: May 30, 1998.*

**Chapter No. 367 (SB 1325/HB 589).** Collection of delinquent taxes. Amends T.C.A. § 67-5-2005(a) to clarify that only when a municipality uses the county trustee or delinquent tax attorney to collect delinquent property taxes must it certify its delinquent taxes to the trustee by May 1 of the year after the taxes become due.

Amends T.C.A. § 67-5-2005(d) to allow municipalities whose charters do not provide for the collection of delinquent taxes to provide by ordinance for their collection.

*Effective date: June 2, 1997.*

**Chapter No. 467 (SB 904/HB 928).** Exemption from property taxes. Amends T.C.A. § 67-5-212 to allow the state Board of Equalization to establish an exemption effective date of up to 1 year earlier than the application date to the extent the property does not exceed \$300,000 in value. This authorization ends December 31, 1997.

*Effective date: June 13, 1997.*

**(Taxes -- Property continued on next page.)**

## Taxes -- Sales

**Chapter No. 111 (SB 369/HB 924).** Exemption for certain automotive adaptive equipment. Amends T.C.A. Title 67, Chapter 6, Part 3 to exempt from sales tax automotive adaptive equipment sold to honorably discharged disabled veterans who have a service connected disability.

*Effective date: July 1, 1997.*

**Chapter No. 143 (SB 1685/HB 1263).** Pollution control equipment credit. Amends T.C.A. § 67-6-346 to allow purchasers of pollution control equipment, rather than taking a credit, to apply for a refund or to make purchases exempt from sales taxes.

*Effective date: April 29, 1997.*

**Chapter No. 144 (SB 1720/HB 1737).** Exemption for prototype sketches. Amends T.C.A. Title 67, Chapter 6, Part 3 to exempt from sales taxes concept sketches, drawings, or models by architects, engineers, landscape architects, and interior designers used to develop prototypes for production.

*Effective date: July 1, 1997.*

**Chapter No. 178 (SB 1703/HB 1814).** Tax credit for corporate headquarters. Amends T.C.A. Title 67, Chapter 6, Part 2 to provide a credit for sales and use taxes paid, except for tax at the rate of .5%, on building materials, machines, and equipment for new or expanded corporate headquarters in Tennessee.

*Effective date: January 1, 1997; expires December 31, 2002.*

**Chapter No. 194 (SB 1686/HB 1250).** Manufactured homes. Amends T.C.A. § 67-6-216 to tax sales of manufactured homes at half the generally applicable sales tax rate. Provides that the sales or use tax applies whether or not the home is an improvement to realty.

Amends T.C.A. § 67-6-209 to exempt from sales and use taxes tangible personal property that has previously been subjected to tax installed in a manufactured home .

Amends T.C.A. § 67-6-702, part of the local sales tax act, to include parts and accessories as part of the manufactured home rather than being separately subject to the local tax.

*Effective date: May 8, 1997.*

**Chapter No. 206 (SB 339/HB 280).** MTAS allocation increased. Amends T.C.A. § 67-6-103(a)(3)(E) to increase the allocation to MTAS from the municipal share of the state sales tax in increments over 3 years from .75% to 1.0%.

*Effective date: May 13, 1997.*

**Chapter No. 209 (SB 560/HB 1159).** Exemption for repair and refurbishment of aircraft in interstate commerce. Amends T.C.A. § 67-6-313(h)(1) to exempt repair and refurbishment of aircraft that have their situs outside Tennessee.

*Effective date: May 13, 1997.*

**Taxes -- Sales continued on next page.)**

**Chapter No. 212 (SB 166/HB 277).** Exemption for cemetery companies. Amends T.C.A. § 67-6-322(b) to provide that purchases by nonprofit cemetery companies are exempt from sales tax.  
*Effective date: May 11, 1997.*

**Chapter No. 238 (SB 304/HB 555).** Exemption for media exchange services. Amends T.C.A. § 67-6-313 to exempt from sales tax media exchange services where the media is shipped out of state or to a tax exempt entity in Tennessee.  
*Effective date: July 1, 1997.*

**Chapter No. 301 (SB 518/ HB 1568).** Study of sales tax base. Amends T.C.A. Title 67, Chapter 6, Part 3 to require TACIR to undertake a study of the sales tax base by July 1, 1998.  
*Effective date: July 1, 1997.*

**Chapter No. 373 (SB 1944/HB 1828).** Contracts for collection of sales taxes. Amends T.C.A. Title 67, Chapter 6, Part 5 to allow the Commissioner of Revenue to make contracts for the collection of state and local sales tax.  
*Effective date: June 2, 1997.*

**Chapter No. 382 (SB 1635/HB 1397).** Sports authorities -- appointment of directors in Jackson - special allocation for minor league team. Amends T.C.A. § 7-67-108(a)(4)(B) to provide that the Mayor in Jackson, rather than the governing body, appoints the sports authority board of directors.  
Amends T.C.A. § 67-6-103(d)(1)(A) to provide for a special allocation for a sports authority receiving a minor league baseball team based on sales tax revenue generated at its stadium. The allocation is limited to 30 years and must be used to retire debt on and maintain the stadium.  
*Effective date: June 4, 1997.*

**Chapter No. 385 (SB 726/HB 1069).** Sales of telephone cards. Amends T.C.A. § 67-6-102(28) to provide that the sale of a prepaid calling card or authorization number is deemed the sale of tangible personal property and not subject to any but taxes imposed on the sale of tangible personal property.  
*Effective date: June 1, 1997; ends on June 30, 1999.*

**Chapter No. 451 (SB 1178/HB 685).** Exemption for federal excise tax on diesel fuel. Amends T.C.A. § 67-6-102(25) to exclude the federal excise tax on diesel fuel purchased for off-road use from the definition of "sales price" whether or not the tax is passed on to the ultimate consumer.  
*Effective date: January 1, 1998.*

## Torts

**Chapter No. 403 (SB 396/HB 535).** Anti-slapp Act enacted. Enacts the Tennessee Anti-slapp Act of 1997. SLAPP stands for strategic lawsuits against political participation.

This Act grants immunity to individuals communicating information to governmental entities unless the person knew the information to be false, recklessly disregarded its falsity, or if the information was transferred negligently in failing to ascertain its falsity if in regard to someone not a public figure.

This Act allows the government to intervene in a lawsuit against a person brought because of the communication of information.

*Effective date: June 6, 1997.*

**Chapter No. 500 (SB 473/HB 1593).** Immunity for juvenile community service work. Amends T.C.A. § 37-1-131(a)(7) to grant immunity to municipalities, counties, and other entities using juveniles for community service work for injuries sustained by the juvenile, to other persons caused by the juvenile, for any act of the juvenile, and for liability to the juvenile or his or her family for death or injuries to the juvenile proximity caused by the juvenile, if the municipality or other organization exercised due care in supervising the juvenile.

*Effective date: June 13, 1997.*

## Urban Development

**Chapter No. 247 (SB 292/HB 1638).** Slum clearance in Davidson County. Amends T.C.A. § 13-21-208 to make the provisions of that part authorizing elimination of blighted and deteriorated property applicable in Davidson County.

*Effective date: May 22, 1997.*

**Chapter No. 447 (SB 1517/HB 632).** Reports relative to community development block grants and in lieu of property tax payments. Amends T.C.A. Title 6, Chapter 54, Part 1 to require municipalities that receive community development block grants and municipalities or industrial development corporations that are a party to an in lieu of property tax agreement to make a report concerning the expenditures of the funds and the agreement itself for in lieu of tax agreements. The municipality must place a copy of the reports in the main branch of the public library located in the municipality. The municipality may also place the report on the Internet.

*Effective date: June 13, 1997.*

## Utilities

**Chapter No. 88 (SB 302/HB 967).** Electrical safety code for supply stations and lines. Amends T.C.A. § 68-101-104 to adopt the August 1, 1996 edition of the American National Standard Electrical Safety Code for supply stations and lines.

*Effective date: April 15, 1997.*

*(Utilities continued on next page.)*

**Chapter No. 93 (SB 106/HB 201).** Electrical acquisition corporations. Amends T.C.A. Title 7, Chapter 39 to do the following:

- Allow municipalities to form electrical acquisition corporations the same as they may form gas acquisition corporations.
- Allow electrical or energy acquisition corporation to acquire energy from any source either within or outside Tennessee.
- Allow these corporations to acquire interests in substations and other facilities either inside or outside Tennessee.
- Allow the encumberment of electric assets to secure obligations to obtain electricity and the encumberment of gas assets to secure obligations to obtain gas.
- Allow sales of electricity or gas to other distribution systems, whether within or outside Tennessee.
- Allow municipalities to make loans to the energy acquisition corporation, to guarantee payment of bonds or notes, and to pledge revenues of the corporation to the payment of bonds and notes.
- Allow joint actions or interlocal cooperation between energy acquisition corporations and other public entities, whether within or outside Tennessee.
- Allow municipalities to become an “associated municipality,” with an energy acquisition corporation after application and approval by the corporations board of directors.
- Allow “associated municipalities” to purchase gas or electricity or both from the corporation.

*Effective date: April 15, 1997.*

**Chapter No. 116 (SB 633/HB 1302).** Interference with or theft of sanitary sewer service. Amends T.C.A. §§ 65-35-101, 102, and 103 to add sanitary sewer services to the list of utility service it is unlawful to interfere with or steal.

*Effective date: April 22, 1997.*

**Chapter No. 483 (SB 1671/HB 1264).** Drinking water revolving loan fund. Amends T.C.A. Title 68, Chapter 221, Part 10 to do the following:

- Create in the state treasury a drinking water revolving loan fund.
- Provide for loans from the fund to water systems.
- Provide that water systems serving jurisdictions falling in the lower economic scale are eligible for lower interest rates.
- Provide for priority for projects that address the most severe health problems.
- Provide for affordability criteria for loans based upon per capita income and property values in the jurisdiction.
- Place restrictions on the use of funds; i.e., funds may be used only to comply with federal and state safe drinking water acts or for purposes that otherwise further public health objectives.
- Require the borrowing system to establish dedicated source of revenues to repay the loan and to agree to periodically adjust fees and charges and to maintain financial records.
- Provide that loans may be interest free.
- Allow extended terms for loans under certain conditions for disadvantaged communities.

***(Utilities continued on next page.)***



This Act also amends T.C.A. §§ 68-221-1007 through 1015 to bring water systems under the jurisdiction of the Wastewater Financing Board, which is now known as the Water and Wastewater Financing Board. This Board will have substantially the same power over water systems as it does over wastewater systems.

*Effective date: June 13, 1997.*

**Chapter No. 520 (SB 1593/HB 945).** Interlocal cooperation among municipal utilities and electric co-ops. Authorizes municipal utilities and electric cooperatives to make interlocal agreements whether or not they share equal powers relative to the subject matter of the agreement. These entities may use surplus revenues in connection with any power they may exercise under law if this does not violate bond covenants.

*Effective date: June 19, 1997*

**Chapter No. 531 (SB 1064/HB 1427).** Telephone service by electric utilities. Amends T.C.A. Title 7, Chapter 52 to allow municipal electric systems to provide telephone, telegraph, and telecommunications services. In providing these services the municipality would be subject to regulation by the Tennessee Regulatory Authority.

The municipality may dedicate a reasonable portion of the electric plant to the provision of telecommunication services and may lend funds to provide working capital. The funds must be lent at not less than the highest rate then earned on invested electric plant funds.

The system must make tax equivalent payments relative to telecommunications service the same as for electrical services.

A municipal system may not provide telecommunications service in the area of an existing phone cooperative with fewer than 100,000 lines.

This Act also creates a special joint legislative committee to study electricity deregulation in Tennessee. It must make its report by February 28, 1998, unless the time is extended.

*Effective date: June 19, 1997.*

### **Workers' Compensation**

**Chapter No. 150 (SB 36/HB 30).** Filing of wage statement. Amends T.C.A. § 50-6-225(c) to require employers to file a wage statement with the court within 60 days of answering a workers' compensation action detailing the employee's wages for the past 52 weeks unless the employer stipulates that the maximum rate applies.

*Effective date: July 1, 1997.*

*(Workers' Compensation continued on next page.)*

**Chapter No. 177 (SB 1740/HB 1750).** Exemption from notice requirement for asbestos related diseases. Amends T.C.A. § 50-6-305(b) to exempt asbestos related diseases from the requirement that the employee must give written notice to the employer within 30 days after the first distinct manifestation.

*Effective date: May 7, 1997.*

**Chapter No. 198 (SB 443/HB 1445).** Attorney fees when employer fails to provide appropriate medical treatment. Amends T.C.A. § 50-6-204(b) to allow courts to award attorney fees and costs when an employer fails to provide appropriate medical care and apparatus pursuant to a settlement or judgment.

*Effective date: May 13, 1997.*

**Chapter No. 235 (SB 643/HB 1385).** Attorney added to advisory council. Amends T.C.A. § 50-6-121 to add an attorney from a list submitted by the Tennessee Trial Lawyers Association as a non-voting member of the workers' compensation advisory council.

*Effective date: May 18, 1997.*

**Chapter No. 259 (SB 1288/HB 849).** Travel expenses to medical provider. Amends T.C.A. § 50-6-204(6)(A) to require employers to pay travel expenses from the workplace as well as the residence to the medical provider when the medical provider is located outside the worker's community.

*Effective date: May 22, 1997.*

**Chapter No. 330 (SB 800/HB 392).** Subcontractors and construction industry contractors. Amends T.C.A. § 50-6-113 to require all subcontractors and anyone engaged in the construction industry to carry workers' compensation regardless of the number of employees. Exempts sole proprietors and partners. This Act does not apply in Hancock and Hawkins Counties.

*Effective date: July 1, 1997.*

**Chapter No. 368 (SB 1375/HB 1019).** Effect of receipt. Amends T.C.A. § 50-6-221 to provide that the written receipt provided for in that section from a workers' compensation beneficiary acquits the employer "in this and all other jurisdictions of the entire injury and all its damages."

*Effective date: June 2, 1997.*

**Chapter No. 533 (SB 1820/HB 1573).** Worker's compensation housekeeping amendments. This Act makes numerous housekeeping amendments to the workers' compensation law. None appear to affect municipalities to any significant extent.

*Effective date: Some provisions take effect on June 19, 1997; others on January 1, 1997.*

## APPENDIX

### PUNISHMENT FOR FELONIES AND MISDEMEANORS

<u>Crime Classification</u>	<u>Incarceration Time</u>	<u>Fine</u>
Class A felony	15 - 60 years	Not more than \$50,000
Class B felony	8 - 30 years	Not more than \$25,000
Class C felony	3 - 15 years	Not more than \$10,000
Class D felony	2 - 12 years	Not more than \$5,000
Class E felony	1 - 6 years	Not more than \$3,000
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Class A misdemeanor	Not more than 11 months, 29 days	Not more than \$2,500
Class B misdemeanor	Not more than 6 months	Not more than \$500
Class C misdemeanor	Not more than 30 days	Not more than \$50

In felony cases, the fine may be assessed in addition to the prison terms. In misdemeanor cases, the term of incarceration or the fine, or both, may be imposed. In all cases, the punishment is as provided above unless otherwise provided by the particular statute.



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