

CHARTER OF THE TOWN OF DICKSON, TENNESSEE¹

CHAPTER NO. 160

SENATE BILL NO. 3344

By J. Springer

Substituted for: House Bill No. 3361

By Jackson

AN ACT To amend Chapter 274 of the Private Acts of 1925; as rewritten by Chapter 33 of the Private Acts of 1973, and amended by Chapter 145 of the Private Acts of 1977, Chapter 302 of the Private Acts of 1980, Chapter 128 of the Private Acts of 1986, and any other acts amendatory thereto, relative to the Town of Dickson, Tennessee.

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¹Priv. Acts 2000, ch. 160, is the current basic charter act for the Town of Dickson, Tennessee. The text of the basic charter act set out herein includes all its amendments through the 2011 session of the Tennessee General Assembly. Sections of the charter which have been amended contain at the end of those sections the citation to the official private act or acts constituting the amendment or amendments. No other changes have been made to the charter except the addition of a table of contents to facilitate its use. A list of all the acts including the basic charter appears at the end of the charter.

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

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

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

SECTION 1. The charter of the Town of Dickson, Tennessee, the same being Chapter 274 of the Private Acts of 1925, as rewritten by Chapter 33 of the Private Acts of 1973, and as amended by Chapter 145 of the Private Acts of 1977, Chapter 302 of the Private Acts of 1980, Chapter 128 of the Private Acts of 1986, and all acts amendatory thereof, is hereby amended and revised with the same to continue as a body politic, and the following to constitute its charter:

ARTICLE 1
CHARTER DEFINITION, CITY LIMITS, AND CORPORATE POWERS

Section 1.01. ACT CONSTITUTES CITY CHARTER. The Town of Dickson Tennessee, shall continue as a body politic and corporate name by the

name and style of the City of Dickson, Tennessee, and this Act shall constitute its complete Charter. The City of Dickson shall have perpetual succession, may sue and be sued, plead and be impleaded, in all of the courts of law and equity and in all actions whatsoever, and may have and use a common seal and change it at pleasure.

Section 1.02. DEFINITIONS. As used in this Charter, the following words and terms shall have the following meanings:

(a) "City" shall mean the City of Dickson.

(b) "Council" and "City Council" shall mean the legislative body of the City and shall be composed of the Mayor and eight (8) Councilmen elected as provided in this Charter, and any incumbent Aldermen until the expiration of their current terms of office.

(c) "Councilman" and "Member of the Council" shall mean a person elected to the office of Councilman as provided in this Charter and shall include the Mayor.

(d) "Non-partisan" shall mean without any definition of candidates as members or candidates of any State or National political party or organization.

(e) "Ward" shall mean any one of the four (4) subdivisions of the City of Dickson as hereinafter described in this Charter.

(f) "At large" shall mean the entire City, as distinguished from representation by Wards or other districts.

(g) "Code" shall mean any publication or compilation of rules, regulations, specifications, standards, limitations, or requirements relating to any aspect of municipal affairs, prepared or recommended by an agency of the federal or state government, or by a trade association or other organization generally recognized as an authority in its field of activity.

(h) "Elector" shall mean a qualified voter residing within the City.

(i) "Masculine" shall include the feminine, and the singular shall include the plural and vice versa, except when the contrary intention is manifest.

Section 1.03. CITY LIMITS. The city limits set forth in this section have been extended or contracted by the following ordinances which are of record in the office of the City Recorder: 404, 405, 406, 407, 408, 418, 649, 666, 677, 720, 721, 722, 723, 750, 779--784, 794, 824, 848, 875, 942, 957, 962, 965, and 988.¹ The boundaries of the City shall be those fixed by Chapter 274 of the Private Acts of 1925 and all Acts amendatory thereof which are the present boundaries and described, as follows:

Beginning at a point in the center of the L & N Railroad track near the Northern most corner of the Town of Dickson's Vanleer Tract; thence with the center of the Railroad, South 47 degrees East 1,710 feet; thence, leaving the Railroad, North 70-1/2 degrees East, crossing Old State Highway No. 1 on 406 feet, in all 700 feet to a point in Hardy Few's S. B. L. and in the abandoned bed of the Old Yellow Creek Road; thence, South 47-1/2 degrees East 2,234 feet to a point in the old roadbed; thence, North 68 degrees East 1,208 feet to a point in a fence, said fence being the East boundary line of the Dickson Golf and Country Club and the West boundary line of the W. C. Morrison property; thence, following said fence, North 4-1/2 degrees East and crossing Old Pond Road at 3,074 feet and in all 3,282 feet to a point in the Southerly right-of-way line of the Tennessee Valley Authority New Johnsonville-Dickson-Davidson 161 KV Transmission Line; thence, Easterly with said right-of-way North 88 degrees East 5,148 feet; North 78 degrees East 744 feet, to a point in field; thence, leaving right-of-way and paralleling the Easterly right-of-way line of State Highway No. 48, South 5-1/2 degrees West 3,641 feet to a point in the Gray-Donaldson boundary; thence, south 20 degrees West 1,878 feet to a point in J. W. Adkins field; thence, South 87 degrees East, across Jones Creek Road on 1,571 feet in all 4,064 feet to a point 15 feet West of the Center of Jackson Road; thence, with the West margin of Jackson Road North 11 degrees East 414 feet; thence North 33 degrees East 234 feet; thence, North 42 3/4 degrees East 475 feet; thence, North 31-1/2 degrees East 114 feet; thence, North 13 degrees East 112 feet to a concrete marker, which is 15 feet West of the Center of Jackson Road; thence, crossing Jackson Road South 75-1/2 degrees East 657 feet; thence, South 87 degrees East 175 feet; thence, North 89 degrees East 111 feet, along Slayden Weaver's North property line to a point 276 feet from the center line of Hummingbird Lane; thence, parallel with the center line of Hummingbird Lane North 47 degrees East 669 feet; thence, North 31 degrees East 1,810 feet; thence, North 42 degrees East 389 feet; thence, North 56 degrees East 1,398 feet to a point in a fence; thence, South 34 degrees East 276 feet to a point in the

¹Additional annexation ordinances not listed in Private Acts 2000, Chapter 160 are: 1018, 1084 (De-annexation), 1088, 1097, 1105, 1108, 1110 (De-annexation), 1141, 1142, 1153, 1156, 1168, 1189, 1197, 1207, 1209, 1219, 1227 (De-annexation), 1234, 1247, and 1262.

center line of Hummingbird Lane; thence, following 20 feet South of and parallel to the center line of a gravel road North 82-1/4 degrees East 839 feet; thence, North 71-1/2 degrees East 236 feet to a point 20 feet South of the center line of said gravel road; thence leaving said road North 35 degrees East 138 feet; thence, North 63-1/2 degrees East 309 feet to an iron pin at a gate; thence, following a fence North 81 degrees East 754 feet to a point in the center of Spicer Branch; thence, following Spicer Branch South 18-1/2 degrees West 415 feet; thence, South 22-1/2 degrees West 378 feet; thence, South 51-1/2 degrees East 126 feet; thence South 17-1/2 degrees East 208 feet; thence, South 45 degrees West 164 feet thence, south 14-1/2 degrees East 162 feet; thence, South 3-1/2 degrees East 272 feet to a point in the center of Spicer Branch; thence, leaving Spicer Branch North 84-1/2 degrees West 962 feet to a point near the Northeast corner of Parkway Acres Subdivision; thence, South 2-1/2 degrees West 2,202 feet to a point on the North right-of-way of U.S. Highway No. 70; thence, running with the North right-of-way of said Highway North 70-1/2 degrees East 250 feet to a point; thence, crossing said Highway South 20 degrees East 125 feet to a point in the center of the Colesburg Road and in the South right-of-way of U.S. Highway No. 70; thence, South 53 degrees West 894 feet to a point; thence, parallel to U.S. Highway No. 70 South 63-1/2 degrees West 2,441 feet, to a point 350 feet South 27 degrees East from the center of said highway; thence, South 4 degrees West 2,457 feet to a point in W. A. Bell's South boundary line; thence, North 86 degrees West 96 feet to a point in Bell's South boundary line, also, the Northeast corner of Clement Heights Subdivision; thence, running with the East boundary of said subdivision South 3 degrees West 1,888.34 feet to a point on the South side of a road and on the North right-of-way line of the L & N Railroad; thence, with said road North 85-1/4 degrees West 844 feet to a point; thence, South 2 degrees West, crossing the railroad and crossing old State Highway No. 1 on 241 feet in all 612 feet to a point; thence, South 77 degrees West 3,580 feet to a stake at the West edge of Lewis Hollow Road; thence, North 60-1/4 degrees West 2,375 feet to a point at a cross fence on Lee Mathis' property; thence, South 34 degrees East 870 feet to a fence corner, same being Wayne Stephen's (Stephen's Truck Line) back corner; thence, South 44 degrees East 2,463 feet to a point in a fence row in the West margin of Lewis Hollow Road said fence being Claude Martin's East property line; thence, more or less with said margin of road South 6 degrees East passing the center line of State Route No. 46 at 735 feet in all 881 feet to a point in the South right-of-way line of State Route No. 46; thence, with said right-of-way line South 44 degrees East 246 feet to a marker in the Northwest margin of a road; thence, South 58 degrees West 325 feet to a point; thence, North 44 degrees West 2,841 feet to a point in J. W. Beasley's property line; thence, following said property South 46 degrees West 300 feet; thence, North 43 degrees West 750 feet; thence, North 46 degrees East 275 feet to a point in Beasley's property; thence, North 44 degrees West 51 feet to a point in a North and South cross fence on J. W. Beasley's property; thence, North 30-1/2 degrees West 1,199 feet to a point in the East

margin of a street; thence, South 89 degrees West cross Cowan Road on 1,030 feet, in all 2,725 feet to a point in J. W. Beasley's East boundary line; thence, South 62 degrees West 1,209 feet to a point in J. W. Beasley's South boundary line; thence, North 89-1/4 degrees West 1,010 feet to a stake at the East edge of the Piney Road; thence, South 73 degrees West 190 feet to a point; thence, North 17-1/2 degrees West 728 feet to a point at the North edge of State Highway No. 48; thence, North 64 degrees East 876 feet to a point; thence, North 36-1/2 degrees East 662 feet to a point; thence, North 5 degrees East 294 feet to a point; thence, North 87 degrees West 649 feet to a point on the East side of the creek near Phillips' Southwest corner; thence, North 1-1/4 degrees West 848 feet to a point; thence, North 36 degrees West 1,805 feet to a point; thence, north 48-3/4 degrees West 475 feet to a point; thence, South 44-1/2 degrees West 1,000 feet to a point on Frank Brannon's property; thence, South of and parallel to the center line of Furnace Hollow Road South 89 degrees West 1,929 feet to a point; thence, still parallel to said road North 89 degrees West 765 feet to a point in a field; thence, due North and crossing Furnace Hollow Road on 307 feet in all 1,573 feet to the Northwest corner of Estabrook Subdivision; thence, North 80-1/4 degrees West 1,254 feet to a point in a field; thence, South 87 degrees West 2,715 feet to a point on the Elmer Bass property; thence, due North and crossing a road on 203 feet and in all, 1,553 feet to a point in the North right-of-way of U.S. Highway 70; thence, due West following the North right-of-way of U.S. Highway No. 70, 490 feet to a point in a fence; thence, following said fence North 1-1/2 degrees East 212 feet to a corner; thence following a fence North 48-1/2 degrees East 632 feet to a point; thence, leaving fence due North 758 feet to a point on the bank of a stock pond; thence, North 87 degrees East 3,250 feet to a point; thence, North 47 degrees East 1,847 feet to the point of the beginning.

Section 1.04. DIVISION INTO WARDS. The City of Dickson shall be divided into four (4) Wards, as follows:

FIRST WARD: All of the territory North of the center line of College Street and Highway 70 East and East of Main Street shall constitute Ward I.

SECOND WARD: All of the territory North of the center line of College Street and Highway 70 West and West of Main Street shall constitute Ward II.

THIRD WARD: All of the territory South of the center line of College Street and Highway 70 West and West of Main Street shall constitute Ward III.

FOURTH WARD: All of the territory South of the center line of college Street and Highway 70 East and East of Main Street shall constitute Ward IV.

The Council may change the boundaries of the Wards by Ordinance.¹

Section 1.05. CORPORATE POWERS. The City shall have power:

(a) To enact such Ordinances and by-laws as may be necessary to preserve the health, quiet, peace, morals and good order of the City.

(b) To fix the compensation of all the officers and agents of said corporation not fixed herein, and to provide a pay plan and retirement program for employees.

(c) To assess, levy and provide for the collection of taxes on all property subject to taxation for all general and special purposes; provided, that before any Council shall make the tax levy, it shall make and record in the Minutes a budget of proposed expenditures and expected revenues for the coming year. The tax levy shall be made annually by a resolution passed by the Council at the stated meeting in July or any adjournment thereof.

(d) To appropriate money and provide for the debts and running expenses of the Corporation, to incur debts by borrowing money or otherwise, and give any appropriate evidence thereof, in the manner hereinafter provided.

(e) To expend the money of the municipality for all lawful purposes, and to contract and be contracted with.

(f) To license and tax the privileges taxable by the laws of the State, including the adoption of the Business Tax Act.

(g) To establish Fire Districts in the City and to make suitable regulations for the preservation of life and property from fires and other casualties; to establish minimum standards for and to regulate building construction and repair, electrical wiring and equipment, gas installations and equipment, heating and air conditioning installations and equipment, fixed mechanical equipment, plumbing, and housing, for the health, sanitation, cleanliness, safety and comfort of the inhabitants of the City, and to provide for the enforcement of such standards.

¹The current boundaries of the wards are defined in Ord. #1091 which is of record in the office of the city recorder.

(h) To pass all Ordinances necessary for the health, morality, peace, safety, convenience and good order in the City, including but not limited to the operation of motor vehicles, the carrying of concealed weapons for the purpose of going armed not in conflict with the general law, the storage, sale or use of fireworks, or dynamite, or other explosives or combustibles, to prevent dogs or other animals from running at-large in the streets and alleys, to prevent the keeping of swine and other animals in the City, and to provide penalties for a violation of said Ordinances.

(i) To condemn property, real or personal, or any easement, interest, or estate of use therein, either within or without the municipality, for present or future public use; the condemnation shall be effected in accordance with the terms and provisions of Tennessee Code Annotated, Title 29, Chapter 16, or in any other manner provided by law, and appropriate money for the payment of property so taken according to law.

(j) To maintain the streets and alleys and parks in the City; to prevent engines and trains from unnecessarily blocking the streets or alleys in the City.

(k) To provide for the organization, operation and regulation of fire companies, departments, or divisions, volunteer or otherwise.

(l) To acquire, construct, own, sell, lease, mortgage, pledge or otherwise dispose of public utilities or any estate or interest therein, and provide for the operation and maintaining of a water and sewer system and to do all things necessary to successfully operate same, including the exercising of the power of eminent domain, to maintain and operate an electric distribution system within and without the Corporate Limits and to delegate the authority to operate same to a Board of Utilities, as provided by Tennessee Code Annotated, Section 7-52-107. Further, the municipality may issue debt for these purposes under the Local Government Public Obligations Act, compiled in Tennessee Code Annotated, Title 9, Chapter 21.

(m) To purchase, lease or control cemeteries and land adjoining the same, to levy a tax for the up-keep or payment of the same and to make all necessary regulations in regard to its regulation and control.

(n) To make special assessment for local improvements, and to fix liens to secure the payment thereof, and to provide a method for the collection of such assessments.

(o) To license, tax and regulate any business, person, firm, corporation, company, association, animal, thing, vocation, pursuit, privilege or calling operating within the City so long as not in conflict with State law.

(p) To define, prohibit, abate, suppress, prevent and regulate all acts, practices, conduct, businesses, occupations, callings, trades, uses of property and all other things whatsoever detrimental, or liable to be detrimental, to the health, morals, comfort, safety, convenience or welfare of the inhabitants of the City of Dickson, and exercise general police powers.

(q) To prescribe limits within which business occupations and practices liable to be nuisances or detrimental to the health, morals, security or general welfare of the people may lawfully be established, conducted or maintained.

(r) To regulate the location, bulk, occupancy, area, lot, height, construction and materials of all buildings and structures, and inspect all buildings, lands and places as to their condition for health, cleanliness and safety, and when necessary, prevent their use and require any alteration or changes necessary to make them healthful, clean or safe.

(s) To plan for the orderly development of the community, including economic, physical, and cultural aspects, and to institute programs to effectuate such plans.

(t) To provide that the violation of any Ordinances, Rule, Regulation or Order shall be punishable by a fine, penalty or forfeiture and by other actions or proceedings in any court of competent jurisdiction, and provide by Ordinance for court costs.

(u) To exercise and have all other powers, functions, rights, privileges, and immunities granted by general law or necessary or desirable to promote or protect the safety, health, peace, security, good order, comfort, convenience, morals, and general welfare of the City and its inhabitants, and all implied powers necessary to carry into execution all powers granted in this Charter as fully and completely as if such powers were fully enumerated herein.

(v) To issue and give, sell, pledge or in any manner dispose of, negotiable or nonnegotiable interest-bearing or noninterest-bearing bonds, warrants, promissory notes or orders in the name of the City of Dickson, upon the credit of the City of Dickson or solely upon the credit

of income derived from any property used in connection with any public utility owned or operated by the City of Dickson, or solely upon the credit of the proceeds of special assessments for local improvements, or upon any two (2) or more such credits.

(w) To acquire or receive and hold, maintain, improve, sell, lease, mortgage, pledge or otherwise dispose of property, real or personal, and any estate or interest therein, within or without the municipality or state.

(x) To establish, open, relocate, vacate, alter, widen, extend, grade, improve, repair, construct, reconstruct, maintain, light, sprinkle and clean public highways, streets, boulevards, parkways, sidewalks, alleys, parks, public grounds, public facilities, libraries and squares, wharves, bridges, viaducts, subways, tunnels, water and sewers and drains within or without the corporate limits of the City of Dickson, regulate their use within the corporate limits, assess fees for the use of or impact upon such property and facilities, and take and appropriate property therefor under the provisions of Tennessee Code Annotated, Sections 7-31-107--7-31-111 and 29-16-114, or any other manner provided by general laws.

(y) To regulate, tax, license or suppress the keeping or going at large of animals within the municipality, impound them, and in default of redemption, sell or kill them.

No enumeration of particular powers in this Charter shall be held to be exclusive of others nor restrictive of general words and phrases granting powers, but shall be held to be in addition of such powers unless expressly prohibited to cities by the Constitution or general laws of the State.

ARTICLE II CITY COUNCIL

Section 2.01. ELECTION OF MAYOR AND COUNCILMEN. The officers of the City of Dickson to be elected by popular vote shall be a Mayor and two (2) Councilmen from each of the four (4) Wards.

(a) Each elector in the City shall be entitled to vote for one (1) candidate for Mayor and for one (1) candidate for Councilman for the Ward in which the elector resides in subsequent biennial elections. Each candidate for City Council shall reside in the Ward from which the candidate seeks election.

(b) Biennial elections shall be held on the last Thursday in September in each odd numbered year to elect one (1) Councilman from each of four (4) Wards for four-year terms. Effective with the election in September, 1987, and all succeeding elections the term of office for the Mayor shall be four (4) years. No formality shall invalidate such an election, providing it is conducted fairly and in substantial conformity with the requirements of this Charter and the general election laws of the state. Any elector who shall have been a resident of the City of Dickson for twelve (12) months immediately preceding the election shall be eligible to become a candidate for Mayor or Councilman.

(c) The present Mayor and Members of the Council of the City of Dickson shall hold their respective offices and do and perform all the duties imposed upon them under the Ordinances of said City as they now exist until expiration of the terms for which they were elected, and until their successors are elected and qualified. The present City Recorder shall hold office and do and perform all the duties imposed upon him, or her, by this Charter and by the Ordinances of said City as they now exist until expiration of the term for which the City Recorder was elected, and until the City Recorder's successor or successors have been elected and qualified.

(d) The terms of office of the Mayor and Councilmen shall begin at 7:00 P.M. on the first Monday in October next after their election.

Said election shall be opened and held by the County Election Commission of Dickson County after advertising same by publication in a newspaper of general circulation in the City of Dickson, as required by law for the election of county officers, giving the time, place and purpose of said election, assisted by such judges and clerks as the state law provides to be appointed by such Commissioners. Said election shall be governed by the same laws governing the elections in this State for state and county officers. Any person who is a qualified voter for members of the General Assembly under the laws of Tennessee in Dickson County and who shall have been a resident of said City for thirty (30) days immediately preceding the election, or in the case of annexation, a resident of said annexed territory for thirty (30) days immediately preceding the election, shall be entitled to vote in said election and have his vote counted as cast.

The County Election Commission holding said election shall at once make two certified copies of the result of said election, showing the names of all candidates voted for, the offices for which they were candidates, and the number of votes received by each.

One copy shall be delivered and deposited with the County Clerk of Dickson County and the other shall be delivered to the Mayor.

(e) The salary of the Mayor shall be thirty (30%) percent of the Dickson County Executive's salary plus any local supplements of the County Executive as set by Tennessee Code Annotated, Section 8-24-102(b). The salary of each Member of the Council shall be seventeen and one half (17-1/2%) percent of the Dickson County Executive's salary plus any local supplements of the County Executive as set by Tennessee Code Annotated, Section 8-24-102(b). The Mayor and Council members shall also be reimbursed for actual and necessary expenses incurred in the conduct of their official duties and shall be permitted to participate in the Tennessee Consolidated Retirement System, (TCRS); according to the provisions contained in Tennessee Code Annotated, Section 8-35-226. Provided, however, these raises shall not become effective until October 1, 2001.

(f) The Mayor and Council members before entering upon their duties, shall take an oath that they will honestly and faithfully discharge the duties of their office without partiality, favor or affection.

Section 2.02. MEETINGS OF THE COUNCIL.

(a) The Mayor and eight (8) Councilmen elected under this Charter shall compose the City Council, in which is vested all corporate, legislative, and other powers of the City, except as otherwise provided in this Charter.

(b) The Council shall meet regularly on the first Monday in each month at the Municipal Building at a time to be set by the Council. In the event that any meeting date falls on a holiday the Mayor shall reschedule the meeting at his/her discretion. The Council may meet in adjourned sessions, or special sessions, when called by the Mayor, or when requested in writing by four (4) Members of the Council.

(c) A majority of the Council, excluding the Mayor, shall constitute a quorum. Voting, except on procedural motions, shall be by roll call and the ayes and nays shall be recorded in the Minutes. The Council may adopt rules and by-laws to govern the conduct of its business, including procedures and penalties for compelling the attendance of absent members. The Council may subpoena and examine witnesses and order the production of books and papers.

Section 2.03. MAYOR AS PRESIDING OFFICER. The Mayor shall preside at all meetings of the Council, but shall have no vote except to break a tie. The Mayor shall examine all Ordinances and Resolutions passed by the Council for his approval or veto.

The Mayor shall have five (5) whole days, Saturdays and Sundays excepted, in which to approve or veto any Ordinance or Resolution, or part thereof. Should he approve said Ordinance or Resolution passed by said Council, he will sign it and it shall become the law of said City. Should he veto such Ordinance or Resolution, or part thereof, he shall give his reasons therefor, in writing and re-submit such to the next meeting of the Council. Should such Ordinance or Resolution be again passed by said Council with the affirmative vote of five (5) members, it shall become the law of said City, and may be entered in the records with or without the signature of the Mayor.

Section 2.04. VICE-MAYOR. The Council, at the first regular meeting after the newly elected Mayor has taken office following each biennial election, shall elect from its membership a Vice-Mayor for a term of two (2) years. The Vice-Mayor shall perform the duties of the Mayor during his absence or inability to act, and shall fill out any unexpired term in the office of Mayor, in which case a Member of the Council shall be selected by majority vote of the Council to serve the unexpired term as Vice-Mayor.

Section 2.05. VACANCY IN OFFICE OF MAYOR OR COUNCILMAN. A vacancy shall exist if the Mayor or a Member of the Council resigns, dies, moves his residence from the City, or a Member of the Council moves from the Ward from which he was elected, is convicted of malfeasance or misfeasance in office, a felony, a violation of this Charter involving the performance of the duties of his office or the election laws of the State, a crime involving moral turpitude, fails to attend any meetings of the Council for a period of ninety (90) days with no extenuating circumstances, or has been continuously disabled for a period of (6) months so as to prevent him from discharging the duties of his office. The Council shall by Resolution declare a vacancy to exist for any of these reasons, which shall be subject to appeal to the Chancery or Circuit Court of Dickson County.

Any person convicted of malfeasance or misfeasance in office, a felony, or crime involving moral turpitude shall be prohibited from holding office with the City for a period of ten (10) years thereafter.

The remaining Members of the Council shall elect a qualified person to fill a vacancy in the office of Councilman for the remainder of the unexpired term. If the vacancy is not so filled within forty-five (45) days, the Mayor shall appoint a qualified person to fill the vacancy.

At no time shall there be more than two (2) members of the Council appointed to fill vacancies. If a vacancy occurs more than six (6) months prior to a regular municipal election and while two (2) appointed members are on the Council, a special election shall be held by the County Election Commission of Dickson County, at which election a Councilman shall be elected to serve the unexpired term of each vacant office.

Section 2.06. RESTRICTIONS ON COUNCILMEN. The Council shall deal with the various agencies, officers and employees of the City, except boards or commissions authorized by this Charter or by Public Law, solely through the Mayor, or their designee, and shall not give orders to any subordinates of the Mayor either publicly or privately. The Council shall deal with officers and employees of boards and commissions solely through the Chairman of each such agency. Nothing herein contained shall prevent the Council from conducting such inquiries into the operation of the City government and the conduct of the City's affairs as it may deem necessary. The Council may organize itself into committees for the purpose of investigating problems and examining programs in order to inform the Council on desirable measures.

Section 2.07. CITY LEGISLATION. (a) Any action of the Council having a regulatory or penal effect, awarding franchises, authorizing the borrowing of money, conveying or leasing or authorizing the conveyance or lease of any lands of the City, or required to be done by Ordinance under this Charter or the general laws of the state, shall be done only by Ordinance. All purchasing shall be done in accordance with State of Tennessee purchasing laws as they apply to municipalities.

Other actions of the Council may be accomplished by Resolutions or motions. Ordinances and Resolutions shall be in written form before introduced. The enacting clause of Ordinances shall be "**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF DICKSON:**". No action of the Council shall be valid or binding unless approved by the affirmative vote of a majority of the Council members present. Any Ordinance which repeals or amends existing Ordinances shall set forth at length the sections or subsections repealed or as amended. Every Ordinance except an emergency Ordinance must be approved on two (2) readings, on two (2) separate days, and shall become effective immediately after final approval unless its terms provide a later effective date. Every Ordinance, except codes adopted by reference, shall be read in full on the first reading; the second reading may be title only except that any amended provisions shall be read in full. Each Resolution shall be read in full one (1) time and shall become effective when adopted unless its terms provide otherwise.

To meet a public emergency affecting life, health or property, as determined by a majority of the Council present, an emergency Ordinance may be adopted on one (1) reading and become effective immediately, by the affirmative votes of a majority of the members of the Council present, if the Ordinance contains a full statement of the facts creating the emergency; but any emergency Ordinance shall be effective for only ninety (90) days. Franchises, contracts, levy of taxes, or special privileges shall not be passed as emergency Ordinances.

(b) The Council shall have the general and continuing Ordinances of the City assembled into an official code of the City, a copy of which shall be kept currently up-to-date and shall be available to the public. After adoption of the official code, Ordinances shall be adopted as additions to, deletions from, or amendments to the code.

(c) Standard codes may be adopted by Ordinances which contain only references to titles, dates, issuing organizations, and such changes to the standard codes as the Council may deem desirable. Procedures prescribed by general law shall be followed when adopting such standard codes. Copies of the official code and any standard codes so adopted by reference shall be available to the public at prices fixed by the Council.

(d) The original copies of Ordinances, Resolutions, contracts, and other documents shall be filed and preserved by the City Recorder. The title and a brief summary of each Ordinance shall be published in a newspaper of general circulation in the City within ten (10) days after its final approval.

ARTICLE III ORGANIZATION AND PERSONNEL

Section 3.01. ORGANIZATION OF CITY GOVERNMENT. The City government shall be organized into such departments as the Council thinks for the best interest of the City.

Section 3.02. DUTIES OF MAYOR. The Mayor shall be the chief executive officer of the municipality. The Mayor shall countersign checks and drafts drawn upon the treasury by the treasurer and sign all contracts to which the municipality is a party. He shall communicate any information needed, and recommend measures the Mayor deems expedient to the Council.

The Mayor shall be the executive head of the City government, responsible for the efficient and orderly administration of the affairs of the City.

He shall be responsible for the enforcement of laws, rules and regulations, Ordinances, and franchises of the City, and the City Attorney shall take such legal actions as the Mayor may direct for such purposes. The City Attorney may conduct inquiries and investigations into the affairs of the City and shall have such other powers and duties as the Council may from time to time grant and impose, by motion, Resolution, or Ordinance not inconsistent with this Charter.

In the event of any riot or disorder, or any threat thereof, which in the opinion of the Mayor cannot be controlled by the City's police forces, the Mayor may employ any additional police as may be required, but not for a longer period of time than one (1) week, unless, in the meantime, he has secured the approval of the Council for a longer period.

The Mayor shall make temporary appointments of any officer or department head, except that of Councilman, arising from the absence, sickness or disability of any such officer or department head, and shall report such appointment to the Council at its next regular meeting.

The Mayor, with approval of the Council, shall appoint department heads and other major officers of the City whose appointments are not otherwise provided for in this Charter and who would not be employees of boards or commissions.

The Mayor, with the approval of the Council, may appoint a Clerk to the City Judge with the power to issue warrants and accept bonds consistent with the general law.

All department heads of the City of Dickson are encouraged to be residents of the City, however all department heads shall be residents of Dickson County. All employees employed prior to July 1, 2000, are exempt from the residency requirement.

All department heads and other officers appointed by the Mayor, with the approval of the Council, shall hold office in accordance with such personnel rules and regulations as the Council may adopt. However, the provisions of this section shall not abridge the right of the Council to re-organize the City government, to establish, abolish and combine positions, nor to transfer or re-assign functions.

The Mayor may call Special meetings of the Council upon adequate notice to the Council and adequate public notice. Such notice shall state the matters to be considered at the Special meeting and the action of the Council shall be limited to those matters submitted.

Section 3.03. CITY ADMINISTRATOR. The City Administrator shall report and be responsible to the Mayor.

The City Administrator shall have the following powers and duties:

- (a) To administer the business of the municipality;
- (b) To make recommendations to the Council for improving the quality and quantity of public services to be rendered by the officers and employees to the inhabitants of the municipality;
- (c) To keep the Council fully advised as to the conditions and needs of the municipality.
- (d) To report to the Council the condition of all property, real and personal, owned by the municipality and recommend repairs or replacements as needed;
- (e) To recommend to the Council and suggest the priority of programs or projects involving public work or public improvements that should be undertaken by the municipality.
- (f) To recommend specific personnel positions, as may be required for the needs and operations of the municipality, may propose personnel policies and procedures for approval by the Council, and will be responsible for the management of the personnel rules and regulations; and
- (g) To perform such other duties as may from time to time be designated or required by the Mayor or Council.

Section 3.04. CITY RECORDER. The City Recorder shall have the following powers and duties:

- (a) To keep and preserve the City seal and all official records not required by law or Ordinance to be filed elsewhere.
- (b) To attend all meetings of the Council and to maintain a full and accurate account of the proceedings of all such meetings, the Members of the Council present and absent, each motion considered, the title of each Resolution and Ordinance considered, and the vote of each Council Member on each question. This journal shall be open to the public at the Municipal Building in the office of the Recorder during the

regular office hours of the City, subject to reasonable restrictions exercised by the City Recorder.

(c) To prepare and certify copies of official records in his office. Fees for such services may be established by the Council, to be deposited into the City Treasury.

(d) To perform such other duties required by this Charter or other law and as may be required by the Mayor or by the Council.

(e) Nothing herein shall prevent the Recorder from being the Tax Collector if the City should see fit to combine these offices, but the Recorder shall not hold any other office or position with the City.

Section 3.05. CITY JUDGE. (a) The jurisdiction of the City Judge shall extend to the trial of all offenses against the Ordinances of the City, and costs in such trials shall be fixed by Ordinance. The City Judge shall have power to levy fines, penalties, forfeitures and costs, to issue all necessary process, to administer oaths, and to maintain order including the power which courts of general session have to fine for contempt. The sole compensation for serving as City Judge shall be a salary fixed by the Council, and all fees for action or cases in his court shall belong to the City and be paid into the City Treasury. The compensation of the Mayor for serving as City Judge shall be fixed by vote of the Council.

(b) If the City Judge has all the qualifications and is elected in the same manner as the general sessions judge, then the City Judge shall have the right to issue search warrants and he shall have, and shall be given, all of the rights, authority, duties, powers and jurisdiction in all criminal cases committed within the corporate limits that the Judge of the General Sessions Court of Dickson County has, and from time to time may have the power of binding over to the Circuit or Criminal Courts of Dickson County all persons who commit felonies in said corporation.

(c) The taking of bail and the admission to bail for bailable offenses shall be conducted as provided by general law.

(d) Fines and costs may be paid by installments to be fixed and security determined as provided by Ordinance. Failure to pay fines and costs or to furnish security, shall be punished in the same manner as provided by general law. Receipts of the City court shall be deposited each week with the Treasurer, and the City Judge shall make monthly reports thereof to the Council.

(e) The City Judge shall keep a docket of all cases handled by him.

(f) The City Judge shall be the exclusive Judge of the law and the facts in every case before him, and no officer or employee of the City shall attempt to influence his decision except through pertinent facts presented in open court.

Section 3.06. CHIEF OF POLICE. The Chief of Police shall be the chief law enforcement officer of the City. He shall arrest all persons violating any of the criminal laws of the State of Tennessee or Ordinances of the City of Dickson, including violations in parking centers where such areas are open to the public, and take them before the City Judge or some authorized person by law for trial examination. He shall have all the powers, authority, duty and jurisdiction within the corporate limits of the City as to all processes in criminal cases that sheriffs have, and from time to time may have, and his criminal jurisdiction and authority shall extend for one (1) mile beyond the City limits. He shall have all such authority and do and perform such duties as the Council may by Ordinance grant and direct.

Any fees collected by the Chief of Police or any other police officer, shall be paid into the City Treasury.

Before entering upon his duties, he shall give bond in such conditions and such penalties as the Council may prescribe and shall take an oath to faithfully perform the duties of his office. There shall be such additional policemen as the Council thinks necessary who shall work under and in keeping with the regulations and standards set by the Council.

Section 3.07. CITY ATTORNEY. In addition to the powers granted by the Council as provided in Section 3.02, the City Attorney, or an Assistant City Attorney designated by the Mayor, shall be responsible for representing and defending the City in all litigation in which the City is a party; prosecuting cases in the City court when requested by the Mayor or Council; attending meetings of the Council; advising the Council, Mayor and other officers and employees of the City concerning legal aspects of their duties and responsibilities; approving as to form legality all contracts, deeds, bonds, Ordinances, Resolutions, and other official documents; and performing such other duties as may be prescribed by the Council or Mayor.

Section 3.08. CITY TREASURER. The City Treasurer shall be the financial agent of the City and the custodian of the funds. He/she shall before entering upon the duties of the office give bond in the penalty and on such conditions as the Council may prescribe, and shall have all authority to do and

perform such acts as the Council may grant and direct, and shall take an oath to faithfully perform the duties of his/her office.

Section 3.09. TAX COLLECTOR. The assessment for taxes shall be made by the County Assessor, and the Tax Collector shall be furnished a copy of this assessment of property within the corporate limits of said City of Dickson.

The taxes for each year shall be due on and after the first day of November. The City Tax Collector, in collecting said taxes, shall have all powers, rights and authorities belonging by law to the County Trustee in the collection of County Taxes. The Tax Collector shall make out a list of all delinquent taxes remaining on the books and deliver the same to the Chief of Police, or such other person as the Council may direct not later than the first of April following the year for which said taxes were levied. In order to enforce collection of taxes on property, privileges or occupation tax or assessments, the Council shall have power by Ordinance to fix penalties to be paid by the delinquent taxpayer, in addition to the legal rate of interest for the nonpayment thereof when due. Such penalties shall not be greater than the maximum amount allowed by law, and shall become a part of the tax and be paid into the Treasury of the municipality as other taxes. Such penalties shall be in addition to interest on all delinquent taxes, and interest shall commence on such delinquent taxes at the date of the delinquency. The Tax Collector shall have power to issue distress and alias and pluris distress warrants in the name of the State of Tennessee on behalf of the City of Dickson, to enforce collections of all taxes, privileges, occupations and assessments. Such warrants may be executed by a deputy sheriff, a sheriff, or a constable of the county, and such officers shall have authority to make their return thereon, or make their collections thereunder and they shall receive such fees as are provided by the general laws of the State in such cases, and the fees shall be paid by the delinquent taxpayer. The lien for taxes on real estate shall remain a lien until the taxes, penalties, interest and costs are paid, whether a bill be filed to collect the same or not. The municipality shall have authority to collect unpaid taxes on realty after a return of nulla bona by a suit either at law or in equity. Any bill filed in equity may include as many as twenty-five (25) district pieces or tracts of land, the owner thereof being made defendant to the bill, and such cause shall not be subject to objection for misjoinder by reason of such distinct interests or because publication has been made for delinquency. The law governing necessary parties to be made to collect taxes shall be the same as in case of the collection of state and county taxes. Each person shall pay his proportionate part of the cost of any such tax bill. The form of the bills in the Chancery Court shall be in substance that of bills for the purpose of foreclosing and enforcing liens and divesting title. No defendant shall be entitled to a copy of the bill without applying to the Clerk of the Court and paying for such copy. It shall not be

necessary that all defendants' names be included in the copy of the subpoena to be left with any defendant, or in the publication for any particular non-resident defendant. The cause shall be at issue as to a defendant when his answer is filed or pro-confesso has been taken against him, and proceeding to a finality, a sale as to any one defendant shall not in any way affect any other defendant, unless he is interested in the same lot or tract. Any defendant, or party to the bill, shall have the right to appeal to the Court of Appeals or Supreme Court, as the case may be, as in other Chancery proceedings.

The Tax Collector shall collect such other taxes or privileges, business taxes, or other taxes, which by municipal Ordinance or State laws, the City is authorized to collect. The sole compensation of the Tax Collector shall be a salary fixed by the Council, and all fees penalties and interest related to the collection of taxes or privileges shall belong to the City and shall be paid into the City Treasury.

Section 3.10. PERSONNEL RULES. The Council may by Ordinance adopt supplementary rules and regulations governing employment by the City, not inconsistent with the provisions of this Charter.

Section 3.11. OATH OF OFFICE. Before a person takes any office in the City government, such person shall subscribe to the following oath, or affirmation, administered by the City Recorder, or any person authorized to administer oaths: "I solemnly swear (or affirm) that I will support the Constitution and will obey the laws of the United States and the State of Tennessee, and that I will in all respects, support and defend the provisions of the Charter and Ordinances of the City of Dickson, and that I will faithfully discharge the duties of my office."

Section 3.12. OFFICIAL BONDS. Every officer, agent and employee of the City having duties embracing the receipt, disbursement, custody or handling of money, and other officers and employees designated by the Council, shall give a fidelity bond or faithful performance bond, as determined by the Council, with some surety company authorized to do business in the State of Tennessee, in such an amount as shall be prescribed by the Council. The cost of such bonds shall be paid by the City. Such bonds shall be blanket bonds covering offices and positions to be bonded, and individual bonds may be secured only when blanket bonds are not obtainable.

Section 3.13. Dickson INDUSTRIAL TRUST. Chapter 60 of the Private Acts of 1967 relative to the members of the Dickson Industrial Trust and naming the Mayor of the City of Dickson, the President of the Bank of Dickson, the Chairman of the Finance Committee of the city of Dickson and the City

Attorney of the City of Dickson, and their successors in office, as members of the Dickson Industrial Trust is hereby retained and made a part of this Charter.

SECTION 2. All previous provisions in the Charter of the Town of Dickson, prior to this enactment, which conflict with the provisions of this Act, are hereby repealed, and all other provisions are revised by this Act so that this will constitute a complete charter for the Town of Dickson

SECTION 3. All Resolutions and Ordinances heretofore enacted by the City of Dickson Council, as they now exist, not in conflict with this Charter, and not repealed or rescinded by them, shall be and remain in full force and effect until altered, modified or repealed by the Council.

SECTION 4. If any Article, Section, Sub-Section, paragraph, sentence or part of this Charter shall be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect or impair any other parts of this Charter. It is the legislative intent in enacting this Charter that each Article, Section, Sub-Section, paragraph, sentence or part be enacted separately and independently of each other.

SECTION 5. To be applicable as the Charter of the City of Dickson, Tennessee, this Act must be approved by two-thirds (2/3) of the governing body of the City of Dickson, now Town of Dickson, within not less than sixty (60) days, nor more than one hundred twenty (120) days after passage of this Act. The Mayor shall within ten (10) days thereafter certify to the Secretary of State the result of said vote.

SECTION 6. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective as provided in Section 5.

PASSED: June 14, 2000

s/John S. Wilder
JOHN S. WILDER
SPEAKER OF THE SENATE

s/Jimmy Naifeh
JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this day of 2000

DON SUNDQUIST, GOVERNOR

Pursuant to Article III, Section 18, of the Constitution of the State of Tennessee, the Governor had Senate Bill No. 3344 in his possession longer than ten (10) days, so therefore the bill becomes law without the Governor's signature.

RELATED ACTS

Priv. Acts 1989, ch. 50,
"Natural Gas System." C-25

Priv. Acts 1998, ch. 178,
"Water and Wastewater Authority of Greater Dickson." C-44

Priv. Acts 2001, ch. 59,
"Privilege tax on occupancy of rooms, etc." C-67

CHAPTER NO. 50¹

HOUSE BILL NO. 1452

By Jackson

AN ACT to amend Chapter 215 of the Private Acts of 1988, to create and establish an authority for and on behalf of the City of Dickson, Tennessee, and the Sam Houston Utility District of Houston, Stewart, and Dickson Counties, Tennessee, to be known as the "Greater Dickson Gas Authority"; to authorize said authority to exercise and possess certain powers, duties, obligations, and authority, including the planning, acquisition, constructing, improving, furnishing, equipping, financing, ownership, operation, and maintenance of a natural gas system, including facilities, properties, and services incident thereto; the sale and distribution of natural gas, including but not limited to propane gas; the authority to enter into contracts and agreements in connection therewith; to provide for the appointment, powers, and duties of the board of directors of said authority; to authorize and provide for the issuance of bonds, notes, and other evidences of indebtedness of said authority and the securing thereof; to authorize the State of Tennessee, its agencies, instrumentalities, and subsidiaries and other public bodies to take actions and enter into agreements with said authority and to levy taxes in connection therewith; to provide for the transfer of assets and liabilities to said authority by the City of Dickson, Tennessee and by the Sam Houston Utility District of Houston, Stewart, and Dickson Counties, Tennessee.

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

Section 1. Sections 1 through 14 of Chapter 215 of the Private Acts of 1988 are amended by deleting said Sections in their entirety and by substituting instead the following:

Section 1. Purpose and Creation of Authority. A governmental authority, to be known as the "Greater Dickson Gas Authority," is hereby created and constituted. The Authority shall be a public corporation in perpetuity under the corporate name of the Greater Dickson Gas Authority, and shall under that

¹Ordinance #752, of record in the recorder's office, conveys the assets of the city gas department to the Greater Dickson Gas Authority.

Ordinance #759, also of record in the recorder's office, approves the "spin-off from the present City of Dickson Retirement Plan of a separate retirement plan covering only Greater Dickson Gas Authority employees."

name be a political subdivision of the State and a body politic and corporate. The Authority is created for the purpose of planning, acquiring, constructing, improving, furnishing, equipping, financing, owning, operating, and maintaining gas systems for various types of gas, within or outside the Region and such other utility systems as any gas utility is authorized by the general laws of the State of Tennessee to own or operate. [As replaced by Priv. Acts 2002, ch. 148, § 1]

Section 2. Definitions. Whenever used in this act, unless a different meaning clearly appears in the context, the following terms, whether used in the singular or plural, shall be given the following respective interpretations:

(a) "Authority" means the Greater Dickson Gas Authority created by this Act.

(b) "Board" means the Board of Directors of the Authority.

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

(d) "Governing Body" means the chief legislative body of a municipality, as hereinafter defined.

(e) "Municipality" means any county, incorporated city or town, utility district, school district, power district, sanitary district, or other municipal, quasi-municipal, or governmental body or subdivision within or without this state, and any agency, authority, branch, bureau, commission, corporation, department or instrumentality of the foregoing now or hereafter authorized by law to be created.

(f) "Person" means any individual, firm, partnership, association, corporation, or any combination thereof.

(g) "Project" means all systems owned and/or operated by the Authority for the provision of any type of gas and related energy for heating, processing, lighting and any other purpose for which gas and its related projects can be used.

(h) "Region" means (1) the area within the corporate limits of the City of Dickson, Tennessee, as such boundaries now or hereafter exist; (2) the geographic boundaries of the Sam Houston Utility District of Houston, Stewart and Dickson Counties, Tennessee as set out in Chapter 50 of the Private Acts of 1989; (3) all areas of Dickson, Stewart and Houston Counties and any additional county contiguous to said counties not presently served by any other holder of a franchise as of the effective date of Chapter 50 of the Private Acts of 1989, upon consent by resolution of the governing body of said county; and (4) any other area outside of areas designated in (1), (2), and (3) within or without the state upon consent of the applicable governing body; provided, the Authority shall not exercise any of the powers granted in this Act wholly or partly within the legal boundaries of an incorporated city or town or a utility district incorporated pursuant to the Utility District Act of 1937, as amended, or any

other municipality, except as allowed by law, without the consent of the governing body of such city, town, utility district, or other municipality.

(i) "Revenues" means all monies received by the Authority derived from the Project.

(j) "System" means any plant, works, system, facility, property, or parts thereof, together with all appurtenances thereto, used or useful in connection with the furnishing of any of the services, personal property and commodities authorized to be provided herein, including generation or production facilities, transmission facilities, storage facilities, distribution and collection facilities, and all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and all appurtenances, contracts, leases, franchises and other intangibles relating to the foregoing. [As amended by Priv. Acts 2002, ch. 148, § 2]

Section 3. Board of directors. (a) The Authority shall have a board of directors in which all powers of the Authority shall be vested.

(b) Membership of the board of directors shall consist of five (5) directors to be as follows:

(1) The Mayor of the City of Dickson or the designee of the Mayor who is named in a revocable written instrument executed by the Mayor;

(2) An elected member of the City of Dickson governing body to be selected by a majority then present and voting of such governing body;

(3) Two directors to be selected by a majority then present and voting of the City of Dickson governing body who reside within the geographic boundaries of the Sam Houston Utility District of Houston, Stewart, and Dickson Counties, Tennessee; and

(4) One director to be selected by a majority then present and voting of the City of Dickson governing body who resides within the region.

(c) Any director who ceases to regularly reside within the area that director was selected to represent, as set forth above, shall automatically become ineligible to serve in that office. The term of directors serving pursuant to subsections (b)(1) and (2) above shall be concurrent with their term of office or, if the member is a designee of the Mayor, concurrent with the term of the Mayor. The terms of the directors serving pursuant to subsection (b)(3) and (b)(4) shall be five years; provided, however, that the initial term of the directors appointed pursuant to (b)(3) shall be four years and five years, respectively, as designated by the governing body of the City of Dickson, and the initial term of the director appointed pursuant to (b)(4) shall be one year. At the expiration of any term of office of a director, then the director whose term of office shall have expired shall continue to hold office until his successor shall be so appointed. Any vacancy of a director (whether at the expiration of a term or for the remainder of an unexpired term) selected pursuant to subsections (b)(3) and

(b)(4) shall be filled by a majority vote of the governing body of the City of Dickson from a recommendation of one or more names which shall be submitted to the governing body by the remaining Board of Directors. In the event the governing body rejects the recommendations of the Board of Directors, this procedure shall be followed until such vacancy is filled. All appointments shall be made within 30 days following the effective date of this act and the terms of such directors shall commence on said date.

(d) A majority of the Board of Directors shall constitute a quorum and the Board of Directors shall act by a vote of a majority present at any meeting attended by a quorum. Vacancies among the directors shall not affect their power and authority, so long as a quorum remains. Within 30 days after their selection, as herein provided, the Board of Directors shall hold a meeting to elect a chairman, a vice-chairman, and a secretary-treasurer and/or such other officers as shall from time to time be deemed advisable by the Board of Directors. The secretary-treasurer shall keep minutes of all regular and special meetings of the authority, which shall be available for inspection by the public at the office of the authority at all reasonable times.

(e) The Board of Directors shall hold meetings at such times and places as the board of directors may determine and all such meetings shall be open to the public. Special meetings may be called and held upon such notice and in such manner as the Board of Directors may, by resolution, determine. Except as otherwise expressly provided herein, the Board of Directors shall establish its own rules of procedure. Any action taken by the Board of Directors exercising its powers and authority under the provisions of this act may be exercised by vote or resolution at any regular or special meeting.

(f) All directors shall serve without compensation, but may receive a per diem allowance as the Board of Directors may determine by resolutions. Actual reasonable expenses incurred by directors while engaged in the business of the authority are subject to reimbursement by the authority. All directors shall be eligible for health insurance to the same extent as the employees of the authority.

(g) Any director may be removed from office for cause upon a vote of three (3) members of the Board.

(h) The Board shall appoint a chief executive officer of the Authority and who shall be qualified by training and experience for the general management of and operation of the business and affairs of the Authority. The salary and title of the chief executive officer shall be fixed by the Board. The chief executive officer shall serve at the pleasure of the Board and shall have such authority, duties and responsibilities, as the Board of Directors shall deem necessary for the business of the Authority. [As amended by Priv. Acts 2002, ch. 148, § 3]

Section 4. Powers of the authority. The authority shall have the following powers in addition to those specified in other sections of this act, together will

powers incidental thereto or necessary for the performance of those hereinafter stated:

(1) To sue and be sued and to prosecute and defend, at law or in equity, in any court having jurisdiction of the subject matter and of the parties;

(2) To have a seal and to alter the same at pleasure, provided, however, that the absence thereof shall have no effect on the validity of any document, instrument, or other writing;

(3) To plan, establish, acquire, whether by purchase, exchange, gift, devise, lease, the exercise of the power of eminent domain, or otherwise, and to construct, equip, furnish, improve, repair, extend, maintain, and operate the project, including all real and personal property, facilities, and appurtenances which the Board of Directors of the authority may deem necessary in connection therewith and regardless of whether or not such project shall then be in existence;

(4) To acquire, whether by purchase, exchange, gift, devise, lease, the exercise of the power of eminent domain, or otherwise, any and all types of property, franchises, assets, and liabilities, whether real, personal, or mixed, tangible or intangible, and whether or not subject to mortgages, liens, charges, or other encumbrances and to hold, sell, lease, exchange, donate, or convey its properties, facilities, or services, but only for the purpose of continuing operation of the project by the authority, whenever the board of directors of the authority shall find such action to be in furtherance of the purposes for which the authority is hereby created; provided, however that revenues of the project of the authority shall be accounted for in such manner as not to impair the obligations of contract with reference to bond issues or other legal obligations of the transferor and shall fully protect and preserve the contract rights vested in the owners of outstanding bonds, obligations, or contractual interests, and further, provided that any income from the sale of such properties, facilities, and services shall be dedicated to the continued operation of the project by the authority;

(5) To sell, transfer, distribute, or otherwise dispose of natural gas, including propane gas, from the operation of the project or any facility or service of the authority to any municipality, the State of Tennessee, the United States of America or any agency thereof, the Tennessee Valley Authority or any person, whether public or private, and to enter into contracts, agreements, or other arrangements in connection therewith;

(6) To make and enter into all contracts, trust instruments, agreements, and other instruments with any municipality, the State of Tennessee, the United States government or any agency thereof, the Tennessee Valley Authority, or any person, including, without limitation, bonds and other forms of indebtedness and contracts for the management and operation of any project, any facility or any system and the services provided in connection therewith;

(7) To incur debts, to borrow money, to issue bonds, and to provide for the rights of the holders thereof;

(8) To apply for, accept, and pledge donations, contributions, loans, guarantees, financial assistance, capital grants, or gifts from any municipality, the State of Tennessee, the United States government or any agency thereof, the Tennessee Valley Authority, or any person, whether public or private, for or in aid of the purposes of the authority and to enter into agreements in connection therewith;

(9) To pledge all or any part of the revenues, receipts, donations, contributions, loans, guarantees, financial assistance, capital grants, or gifts of the authority, to mortgage and pledge its project or any part or parts thereof, whether then owned or thereafter acquired, and to assign and pledge all or any part of its interest in and rights under contracts and other instruments relating thereto as security for the payments of the principal of and interest on bonds issued by the authority;

(10) To have control of its project, facilities, and services with the right and duty to establish and charge rates, fees, rentals, tolls, and other charges for the use of the facilities and services of the authority or the sale of materials or commodities by the authority and to collect revenues and receipts therefrom, not inconsistent with the rights of holders of its bonds;

(11) To enter into any lands, waters, and premises for the purpose of making surveys, soundings, and examinations in and for the furtherance of the purposes authorized by this part;

(12) To use any right-of-way, easement, or other similar property right necessary or convenient in connection with a project, held by the state or any political subdivision thereof, provided that the governing body of such political subdivision shall consent to such use;

(13) To employ and pay compensation to such agents, including attorneys, accountants, engineers, architects, and financial advisors, as the Board of Directors shall deem necessary for the business of the authority;

(14) To employ and pay compensation to such employees, who shall have such authority, duties, and responsibilities, as the Board of Directors shall deem necessary;

(15) To exercise all powers expressly given to it and to establish and make rules and regulations not inconsistent with the provisions of this part, deemed expedient for the management of the authority's affairs; and

(16) To procure and enter into contracts for any type of insurance or indemnity against loss or damage to property from any cause, including loss of use and occupancy, against death or injury of any act of any member, officer, or employee of the authority in the performance of the duties of his office or employment or any other insurable risk, including the payments of its bonds or notes, as the Board of Directors in its discretion may deem necessary.

(17) To plan, acquire, construct, improve, and operate one or more systems as part of its project and to enter into an agreement with any municipality or person to operate any system owned by such municipality or person upon such terms and conditions as shall be agreed upon by the Board;

(18) To make and execute any and all contracts and instruments necessary or convenient for the full exercise of the powers herein granted, and in connection therewith to stipulate and agree to such covenants, terms and conditions and such term or duration as shall be appropriate, including, but without limitation, contracts for the purchase or sale of any of the commodities, personal property or services authorized herein to be provided by the Authority, and carry out and perform the covenants, terms and conditions of all such contracts and instruments. In connection with any contract to acquire or sell any of the commodities or services authorized herein, the Authority may enter into commodity price exchange or swap agreements, agreements establishing price floors or ceilings, or both, or other price hedging contracts with any person or entity under such terms and conditions as the Authority may determine, including, without limitation, provisions permitting the Authority to indemnify or otherwise pay any person or entity for any loss of benefits under such agreement upon early termination thereof or default thereunder. When entering into any such contract or arrangement or any such swap, exchange or hedging agreement evidencing a transaction bearing a reasonable relationship to this State and also to another state or nation, the Authority may agree in the written contract or agreement that the rights and remedies of the parties thereto shall be governed by the laws of this State or the laws of such other state or nation; provided, that jurisdiction over the Authority shall lie solely in the courts of Dickson County, Tennessee;

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

(20) To enter into joint ventures and cooperative arrangements with one or more persons, including the formation of a partnership, limited liability company or not-for-profit corporation to accomplish any of the purposes set forth herein or to exercise any of the powers set forth herein;

(21) To contribute its funds for the financial aid of any nonprofit charitable organization or nonprofit civic organization, as such terms are defined in Section 6-54-111; [As amended by Priv. Acts 2002, ch. 148, §§ 4, 5, 6, and 7]

Section 5. Condemnation and eminent domain. The Authority is hereby authorized and empowered to condemn in its own name any land, rights in land,

easements, and/or rights-of-way situated within the region which, in the judgment of the board of directors, are necessary for carrying out the purposes for which the Authority is created. If such property or interest in such property is owned or held for public use by persons, municipalities or counties having the power of eminent domain, such prior public use will not be interfered with by the use to which such property will be put by the authority and the exercise of such eminent domain power in such case must be approved by a majority of those present and voting of the governing body of the persons, municipality, or county within whose jurisdictions said power is exercised. The power of condemnation and eminent domain may be exercised in the manner prescribed by Chapter 16 of Title 29, Part 4 of Chapter 17 of Title 29, Part 7 of Chapter 17 of Title 29, and/or Part 8 of Chapter 17 of Title 29 of Tennessee Code Annotated, or in the manner prescribed by any other statutory provisions now in force or hereafter enacted for the exercise of the power of eminent domain by any municipality or county in the State of Tennessee. [As replaced by Priv. Acts 1998, ch. 176, § 1]

Section 6. Rates sufficient to pay costs and retire bonds. The Board of Directors shall prescribe and collect reasonable rates, fees, tolls, or charges for the services, facilities, and commodities of the project, shall prescribe penalties for the nonpayment thereof, and shall revise such rates, fees, tolls, or charges from time to time whenever necessary to insure that the project shall be and always remain self-supporting. The rates, fees, tolls, or charges prescribed shall be such as will always produce revenue at least sufficient:

- (1) To provide for all expenses of operation and maintenance of the project, including reserves therefor; and
- (2) To pay when due all bonds and interest thereon for the payment of which such revenues are or shall have been pledged, charged, or otherwise encumbered, including reserves therefor.

Section 7. Bonds of the authority. (a) The authority created pursuant to this act shall have the power to issue bonds from time to time to finance the project. All bonds issued shall be payable solely out of the revenues and receipts derived from the project or as may be designated in the proceedings under which the bonds shall be authorized to be issued. Such bonds may be issued in one or more series, may be executed and delivered at any time and from time to time, may be in such form and denomination and of such terms and maturities, may be subject to redemption prior to maturity either with or without premium, may be in fully registered form or in bearer form registerable either as to principal or interest or both, may bear such conversion privileges and be payable in such installments and at such time or times not exceeding 40 years from the date thereof, may be payable at such place or places whether within or without the State of Tennessee, may bear interest at a zero (0) rate or at such rate or rates which may vary from time to time payable at such time or times and at such

place or places and evidenced in such manner, and may contain such provisions not inconsistent herewith, all as shall be provided in the proceedings hereunder the bonds shall be authorized to be issued.

(b) Bonds may be sold at public or private sale for such price and in such manner and from time to time as may be determined by the board of directors to be most advantageous, and the authority may pay any and all expenses, premiums, and commissions which its board of directors may deem necessary or advantageous in connection with the issuance thereof.

(c) All bonds and the interest applicable thereto are hereby made and shall be construed to be negotiable instruments.

(d) Interim certificates or notes or other temporary obligations pending the issuance of revenue bonds shall be payable out of proceeds of bonds or other funds of the authority available for such purpose.

(e) Proceeds of bonds may be used for the purpose of constructing, acquiring, reconstructing, improving, equipping, furnishing, bettering, or extending the project, including the payment of interest on the bonds during construction of the project and for two years after the estimated date of completion, the payment of engineering, fiscal, architectural, bond insurance, and legal expenses incurred in connection with such project and the issuance of bonds, and the establishment of a reasonable reserve fund for the payment of principal of and interest on such bonds in the event of a deficiency in the revenues and receipts available for such payment.

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

liquidated as approved by the comptroller of the treasury or the director of the division of local finance.

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

(h)

(1) The Authority, by resolution of the Board, may authorize and enter into interest rate swap or exchange agreements, agreements establishing interest rate floors or ceilings or both, and other interest rate hedging agreements under such terms and conditions as the Board may determine, including, without limitation, provisions permitting the Authority to pay to or receive from any person or entity any loss of benefits under such agreement upon early termination thereof or default under such agreement with respect to all or any portion of any issue of bonds and refunding bonds issued pursuant to this Act, at any time during the term of the bonds or refunding bonds, and upon receipt of a report of the comptroller of the treasury or the comptroller's designee finding that the contracts and agreements authorized in this subsection are in compliance with the guidelines, rules or regulations adopted or promulgated by the state funding board, as set forth in Section 7-34-109(h).

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

(3) Prior to the adoption by the Board of a resolution authorizing a contract or agreement described in subsection (h) (1) or (2), a request shall be submitted to the comptroller of the treasury or the comptroller's designee for a report finding that such contract or

agreement is in compliance with the guidelines, rules or regulations of the state funding board. In accordance with such guidelines, rules or regulations of the state funding board, within fifteen (15) days of receipt of the request, the comptroller of the treasury or the comptroller's designee shall determine whether the contract or agreement substantially complies with the guidelines, rules or regulations and shall report thereon to the Authority. If the report of the comptroller of the treasury or the comptroller's designee finds that the contract or agreement complies with the guidelines, rules or regulations of the state funding board or if the comptroller of the treasury shall fail to report within the fifteen-day period, then the Authority may take such action with respect to the proposed contract or agreement as it deems advisable in accordance with the provisions of this subsection and the guidelines, rules or regulations of the state funding board. If the report of the comptroller of the treasury or the comptroller's designee, if issued within fifteen (15) days of receipt of the request, finds that such contract or agreement is not in compliance with the guidelines, rules or regulations, then the Authority is not authorized to enter into such contract or agreement. The guidelines, rules or regulations shall provide for an appeal process to a determination of noncompliance.

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

(i) Prior to the adoption or promulgation by the state funding board of guidelines, rules or regulations with respect to the contracts and agreements authorized in subsections (h) (1) and (2), the Authority may enter into such contracts or agreements to the extent otherwise authorized by the general laws of the State. [As amended by Priv. Acts 2002, ch. 148, §§ 8 and 9]

Section 8. Refunding bonds of the authority. Any bonds or notes at any time outstanding may at any time and from time to time be funded by the issuance of refunding bonds in such amount as the board of directors may deem necessary, but not exceeding the sum of the following: (a) the principal amount of the obligations being refinanced, (b) applicable redemption premiums thereon,

(c) unpaid interest on such obligations to the date of delivery or exchange of the refunding bonds, (d) in the event the proceeds from the sale of the refunding bonds are to be deposited in trust as hereinafter provided, interest to accrue on such obligations from the date of delivery to the first or any subsequent available redemption date or dates elected, in its discretion, by the board of directors, or to the date or dates of maturity, whichever shall be determined by the board of directors to be the most advantageous or necessary to the authority, (e) a reasonable reserve for the payment of principal of and interest on such bonds and/or a renewal and replacement reserve, (f) if the project to be constructed from the proceeds of the obligations being refinanced has not been completed, an amount sufficient to meet the interest charges on the refunding bonds during the construction of such project and for two years after the estimated date of completion (but only to the extent that interest charges have not been capitalized from the proceeds of the obligations being refinanced), and (g) expenses, premiums, and commissions of the authority, including bond discount deemed by the board of directors to be necessary for the issuance of the refunding bonds. A determination by the board of directors that any refinancing is advantageous or necessary to the authority or that any of the amounts provided in the preceding sentence shall be included in such refinancing, or that any of the obligations to be refinanced shall be called for redemption on the first or any subsequent available redemption date or permitted to remain outstanding until their respective dates of maturity, shall be conclusive.

Any such refunding may be effected whether the obligations to be refunded shall have then matured or shall thereafter mature, either by the exchange of the refunding bonds for the obligations to be refunded thereby with the consent of the holders of the obligations so to be refunded, or by sale of the refunding bonds and the application of the proceeds thereof to the payment of the obligations refunded thereby, and regardless of whether or not the obligations to be refunded were issued in connection with the same projects or separate projects, and regardless of whether or not the obligations proposed to be refunded shall be payable on the same date or different dates or shall be due serially or otherwise.

Unless the obligations to be refunded are to be retired at the time of delivery of the refunding bonds, prior to the issuance of the refunding bonds, notice of intention to issue such bonds, identifying the obligations proposed to be refunded and setting forth the estimated date of delivery of the refunding bonds, shall be given to the holders of the outstanding obligations by publication of an appropriate notice one time in a newspaper having general circulation in the geographic area of the region.

The principal proceeds from the sale of any refunding bonds shall be applied only as follows: either,

(a) To the immediate payment and retirement of the obligations being refunded; or,

(b) To the extent not required for immediate payment of the obligations being refunded, such proceeds shall be deposited in trust to provide for the payment and retirement of the obligations being refunded and to pay any expenses incurred in connection with such refunding, but provision may be made for the pledging and disposition of any surplus, including, without limitation, provisions for the pledging of any such surplus to the payment of the principal of and interest on any issue or series of refunding bonds. Money in any such trust fund may be invested in direct obligations of, or obligations the principal of and interest on which are guaranteed by the United States government, or obligations of any agency or instrumentality of the United States government, or in certificates of deposit issued by a bank or trust company located in the State of Tennessee if such certificate shall be secured by a pledge of any of said obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificate so secured. Nothing herein shall be construed as a limitation on the duration of any deposit in trust for the retirement of obligations being refunded, but which shall not have matured and which shall not be presently redeemable or, if presently redeemable, shall not have been called for redemption. [As amended by Priv. Acts 2002, ch. 148, § 10]

Section 9. Security for payments of bonds. (a) The principal of and interest on any bonds may be secured by a pledge of such revenues and receipts of all or portion of the project. The proceedings under which the bonds are authorized to be issued may contain any agreements and provisions respecting the maintenance of all or portion of the project or other facilities covered thereby, the fixing and collection of rents, fees, or payments with respect to any project or facilities or portions thereof covered by such proceedings, the creation and maintenance of special funds from such revenues and from the proceeds of such bonds, and the rights and remedies available in the event of default, all as the board of directors shall deem advisable and not in conflict with the provisions of this act. To the extent provided in the proceedings authorizing any bonds, each pledge and agreement made for the benefit or security of any of the bonds shall continue in effect until the principal of and interest on the bonds for the benefit of which the same were made shall have been fully paid or adequate provision for the payment thereof shall have been made by the authority. In the event of default in such payment or in any agreements of the authority made as a part of the proceedings under which the bonds were issued, such payment or agreement may be enforced by suit, mandamus, or the appointment of a receiver in equity, or the proceedings under which the bonds are issued.

(b) In addition to all other rights and all other remedies, any holders of bonds of the Authority, including a trustee for bondholders, shall have the right:

(1) By mandamus or other suit, action or proceeding at law or in equity, to enforce his rights against the Authority and the Board of the

Authority, including the right to require the Authority and such board to fix and collect rates and charges adequate to carry out any agreement as to, or pledge of, the revenues produced by such rates or charges, and to require the Authority and such Board to carry out any other covenants and agreements with such bondholders and to perform its and their duties under this Act.

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

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

(4) By suit, action or proceeding in the Chancery Court of Dickson County to require the Board of Authority to account as if it were the trustee of an express trust.

(c) Any pledge of, or lien on, revenues, fees, rents, tolls or other charges received or receivable by the Authority to secure the payment of any bonds of the Authority, and the interest thereon, shall be valid and binding from the time that the pledge or lien is created or granted and shall inure to the benefit of the owner or owners of any such bonds until the payment in full of the principal thereof and premium and interest thereon. The priority of any pledge or lien with respect to competing pledges or liens shall be determined by the date such pledge or lien is created or granted. Neither the resolution nor any other instrument granting, creating, or giving notice of the pledge or lien need be filed or recorded to preserve or protect the validity or priority of such pledge or lien. [As amended by Priv. Acts 2002, ch. 148, §§ 11 and 12]

Section 10. Exemption from taxation and state regulation. (a) The Authority and all properties at any time owned by it and the income and revenues therefrom shall be exempt from all taxation in the State of Tennessee; provided, however, that the authority shall be subject to the provisions of Title 7, Chapter 39, Part 4 of this code. All bonds issued by the authority and the income therefrom shall be exempt from all state, county, and municipal taxation, except inheritance, transfer, and estate taxes. Also, for purposes of Title 48, Chapter 2, Tennessee Code Annotated, and any amendments thereto or substitution therefor, bonds issued by the authority shall be deemed to be

securities issued by a public instrumentality or a political subdivision of the State of Tennessee.

(b) Neither the Public Service Commission nor any other board or commission of like character hereafter created shall have jurisdiction over the authority in the management and control of the project, including the regulation of its rates, fees, tolls, or charges, except to the extent provided by this act. [As amended by Priv. Acts 2002, ch. 148, §§ 13 and 14]

Section 11. Liability and indebtedness of political subdivisions.

(a) Neither the City of Dickson, Tennessee, the Sam Houston Utility District of Houston, Stewart and Dickson Counties, Tennessee, the State of Tennessee, nor any municipality other than the authority shall, in any event be liable for the payment of the principal of or interest on any bonds of the authority or for the performance of any pledge, obligation, or agreement of any kind whatsoever which may be undertaken by the authority and none of the bonds of the authority or any of its agreements or obligations shall be construed to constitute an indebtedness of the state, county, cities, or any municipality within the meaning of any constitutional or statutory provision whatsoever.

(b) Bonds of the authority shall not constitute a debt or a pledge of the faith and credit of the state or any municipality, except as may be authorized by the governing body of the City of Dickson, and the holders or owners of such bonds shall have no right to have taxes levied by the General Assembly or any municipality or any other taxing authority within the state for the payment of the principal of, premium, if any, and interest on, such bonds but shall be payable solely from the revenues and moneys pledged for their payment.

(c) As specified herein above, all such bonds shall contain on the face thereof a statement to the effect that the bonds are not a debt of the state or any municipality or any other taxing authority within the state, but are payable solely from revenues and moneys pledged to the payment thereof. [As amended by Priv. Acts 2002, ch. 148, § 15]

Section 12. Disposition of funds. No part of the net earnings of the authority remaining after payment of its expenses shall inure to the benefit of any person except that, at such times as no bonds of the authority are outstanding and unpaid and adequate provisions have been made for the full payment of all liabilities, obligations, and contracts of the authority, and the authority shall have, by operation of law, been terminated, any assets of the authority, to the extent not necessary for such purposes, shall be paid to the City of Dickson and to the Sam Houston Utility District of Houston, Stewart, and Dickson Counties (if said utility district has not previously been dissolved pursuant to Section 15 of this Act) in such proportions as may be agreed upon among such parties and the board of directors. If no agreement has been reached among the parties within 60 days after the commencement of negotiations therefor, the question of the allocation of any available net earnings

shall be settled by arbitration in accordance with the laws of the State of Tennessee pertaining to arbitration in effect at the time of submission to the arbitrators. To the extent allowed by this Act, nothing herein contained shall prevent the board of directors from transferring its properties in accordance with the terms of any contract, agreement, or covenant entered into or undertaken by the authority.

Section 13. Budget; annual audits; contracting procedures; personnel procedures. (a) The board of directors shall annually establish and adopt a budget for the authority;

(b) The board of directors shall cause to be prepared each fiscal year an annual audit of the books and records of the authority, in accordance with generally accepted governmental auditing standards, which audit shall be performed by a recognized firm of certified public accountants. A copy of such annual audit shall be filed with the office of the Mayor of the City of Dickson.

(c) The board of directors shall develop purchasing, contracting, and personnel procedures.

(d) All existing employees of the City of Dickson Gas Department and the Sam Houston Utility District of Houston, Stewart, and Dickson Counties, Tennessee shall become employees of the authority at the same level of compensation and provision of benefits as that offered by each employer as of the effective date of this act, to serve at will of the authority. To the extent permitted by law, all retirement benefits of employees shall be transferred to the Authority for the benefit of said employees. The board of directors shall establish employment procedures.

Section 14. Powers of the city and the utility district. The City of Dickson, Tennessee and the Sam Houston Utility District of Houston, Stewart, and Dickson Counties, Tennessee, shall have all necessary powers in order to further the purposes of this act, including without limitation, the power to sell, lease, dedicate, donate, or otherwise convey to the authority any of their interests in any existing natural gas system, franchises, assets, liabilities, or other related property, whether real, personal, or mixed, tangible or intangible, and whether or not subject to mortgages, liens, charges, or other encumbrances, or grant easements, licenses, or other rights or privileges therein to the authority. For so long as the authority exists, the City of Dickson shall not establish and operate any competing natural gas system.

Section 15. Dissolution of the utility district. To the extent legally permissible, within 30 days of the effective date of this act, the Sam Houston Utility District of Houston, Stewart, and Dickson Counties, Tennessee, shall petition the county executive pursuant to the provisions of Section 7-82-202(e), Tennessee Code Annotated, as amended, for dissolution of said utility district and for the transfer of all franchises, assets, and liabilities of the utility district

to the authority upon order of the county executive (as set forth in said section). The legislature hereby finds and determines that the public convenience and necessity requires the creation of the authority and the dissolution of the Sam Houston Utility District of Houston, Stewart, and Dickson Counties and further finds that the same is economically sound and feasible and in the public interest.

Section 16. Powers not restricted. Neither this act nor anything herein contained shall be construed as a restriction or a limitation upon any powers which a city or utility district might otherwise have under any laws of this state, but shall be construed as cumulative of and supplemental to any such powers. No proceeding, notice, or approval shall be required with respect to the issuance of any bonds of the authority or any instrument as security therefor except as provided in this act, any law to the contrary notwithstanding; provided, however, that nothing herein shall be construed to deprive the State of Tennessee and its governmental subdivisions of their respective police powers, or to impair any power of any official or agency of said state and its governmental subdivisions which may be otherwise provided by law.

Section 17. Agreements with the authority. The authority is hereby authorized, whenever the same shall be found desirable by its board of directors, to enter into contracts, agreements, or other arrangements with any incorporated town or city and county regarding the project, any facility, or any service of the authority. Any such contract or agreement may extend for any period not exceeding 40 years from the date thereof.

Section 18. Liberal construction. This act is remedial in nature and shall be liberally construed to effect its purpose of providing for a systematic and efficient means of distributing and encouraging the best utilization and conservation of energy and natural resources.

Section 19. Severability. If any provision of this act or the application thereof to any person or circumstance is held to be invalid, such invalidity shall not affect any other provision or application of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

Section 20. Local approval. This act shall have no effect unless approved by a two-thirds (2/3) favorable vote of those present and voting of the governing body of the City of Dickson, Tennessee, which action may be by resolution. Its approval or disapproval shall be proclaimed by the presiding officer of the governing body and certified by such officer to the Secretary of State.

Section 21. Effective date. For the purpose of approving or rejecting the provisions of this act, as provided in Section 20, it shall be effective upon becoming a law, but for all other purposes, it shall be effective only upon being approved as provided in Section 20, the public welfare requiring it.

Section 22. Open Meetings. The Board is a governing body as provided in and for purposes of the Open Meetings Act, codified as Tennessee Code Annotated, Title 8, Chapter 44. [As added by Priv. Acts 2002, ch. 148, § 16]

Section 23. Governmental Tort Liability. The Authority is a governmental entity as provided in and for purposes of the Tennessee Governmental Tort Liability Act, codified as Tennessee Code Annotated, Title 29, Chapter 20. [As added by Priv. Acts 2002, ch. 148, § 16]

Section 24. Interlocal Cooperation. The Authority is a public agency as provided in and for purposes of the Interlocal Cooperation Act, codified as Tennessee Code Annotated, Title 12, Chapter 9. [As added by Priv. Acts 2002, ch. 148, § 16]

Section 25. Energy Acquisition Corporations. The Authority may be an associated municipality of an energy acquisition corporation as provided in and for the purposes of the Energy Acquisition Corporation Act, codified as Tennessee Code Annotated, Title 7, Chapter 39. [As added by Priv. Acts 2002, ch. 148, § 16]¹

PASSED: APRIL 5, 1989

s/Ed Murray
ED MURRAY, SPEAKER
HOUSE OF REPRESENTATIVES

¹Priv. Acts 2002, ch. 148, § 17 did not amend any specific section of Priv. Acts 1989, ch. 50, but does effect the act and is therefore provided as follows:

SECTION 17. Supplemental Powers. The powers conferred by this part shall be in addition and supplemental to the powers conferred by any other law. Bonds may be issued hereunder for the purposes provided herein notwithstanding that any other law may provide for the issuance of bonds for like purposes and without regard to the requirements, restrictions or procedural provisions contained in any other law.

s/John S. Wilder
JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 18th day of April 1989

s/Ned McWherter
NED McWHERTER, GOVERNOR

PRIVATE ACTS, 1998

CHAPTER NO. 178

HOUSE BILL NO. 3445

By Representative Jackson

Substituted for: Senate Bill No. 3439

By Senator Springer

AN ACT to create and establish an authority for and on behalf of the City of Dickson, Tennessee to be known as the "Water and Wastewater Authority of Greater Dickson", to authorize the city of Dickson, Tennessee, the Turnbull-White Bluff Utility District of Dickson County, Tennessee, the Harpeth Utility District of Dickson County, Tennessee, and the Sylvia-Tennessee City-Pond Utility District of Dickson County, Tennessee and any successor entity to said districts, to become participating governmental entities in the authority and, among other things to convey all or a portion of their water and wastewater systems to the authority and with respect to the districts to institute dissolution procedures, and to authorize all necessary powers in connection therewith and to repeal Chapter 84 of the Private Acts of 1997.

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

Section 1. Purpose and creation of authority.

(a) A governmental authority to be known as the "Water and Wastewater Authority of Greater Dickson" is hereby created and established for the purpose of planning, acquiring, constructing, improving, extending, furnishing, equipping, financing, owning, operating, and maintaining a water and wastewater system, including treatment, storage, distribution and collection facilities, properties, and services, as hereinafter provided; the selling, donating, conveying, or otherwise disposing of water and wastewater; and undertaking any project or work related thereto or connected therewith. It is hereby determined and declared that the authority shall be a public and governmental body acting as an instrumentality and agency of the City of Dickson, Tennessee and that the powers herein granted are for public and governmental purposes and matters of public necessity.

(b) It is the further purpose of the authority to plan for and develop the water resources of said geographic region and to provide necessary wastewater collection and treatment attendant thereto. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178 § 1]

Section 2. Definitions.

Whenever used in this act, unless a different meaning clearly appears in the context, the following terms, whether used in the singular or plural, shall be given the following respective interpretations:

(1) "Authority" means the Water and Wastewater Authority of Greater Dickson created by this act;

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

(3) "Bonds" means bonds, interim certificates, loan agreements, or other obligations of the authority issued pursuant to this Act including joint obligations of the authority and the city issued pursuant to this Act and title 9, chapter 21, parts 1 and 2 of the code;

(4) "City" means the City of Dickson, Tennessee;

(5) "Code" means the Tennessee Code;

(6) "District" or "Districts" mean the Turnbull-White Bluff Utility District of Dickson County, Tennessee, the Harpeth Utility District of Dickson County, Tennessee, and the Sylvia-Tennessee City-Pond Utility District of Dickson County, Tennessee and any successor entity to said districts;

(7) "Governing Body" means the chief legislative body of the City or any participating governmental entity;

(8) "Participating Governmental Entity" means any district that by resolution of its governing body chooses to become a member of the authority;

(9) "Notes" means notes or interim certificates of the authority issued pursuant to this Act, including joint obligations of the authority and the city issued pursuant to the act and Title 9, Chapter 4, Parts 1, 4 and 5 of the code;

(10) "Person" means any individual, firm, partnership, association, corporation, or any combination thereof;

(11) "Refunding Bonds" means refunding bonds, issued pursuant to this Act, including joint obligations of the authority and the city issued pursuant to this Act and title 9, Chapter 21, Parts 1 and 9 of the code to refund bonds of the authority or bonds issued to refund bonds or notes of the city,

for a participating governmental entity issued by the city or participating governmental entity the proceeds of which were used to construct, acquire, extend, improve or equip all or a portion of a system acquired by the authority or to refund bonds, the proceeds of which were used for such purposes;

(12) "State" means the State of Tennessee; and

(13) "System" means a water and wastewater system, which shall include, but not be limited to, all devices and systems used in the collection, storage, treatment, recycling and reclamation of sewage of residential, commercial and industrial wastes of a liquid nature to restore and maintain the chemical, physical and biological integrity of the State's waters, or any devices and systems used in the treatment and distribution of water, including intercepting sewers, outfall sewers, sewage collection systems, water storage facilities, water transmission lines, pumping, power and other equipment, and other appurtenances, extensions, improvements, remodeling, additions and alterations thereof; elements essential to provide a reliable recycled supply, such as standby treatment units and clear well facilities, and any works. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 2]

Section 3. Creation of Authority. The city together with one or more districts may create an authority under this Act by the adoption of a resolution by the governing body of each so declaring and creating the authority. The resolution shall also identify the names of the initial board of directors and the name and principal office address of the authority. Subsequent to the initial formation of the authority, a district may become a participating governmental entity by resolution of its governing body. Notice of the date, time, place and purpose of the meeting at which such resolutions shall be considered shall be published at least once in a newspaper of general circulation in the city and the district, respectively, at least five (5) days prior to the meeting. [As added by Priv. Acts 1998, ch. 178, § 3]

Section 4. Board of directors.

(a) The authority shall have a board of directors in which all powers of the authority shall be vested. Membership of the board of directors shall consist of five (5) directors as follows:

(i) The Mayor of the city or the designee of the Mayor who is named in a revocable written instrument executed by the Mayor;

(ii) An elected member of the city governing body to be selected by a majority then present and voting of such governing body upon recommendation of the Mayor;

(iii) One (1) director who resides within the area served by the authority to be initially selected by a majority then present and voting of the city governing body upon recommendation of the Mayor and thereafter to be selected as set forth in subsection (b) below; and

(iv) Two (2) directors who reside or own real property within the geographic boundaries of any one or more participating governmental entities and outside the geographic boundaries of the city to be initially selected by a majority then present and voting of the governing body of the city upon recommendation of the Mayor and thereafter to be selected as set forth in subsection (b) below.

(b) The terms of directors serving pursuant to subsections (a)(i) and (ii) above shall be concurrent with their term of office or, if the director is a designee of the Mayor, concurrent with the term of office of the Mayor. The terms of the directors serving pursuant to subsection (a)(iii) and (a)(iv) shall be five (5) years; provided, however, that the initial term of the directors appointed pursuant to (a)(iii) shall be one (1) year and pursuant to (a)(iv) shall be four (4) and five (5) years, respectively, as designated by the governing body of the city. Any director who ceases to meet the qualifications set forth above shall become ineligible to serve as a director; provided, however, upon the ineligibility of a director or the expiration of any term of office of a director, then the director who shall become ineligible or whose term of office shall have expired shall continue to hold office until a successor shall be so appointed. Any vacancy of a director (whether at the expiration of a term or for the remainder of an unexpired term) selected pursuant to subsection (a)(ii) shall be filled by a majority vote of the governing body of the city upon recommendation of the Mayor or if selected pursuant to subsections (a)(iii) and (a)(iv) shall be filled by a majority vote of the governing body of the city from a recommendation of one or more names which shall be submitted to the governing body of the city by the remaining directors. In the event the governing body of the city rejects all of the recommendations of the board, this procedure shall be followed until such vacancy is filled. Any director selected pursuant

to the provisions of (a)(iii) and (a)(iv) may be removed by the remaining directors for cause by resolution of the board.

(c) A majority of the board shall constitute a quorum, and the board shall act by a vote of a majority present at any meeting attended by a quorum. Vacancies among the directors shall not affect their power and authority, so long as a quorum remains. Within thirty (30) days after their selection, as herein provided, the board shall hold a meeting to elect a chairman, a vice-chairman, and a secretary-treasurer and/or such other officers as shall from time to time be deemed advisable by the board. The secretary-treasurer shall keep minutes of all regular and special meetings of the authority which shall be available for inspection by the public at the office of the authority at all reasonable times.

(d)(1) The board shall hold meetings at such times and places as the board may determine and all such meetings shall be open to the public. Special meetings may be called and held upon such notice and in such manner as the board may, by resolution, determine. All meetings of such board shall be held in accordance with Tennessee Code Annotated, Title 8, Chapter 44, Part 1.

(2) Except as otherwise expressly provided herein, the board shall establish its own rules of procedure. Any action taken by the board exercising its powers and authority under the provisions of this Act may be exercised by vote or resolution at any regular or special meeting.

(e) All directors shall serve with reasonable compensation as the board may determine by resolution. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 4]

Section 5. Powers of the authority.

The authority shall have the following powers in addition to those specified in other sections of this Act, together with powers incidental thereto or necessary for the performance of those hereinafter stated.

(a) To sue and be sued and to prosecute and defend, at law or in equity, in any court having jurisdiction of the subject matter and of the parties;

(b) To have a seal and to alter the same at pleasure, provided, however, that the absence thereof shall have no effect on the validity of any document, instrument or other writing;

(c) To plan, establish, acquire, whether by purchase, exchange, gift, devise, lease, the exercise of the power of eminent domain, or otherwise, and to construct, equip, furnish, improve, repair, extend, maintain, and operate one or more systems within or without the geographic boundary and service areas of the city any participating governmental entity and any other city, town, county, metropolitan government or utility district to the extent such city, town, county metropolitan government or utility district is so authorized by public or private laws applicable to such entity as such boundaries now or may hereafter exist, including all real and personal property, facilities, and appurtenances which the board of the authority may deem necessary in connection therewith and regardless of whether or not such system shall then be in existence;

(d) To enter into agreements with the city any participating governmental entity and any other city, town, county, metropolitan government or utility district to the extent such city, town, county, metropolitan government or utility district is so authorized by public or private laws applicable to such entity for the orderly transfer of all or any part of the system of the city or such participating governmental entity, or any other city, town, county, metropolitan government or utility district to the extent such city, town, county, metropolitan government or utility district is so authorized by public or private laws applicable to such entity, and to assume, to reimburse or to otherwise agree to pay outstanding obligations or liabilities of the city or such participating governmental entity and any other city, town, county, metropolitan government or utility district to the extent such city, town, county metropolitan government or utility district is so authorized by public or private laws applicable to such entity incurred to acquire, extend or equip the system;

(e) To enter into agreements with the city and any other participating governmental entity, and any other city, town, county, metropolitan government or utility district to the extent such city, town, county, metropolitan government or utility district is so authorized by public or private laws applicable to such entity, to acquire by lease, gift, purchase or otherwise any system or property related thereto, of the city or such participating governmental entity or any other city, town, county, metropolitan government or utility district, and operate such system separately or as a part of its system; or enter into agreements with the city or any participating governmental entity or any other city, town, county, metropolitan government or utility district to the extent such city, town, county, metropolitan government or utility district is so authorized by public or private laws applicable to such entity, providing for the

operation by the authority of the system, or any portion thereof; owned by the city or participating governmental entity or any other city, town, county, metropolitan government or utility district to the extent such city, town, county, metropolitan government or utility district is so authorized by public or private laws applicable to such entity;

(f) To acquire, whether by purchase, exchange, gift, devise, lease, the exercise of the power of eminent domain, or otherwise any and all types of property, franchises, assets, and liabilities, whether real, personal or mixed, tangible or intangible, and whether or not subject to mortgages, liens, charges, or other encumbrances and to hold, sell, lease, exchange, donate, or convey its properties, facilities, or services, but only for the purpose of continuing operation of any system by the authority, whenever the board of the authority shall find such action to be in furtherance of the purposes for which the authority is hereby created; provided, however, that revenues of any system of the authority shall be accounted for in such manner as not to impair the obligations of contract with reference to bond issues or other legal obligations of the transferor and shall fully protect and preserve the contract rights vested in the owners of outstanding bonds, obligations, or contractual interests, and further, provided that any income from the sale of the such properties, facilities, and services shall be dedicated to the continued operation of any system by the authority;

(g) To buy, sell, store, treat and distribute water; to collect and provide treatment for wastewater from, with or to the city, any participating governmental entity, and any other city, town, county, metropolitan government or utility district or other governmental unit of the State to the extent such city, town, county, metropolitan government or utility district is so authorized by public or private laws applicable to such entity, or any agency thereof or the United States or any agency thereof or any person, whether public or private, and to enter into contracts, agreements, or other arrangements in connection therewith;

(h) To make and enter into all contracts, trust instruments, agreements, and other instruments with the city any participating governmental entity, and with any municipality, county, metropolitan government, utility district, or authority authorized by law to be created, to the extent such entity is so authorized by public or private laws applicable to such entity, and with the State or any agency thereof; the United States or any agency thereof; or any person, including without limitation, bonds, notes, loan agreements with the Tennessee Local Development Authority and/or the Tennessee Department of Environment and Conservation and other forms of indebtedness as if it

were a local government as such term is defined in applicable statutes of the code governing grants and loans, to construct, equip or extend the system, and to enter into contracts for the management and operation of a system or any facility or service of the authority or the treatment, processing, collection, distribution, storage, transfer, or disposal of water and wastewater;

(i) To incur debts, to borrow money, to issue bonds, and to provide for the rights of the holders thereof;

(j) To apply for, accept and pledge donations, contributions, loans, financial assistance, capital grants, or gifts from the city, any participating governmental entity, and any municipality, county, metropolitan government, or utility district, to the extent such city, town, county, metropolitan government or utility district is authorized by public or private laws applicable to such entity, any authority authorized by law to be created, the State or any agency thereof; the United States or any agency thereof; or any person, whether public or private, for or in aid of the purposes of the authority, to enter into agreements in connection therewith and to accept the same;

(k) To pledge all or any part of the revenues, receipts, donations, contributions, loans, guarantees, financial assistance, capital grants, or gifts of the authority, to mortgage and pledge one or more of its systems or any part or parts thereof; whether then owned or thereafter acquired, and to assign and pledge all or any part of its interest in and rights under contracts and other instruments relating thereto as security for the payments of the principal of, premium, if any, and interest on bonds, refunding bonds, loan agreements or notes issued by the authority;

(l) To have control of its systems facilities, and services with the right and duty to establish and change rates, fees rentals, tolls, deposits and other charges for the use of the facilities and services of the authority, of the sale of materials or commodities by the authority and to collect revenues and receipts therefrom, not inconsistent with the rights of holders of its bonds, refunding bonds and notes;

(m) To require the owner, tenant or occupant of each lot or parcel of land to pay the minimum monthly sewer/water rates assessed for the usage of such wastewater system and to enforce such payment of fees by filing an action in the same manner and with the same penalties and interest attached as provided for the enforcement of unpaid taxes pursuant to the provisions of Title 67, including the sale on execution of such property as provided in Title 26, Chapter 5 and the redemption

provisions of Title 66, Chapter 8. The authority shall give a notice to the property owner, if different from the user, not less than ninety (90) days prior to the filing of any action which would include levying on the real property;

(n) To require the owner, tenant or occupant of each lot or parcel of land who is responsible for any connection to the wastewater system to properly maintain that portion of the connection that is located on the property of the owner, tenant or occupant;

(o) To enter into any lands, waters, and premises for the purpose of making surveys, soundings, and examinations in and for the furtherance of the purposes authorized by this Act;

(p) To use any right-of-way, easement, or other similar property right necessary or convenient in connection with a system, held by the State or any political subdivision thereof; provided that the governing body of such political subdivision shall consent to such use;

(q) To employ and pay compensation to such agents, including attorneys, accountants, engineers, architects, and financial advisors, as the board shall deem necessary for the business of the authority;

(r) To employ and pay compensation to such employees, including a general manager, who shall have such authority, duties, and responsibilities, as the board shall deem necessary;

(s) To procure and enter into contracts for any type of insurance or indemnity against loss or damage to property from any cause, including loss of use and occupancy, against death or injury of any act of any member, officer, or employee of the authority in the performance of the duties of his office or employment or any other insurable risk, including the payments of its bonds, refunding bonds or notes, as the board in its discretion may deem necessary;

(t) To enter into, by contract with the city and/or a participating governmental entity, or otherwise, a plan or pension, disability, hospitalization and death benefits for the officers and employees of the authority;

(u) To enter into agreements with the city and/or a participating governmental entity with respect to the manner of transfer, if any, of employees of the city and a participating governmental entity to the

authority, and with respect to the retention by such employees of existing accrued pension, disability, hospitalization and death benefits;

(v) To take all actions necessary and proper to comply with or participate in any federal or state promulgated or mandated regional water or wastewater facilities plan;

(w) To exercise all powers expressly given to it hereunder, given by delegation to it by the city or any participating governmental entity, under any other state or federal law and necessarily implied therefrom, to make and execute contracts and all other instruments necessary or convenient to do any and all things for the exercise of its powers hereunder, and to establish and make rules and regulations not inconsistent with the provisions of this Act, deemed expedient for the management of the authority's affairs; [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 5]

Section 6. Condemnation and eminent domain.

The authority is hereby authorized and empowered to condemn in its own name any land, rights in land, easements, and/or rights-of-way which in the judgment of the board, are necessary for carrying out the purposes for which the authority is created, and such property or interest in such property may be so acquired whether or not the same is owned or held for public use by persons having the power of eminent domain, or otherwise held or used for public purposes; provided, however, such prior public use will not be interfered with by the use to which such property will be put by the authority; and further, provided that, the exercise of eminent domain power must be approved by a majority of those present and voting of the governing body of the participating governmental entity, municipality, metropolitan government or county within whose jurisdiction said power is exercised. Such power of condemnation may be exercised in the manner prescribed by any applicable statutory provisions in the code now in force or hereafter enacted for the exercise of the power of eminent domain. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 6]

Section 7. Rates sufficient to pay costs and retire bonds.

The board shall prescribe and collect reasonable rates, fees, tolls, or charges for the services, facilities, and commodities of any system, shall prescribe penalties for the nonpayment thereof; and shall revise such rates, fees, tolls, or charges from time to time whenever necessary to insure that any system shall be and always remain self-supporting. The rates, fees, tolls, or charges prescribed shall be such as will always produce revenue at least sufficient:

(a) To provide for all expenses of operation and maintenance of the system, including reserves therefor;

(b) To pay when due all bonds notes and interest and premium thereon for the payment of which such revenues are or shall have been pledged, charged, or otherwise encumbered, including reserves therefor; and

(c) To the extension or improvement of the system, or to the reduction of rates. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 7]

Section 8. Notes of the Authority.

(a) The authority may issue, by resolution adopted by the board, interest-bearing bond anticipation notes for all purposes for which bonds can be legally authorized and issued by the authority. Notes shall be secured by the proceeds from the sale of the bonds in anticipation of which the notes are issued and additionally secured by a lien upon the revenues of the system on a parity with the bonds in anticipation of which such notes are issued. In no event shall the amount of outstanding bond anticipation notes exceed the principal amount of the bonds to be issued by the authority. The notes shall mature not later than two (2) years from their date of issuance and may be extended or renewed for not more than two (2) additional periods of two (2) years each by resolution of the board and the issuance of renewal or extension notes.

(b) Notes shall be sold at public or private sale for not less than ninety-nine percent (99%) of the par value thereof and accrued interest as the board may direct. Notes may be sold in one (1) or more series, may bear such date or dates, may bear interest at such rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denomination or denominations, may be in such form, either coupon or registered, may be payable at such place or places, may be executed in such manner, may be payable in such medium of payment, may be subject to such terms of redemption, without a premium or, for notes sold for not less than the par value thereof and accrued interest, without or with a premium of not exceeding one percent (1%) of the principal amount thereof, all as may be provided by resolution of the board.

(c) Notes shall be executed in the name of the authority by the proper officials authorized to execute the same, together with the seal of the authority attached thereto.

(d) The proceeds arising from the sale of such notes shall be paid to the proper official to be disbursed by such official as provided by the resolution authorizing the issuance of the notes. Included within the term "bond anticipation notes" shall be interim certificates or other temporary obligations which may be issued by the authority to the purchaser of such notes upon the terms and conditions herein provided. Whenever it issues bond anticipation notes or interim certificates pursuant to the provisions of this section, neither the principal nor the interest on such notes or certificates shall be taxed by the State or by any municipality in this State. When the bonds shall be issued and sold a sufficient amount of the proceeds of the bonds shall be applied to the payment of the notes at their maturity or upon their earlier redemption as directed by the board by resolution.

(e) The authority herein granted to issue "bond anticipation notes" shall also authorize the issuance of "grant anticipation notes," to be secured by the grant in anticipation of which such notes are issued, with all provisions of this section being applicable to such grant anticipation notes. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 38]

Section 9. Bonds of the authority.

(a) The authority shall have the power to issue bonds from time to time to finance the construction, purchase, acquisition, extension, improvements and equipping of one or more systems to fund a reasonable reserve for the payment of principal of and interest on the bond and/or a renewal or replacement reserve and to pay capitalized interest on the bonds as set forth herein. All bonds issued shall be payable solely out of the revenues and receipts derived from the system for which such bonds are issued or as may be designated in the proceedings under which the bonds shall be authorized to be issued. Such bonds shall be authorized by resolution of the board and may be issued in one (1) or more series, may be executed and delivered at any time and from time to time, may be in such form and denomination and of such terms and maturities, may be subject to redemption prior to maturity either with or without premium, may be in fully registered form, may bear such conversion privileges and be payable in such installments and at such time or times not exceeding forty (40) years from the date thereof; may be payable at such place or places whether within or without the State of Tennessee, may bear interest at such rate or rates payable at such time or times and at such place or places and evidenced in such manner, and may contain such provisions not inconsistent herewith, all as shall be proved in the proceedings whereunder the bonds shall be authorized to be issued.

(b) Bonds may be sold at public or private sale for such price and in such manner and from time to time as may be determined by the board of directors to be most advantageous, and the authority may pay any and all expenses, premiums, and commissions which its board of directors may deem necessary or advantageous in connection with the issuance thereof.

(c) All bonds and the interest applicable thereto are hereby made and shall be construed to be negotiable instruments.

(d) Interim certificates or notes or other temporary obligations pending the issuance of revenue bonds shall be payable out of proceeds of bonds or other funds of the authority available for such purpose.

(e) Proceeds of bonds may be used for the purpose of constructing, acquiring, reconstructing, improving, equipping, furnishing, bettering, or extending a system, include the payment of interest on the bonds during construction of any project for which bonds are issued and for two (2) years after the estimated date of completion, the payment of engineering, fiscal, architectural, bond insurance, and legal expenses incurred in connection therewith and the issuance of bonds, and the establishment of a reasonable reserve fund for the payment of principal of and interest on such bonds in the event of a deficiency in the revenues and receipts available for such payment, and to fund a renewal or replacement reserve for the system. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 9]

Section 10. Refunding bonds of the authority.

Any bonds at any time outstanding may at any time and from time to time be funded by the issuance of refunding bonds in such amount as the board may deem necessary, but not exceeding the sum of the following:

- (a) the principal amount of the bonds being refinanced,
- (b) applicable redemption premiums thereon,
- (c) unpaid interest on such bonds to the date of delivery or exchange of the refunding bonds,
- (d) in the event the proceeds from the sale of the refunding bonds are to be deposited in trust as hereinafter provided, interest to accrue on such obligations from the date of delivery to the first or any subsequent available redemption date or dates elected, in its discretion,

by the board, or to the date or dates of maturity, whichever shall be determined by the board to be the most advantageous or necessary to the authority,

(e) a reasonable reserve for the payment of principal of and interest on such bonds and/or a renewal and replacement reserve,

(f) if the project to be constructed from the proceeds of the obligations being refinanced has not been completed, an amount sufficient to meet the interest charges on the refunding bonds during the construction of such project and for two (2) years after the estimated date of completion (but only to the extent that interest charges have not been capitalized from the proceeds of the obligations being refinanced), and

(g) expenses, premiums, and commissions of the authority, including bond discount deemed by the board to be necessary for the issuance of the refunding bonds. A determination by the board that any refinancing is advantageous or necessary to the authority or that any of the amounts provided in the preceding sentence shall be included in such refinancing, or that any of the obligations to be refinanced shall be called for redemption on the first or any subsequent available redemption date or permitted to remain outstanding until their respective dates of maturity, shall be conclusive.

Any such refunding may be affected whether the bonds to be refunded shall have then matured or shall thereafter mature, either by the exchange of the refunding bonds for the bonds to be refunded thereby with the consent of the holders of the bonds so to be refunded, or by sale of the refunding bonds and the application of the proceeds thereof to the payment of the bonds refunded thereby, and regardless of whether or not the bonds to be refunded were issued in connection with the same projects or separate projects, and regardless of whether or not the bonds proposed to be refunded shall be payable on the same date or different dates or shall be due serially or otherwise.

If, at the time of delivery of the refunding bonds, the bonds to be refunded will not be retired or a valid and timely notice of redemption of the outstanding bonds is not given in accordance with the resolution, indenture or other instrument governing the redemption of the outstanding bonds, then, prior to the issuance of the refunding bonds, the governing body shall cause to be given a notice of its intention to issue the refunding bonds. The notice shall be given either by mail to the owners of all the outstanding bonds to be refunded at their addresses shown on the bond registration records for the outstanding bonds or given by publication one (1) time each in a newspaper having a general circulation in the local government and in a financial newspaper published in

New York City, New York, having a national circulation. The notice shall set forth the estimated date of delivery of the bonds refunding bonds and identify the bonds, or the individual maturities thereof, proposed to be refunded; provided, that if portions of individual maturities are proposed to be refunded the notice shall identify the maturities subject to partial refunding and the aggregate principal amount to be refunded within each maturity. If the issuance of the refunding bonds does not occur as provided in the notice, the governing body shall cause notice thereof to be given as provided above. Except as otherwise set forth in this section, the notice required pursuant to this section shall be given whether or not any of the bonds to be refunded are to be called for redemption.

If any of the obligations to be refunded are to be called for redemption, notice of redemption shall be given in a manner required by the proceedings authorizing such outstanding obligations.

The principal proceeds from the sale of any refunding bonds shall be applied only as follows: either,

(a) To the immediate payment and retirement of the bonds being refunded; or

(b) To the extent not required for immediate payment of the bonds being refunded, such proceeds shall be deposited in trust to provide for the payment and retirement of the bonds being refunded and to pay any expenses incurred in connection with such refunding, but provision may be made for the pledging and disposition of any surplus, including, without limitation, provisions for the pledging of any such surplus to the payment of the principal of; premium, if any, and interest on any issue or series of refunding bonds. Money in any such trust fund may be invested in:

(1) Direct bonds or bonds, the principal of and interest on which are guaranteed by the United States;

(2) Bonds of any agency or instrumentality of the United States;

(3) Certificates of Deposit issued by a bank or trust company located in the State; provided, that such certificates shall be secured by a pledge of any of the obligations referred to in subdivisions (1) and (2) having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates of Deposit so secured; or

(4) Bonds which are rated in either of the top two (2) highest rated categories by a nationally recognized rating agency of such obligations and whose interest income is exempt from tax by the United States, which are direct general obligations of the State or a political subdivision thereof or obligations guaranteed by the State, to the payment of the principal of and interest on which the full faith and credit of the State is pledged or funds of any other State or political subdivision or instrumentality thereof.

Nothing herein shall be construed as a limitation on the duration of any deposit in trust for the retirement of obligations being refunded, but which shall not have matured and which shall not be presently redeemable or, if presently redeemable, shall not have been called for redemption. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 10]

Section 11. Security for payment of bonds and notes.

(a) The principal of, premium, if any, and interest on any bonds, refunding bonds and notes may be secured by a pledge of revenues and receipts of a system. The proceedings under which the bonds, refunding bonds or notes are authorized to be issued may contain any agreements, provisions and covenants respecting the maintenance of such system or other facilities covered thereby, the fixing and collection of rents, fees or payments with respect to any system or portions thereof covered by such proceedings, the creation and maintenance of special funds from such revenues and from the proceeds of such bonds, refunding bonds and notes and the rights and remedies available in the event of default, all as the board shall deem advisable and not in conflict with the provisions of this Act. To the extent provided in the proceedings authorizing any bonds, refunding bonds or notes, each pledge and agreement made for the benefit of security of any of the bonds, refunding bonds or notes shall continue in effect until the principal of and interest on the bonds, refunding bonds or notes for the benefit of which the same were made shall have been fully paid or adequate provision for the payment thereof shall have been made by the authority. In the event of a default in such payment or in any agreements of the authority made as a part of the proceedings under which the bonds, refunding bonds or notes were issued, such payment or agreement may be enforced by suit, mandamus, or the appointment of a receiver in equity, or the proceedings under which the bonds, refunding bonds or notes are issued.

(b) The Mayor and City Recorder are hereby authorized and directed to the extent which is now or hereafter legally possible, to execute all documents necessary to guarantee or in any other manner to

secure the payment of the bonds or notes of the authority; provided, however, the approval of the governing body of the city to such guarantee or security, which approval may be by resolution of the governing body, shall have been obtained before the execution of such documents. Provided, further, that prior to any meeting where such authorization will be considered by the governing body of the city, the governing body shall cause reasonable public notice to be published describing the matter to be considered and containing an estimate of the dollar amount of any contingent liability by the city if such authorization is given.

(c) Bonds, notes or refunding bonds may constitute a joint obligation of the authority and the city. Any such bond, note or refunding bond upon which the city is jointly obligated with the authority may be secured by the full faith and credit and unlimited ad valorem taxing power of the city. Bonds, notes or refunding bonds issued as a joint obligation of the authority and the city shall be issued in the form and manner of Title 9, Chapter 21, Parts 1, 2, and 9, of the Tennessee Code, where applicable, and in the event of a conflict between the Act and Title 9, Chapter 21, Parts 1, 2, and 9, then the provisions of Title 9, Chapter 21, Parts 1, 2, and 9 shall prevail. Notes issued as a joint obligation of the authority and the city shall be issued in the form and manner of Title 9, Chapter 21, Parts 1, 4, and 5, of the Tennessee Code where applicable, and in the event of a conflict between the Act and Title 9, Chapter 21, Parts 1, 4, and 5, then the provisions of Title 9, Chapter 21, Parts 1, 4, and 5 shall prevail.

(d) Any bond, note or refunding bond issued under this Act may be secured by a mortgage or deed of trust covering any part or all of the property, real or personal, of the authority. Any pledge of, or lien on, revenues, fees, rents, tolls or other charges received or receivable by any local government to secure the payment of any bonds, notes or refunding bonds issued pursuant to the Act and the interest thereon, shall be valid and binding from the time that the pledge or lien is created and granted and shall inure to the benefit of the holder or holders of any such bonds, notes or refunding bonds until payment in full of the principal and premium and interest thereon. Neither the resolution nor any other instrument granting, creating or giving notice of the pledge of a lien need be filed or recorded to preserve or protect the validity or priority of such pledge or lien. The requirements for recordation of mortgages and other security instruments in the County Register's office shall be waived in the case of the authority's execution of such mortgages or security instruments. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 11]

Section 12. Exemption from taxation and state regulation.

The authority, its properties at any time owned by it and the income and revenues therefrom shall be exempt from all state, county and municipal taxation. All bonds, notes and refunding bonds issued by the authority and the income therefrom shall be exempt from all State, county, and municipal taxation, except inheritance, transfer, and estate taxes. For purposes of Title 42, Chapter 2, Tennessee Code Annotated, and any amendments thereto or substitution therefor, bonds issued by the authority shall be deemed to be securities issued by a public instrumentality or a political subdivision of the State. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 12]

Section 13. Liability and indebtedness of political subdivisions.

(a) Neither the city, any participating governmental entity, nor the state shall, except as may otherwise be authorized by the governing body of the city, in any event be liable for the payment of the principal of, premium, if any, or interest on any bonds, notes or refunding bonds of the authority or for the performance of any pledge, obligation, or agreement of any kind whatsoever which may be undertaken by the authority and none of the bonds, notes or refunding bonds of the authority or any of its agreements or obligations shall be construed to constitute an indebtedness of the State, the city or any participating governmental entity within the meaning of any constitutional or statutory provision whatsoever.

(b) Bonds, notes or refunding bonds of the authority shall not constitute a debt or a pledge of the faith and credit of the State or any participating governmental entity except as may otherwise be authorized by the governing body of the city, and the holders or owners of such bonds shall have no right to have taxes levied by any participating governmental entity the State or any other taxing authority within the State for the payment of principal of, premium, if any, and interest on such bonds, but shall be payable solely from revenues and monies pledged for their payment.

(c) Except as may otherwise be authorized by the governing body of the city as specified hereinabove, all such bonds shall contain on the face thereof a statement to the effect that the bonds, refunding bonds or notes are not a debt of the State or any participating governmental entity or any other taxing authority within the State, but are payable solely from revenues and moneys pledged to the payment thereof. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 13]

Section 14. Disposition of Funds.

No part of the net earnings of the authority remaining after payment of its expenses shall inure to the benefit of any person except that, at such times as no bonds, notes or refunding bonds of the authority are outstanding and unpaid and adequate provision has been made for the full payment of all liabilities, obligations, and contracts of the authority, and the authority shall have, by operation of law, been terminated, any assets of the authority, to the extent not necessary for such purposes, shall be paid to the city and to the participating governmental entities (other than a district if such district has not been dissolved) in such proportions as may be agreed upon among the city, the participating governmental entities and the board. If no agreement has been reached among the parties within sixty (60) days after the commencement of negotiations therefor, the question of the allocation shall be submitted to arbitration in accordance with the laws of the State pertaining to arbitration in effect at the time of submission to the arbitrators. To the extent allowed by this act, nothing herein contained shall prevent the board from transferring its properties in accordance with the terms of any contract, agreement, or covenant entered into or undertaken by the authority. Neither the city nor a participating governmental entity will establish or operate any competing system for as long as the authority exists. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 14]

Section 15. Budget; annual audits; contracting procedures; personnel procedures.

(a) The board shall annually establish and adopt a budget for the authority.

(b) The board shall cause to be prepared each fiscal year an annual audit of the books and records of the authority, in accordance with generally accepted governmental auditing standards, which audit shall be performed by a recognized firm of certified public accountants. A copy of such annual audit shall be filed with the office of the Mayor of the city and with the governing body of the city.

(c) The board shall develop purchasing, contracting, and personnel procedures.

(d) If the system of the city is transferred to the authority, then all existing employees of the city water department shall become employees of the authority at the same level of compensation as was provided while employed by the city initially, and thereafter to serve at will of the authority in accordance with the employment procedures,

compensation levels and benefits as shall be established by the board of the authority. If a district transfers its system to the authority, at substantially the same time the city transfers its system to the authority, then all existing employees of the district shall become employees of the authority at the same level of compensation as was provided while employed by the district initially, and thereafter, to serve at will of the authority in accordance with the employment procedures, compensation levels and benefits as have been established by the board of the authority. To the extent permitted by law, all retirement and health benefits of said employees may be transferred to the authority for the benefit of said employees. The board shall establish employment procedures, compensation levels and benefits for the employees of the authority. [Priv. Acts 1997 ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 15]

Section 16. Powers of the city.

(a) The city is authorized to take all actions hereunder by resolution of its governing body. The city shall have all powers necessary to further the purposes of this Act, including without limitation, the power to sell, lease, dedicate, donate, or otherwise convey to the authority any of its interests in any existing water and wastewater system, franchises, assets, liabilities, or other related property, whether real or personal, or mixed, tangible or intangible, and whether or not subject to mortgages, liens, charges, or other encumbrances, or grant easements, licenses, or other rights or privileges therein to the authority and to contract with the authority concerning employees' pension, disability, hospitalization, and death benefits.

(b) The city, through its governing body is authorized to issue joint obligations with the authority and to pledge its full faith and credit and unlimited taxing power to such bonds, notes or refunding bonds and to guarantee the bonds, notes or refunding bonds as set forth in Section 11 hereof.

(c) The city is authorized to enter into agreements with the authority for the orderly transfer of all or any part of its system and to enter into agreements with the authority for the authority to assume, to pay or to refund bonds, refunding bonds and notes issued by the city or loan agreements entered into by the city to acquire, construct or equip all or any part of a system.

(d) The city is authorized to advance, donate or lend money to the authority and to provide that funds available to it for a system shall be paid to the authority.

(e) The city is authorized to permit its rights, duties and powers under its Charter or the laws of the State to be performed or exercised by the authority. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 16]

Section 17. Powers of each district.

(a) Each district is authorized take all actions hereunder by resolution of its governing body, subject to the provisions of Section 18 hereof. Each district shall have all powers necessary in order to further the purposes of this Act, including without limitation, the power to sell, lease, dedicate, donate, or otherwise convey to the authority any of its interests in any existing water and wastewater system, franchises, assets, liabilities, or other related property, whether real or personal, or mixed, tangible or intangible, and whether or not subject to mortgages, liens, charges, or other encumbrances, or grant easements, licenses, or other rights or privileges therein to the authority and to contract with the authority concerning employees' pension, disability, hospitalization, and death benefits.

(b) Each district is authorized to enter into agreements with the authority for the orderly transfer of all or any part of its system and to enter into agreements for the authority to assume, to pay or to refund bonds, refunding bonds and notes issued by the district or loan agreements entered into by the district to acquire, construct or equip all or any part of a system.

(c) Each district is authorized to advance, donate or lend money to the authority and to provide that funds available to it for a system shall be paid to the authority.

(d) Each district is authorized to permit its rights, duties and powers under the laws of the State to be performed or exercised by the authority. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 17]

Section 18. Dissolution of a district.

Upon request by the governing body of a district, such district shall petition the County Executive of Dickson County in accordance with the procedures set forth in Section 7-82-202(e) of the code for the transfer of all franchises, assets, and liabilities of the district to the authority. Thereafter, upon such transfer, the governing body of the district shall petition the County Executive of Dickson County in accordance with the procedures set forth in

Section 7-82-202(e) of the code for dissolution of the district upon order of the county executive (as set forth in said section). [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 18]

Section 19. Powers not restricted.

Neither this Act nor anything herein contained shall be construed as a restriction or a limitation upon any powers which the city or a participating governmental entity might otherwise have under any laws of this State, but shall be construed as cumulative of and supplemental to any such powers. No proceeding, notice, or approval shall be required with respect to the issuance of any bonds, refunding bonds or notes of the authority or any instrument as security therefor except as provided in this Act, any law to the contrary notwithstanding; provided, however, nothing herein shall be construed to deprive the State of Tennessee and its governmental subdivisions of their respective police powers, or to impair any power or any official or agency of said state and its governmental subdivisions which may be otherwise provided by law. [Priv. Acts 1997 ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 19]

Section 20. Agreements with the authority.

The authority is hereby authorized, whenever the same shall be found desirable by its board, to enter into contracts, agreements, or other arrangements with the city and any participating governmental entity or any other city, county, metropolitan government, utility, district, or authority of the State regarding a system, any facility, or any service of the authority. Any such contract or agreement may extend for any period not exceeding forty (40) years from the date thereof. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 20]

Section 21. Liberal construction.

This Act is remedial in nature and shall be liberally construed to effect its purpose of providing for a systematic and efficient means of distributing and encouraging the best utilization and conservation of water resources and wastewater service and the powers herein granted may be exercised without regard to requirements, restrictions or procedural provisions contained in any other law or charter except as herein expressly provided. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 21]

Section 22. Severability.

If any provision of this Act or the application thereof to any person or circumstance is held to be invalid, such invalidity shall not affect any other

provision or application of the Act which can be given effect without the invalid provision or application, and to that end the provisions of this Act are declared to be severable. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 22]

Section 23. Repeal of chapter 84, 1997 Private Acts.

Chapter 84 of the Private Acts of 1997 of the State of Tennessee is hereby repealed. [Priv. Acts 1998, ch. 178, § 23]

Section 24. Local approval.

This Act shall have no effect unless approved by a two-thirds (2/3) favorable vote of the Governing Body of the City of Dickson, Tennessee, which action may be by resolution. Its approval or disapproval shall be proclaimed by the Presiding Officer of the Governing Body and certified by such officer to the Secretary of State. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 24]

Section 25. Effective date.

For the purpose of approving or rejecting the provisions of this Act, as provided in Section 24, but for all it shall be effective upon becoming a law, but for all other purposes, it shall be effective only upon being approved as provided in Section 24, the public welfare requiring it. [Priv. Acts 1997, ch. 84, as replaced by Priv. Acts 1998, ch. 178, § 25]

PASSED: MAY 1, 1998

s/Jimmy Naifeh
JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

s/John S. Wilder
JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 18th, day of May 1998

s/Don Sundquist
DON SUNDQUIST, GOVERNOR

CHAPTER NO. 59

HOUSE BILL NO. 2011

By Representatives Shepard, Ridgeway

Substituted for: Senate Bill No. 1965

By Senator Jackson

AN ACT relative to the levy of a privilege tax on the occupancy of any rooms, lodgings or accommodations furnished to transients by any hotel, inn, tourist camp, tourist court, tourist cabin, campground, motel, bed and breakfast, or any place in which rooms, lodgings, or accommodations are furnished to transients for a consideration in the City of Dickson.

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

SECTION 1. As used in this act unless the context otherwise requires:

(1) "Consideration" means the consideration charged, whether or not received, for the occupancy in a hotel valued in money whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits, property and services of any kind or nature without any deduction therefrom whatsoever. Nothing in this definition shall be construed to imply that consideration is charged when the room, lodging, or accommodation provided to the person is complimentary from the operator and no consideration is charged to or received from any person.

(2) "Hotel" means any structure or space, or any portion thereof, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist camp or campground, tourist court, tourist cabin, motel, bed and breakfast, or any place in which rooms, lodgings, or accommodations are furnished to transients for a consideration.

(3) "Occupancy" means the use or possession, or the right to the use or possession, of any room, lodgings, or accommodations in any hotel for a period of less than thirty (30) continuous days.

(4) "Operator" means the person operating the hotel whether as owner, lessee or otherwise and includes any governmental unit.

(5) "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, governmental unit or any other group or combination acting as a unit.

(6) "Tax collection official" means the Tax Collector for the City of Dickson.

(7) "Transient" means any person who exercises occupancy or is entitled to occupancy for any rooms, lodgings, or accommodations in a hotel for a period of less than thirty (30) continuous days.

SECTION 2. The legislative body of the City of Dickson is authorized to levy a privilege tax upon the privilege of occupancy in any hotel of each transient in the amount not to exceed five percent (5%) of the consideration charged by the operator. Such tax is a privilege tax upon the transient occupying such room and is to be collected as provided in this act.

SECTION 3. The proceeds received by the City from the tax shall be retained by the city and deposited into the general fund of the City.

SECTION 4. Such tax shall be added by each and every operator to each invoice prepared by the operator for the occupancy of the hotel and given directly or transmitted to the transient, a copy thereof to be filed and retained by the operator as provided in Section 9 of this act. Such tax shall be collected by such operator from the transient and remitted to the City of Dickson.

When a person has maintained occupancy for thirty (30) continuous days, that person shall receive from the operator a refund or credit for the tax previously collected or charged, and the operator shall receive credit for the amount of such tax if previously paid or reported to the City.

SECTION 5. The tax levied shall be remitted by all operators who lease, rent or charge for any rooms, lodgings, spaces or accommodations in hotels within the town to the tax collection official, such tax to be remitted to such officer not later than the twentieth (20 th) day of each month for the preceding month. The operator is required to collect the tax from the transient at the time of the presentation of the invoice for such occupancy as may be the custom of the operator, and if credit is granted by the operator to the transient, then the obligation to the town entitled to such tax shall be that of the operator.

SECTION 6. The tax collection official shall be responsible for the collection of such tax. A monthly tax return shall be filed under oath with the tax collection official by the operator with such number of copies thereof as the

tax collection official may reasonably require for the collection of such tax. The report of the operator shall include such facts and information as may be deemed reasonable for the verification of the tax due. The form of such report shall be developed by the tax collection official and approved by the legislative body of the City of Dickson prior to use. The tax collection official shall audit each operator in the City at least once a year and shall report on the audits made on a quarterly basis to the legislative body of the City of Dickson. The legislative body is authorized to adopt resolutions to provide reasonable rules and regulations for the implementation of the provisions of this act, including the form for such reports.

SECTION 7. No operator of a hotel shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator or that it will not be added to the rent, or that if added, any part will be refunded.

SECTION 8. Taxes collected by an operator which are not remitted to the tax collection official on or before the due dates are delinquent. An operator is liable for interest on such delinquent taxes from the due date at the rate of twelve percent (12%) per annum, and is liable for any additional penalty of one percent (1%) for each month or fraction thereof such taxes are delinquent. Such interest and penalty shall become a part of the tax herein required to be remitted. Each occurrence of willful refusal of an operator to collect or remit the tax or willful refusal of a transient to pay the tax imposed is a violation of this act and shall be punishable by a civil penalty not in excess of fifty dollars (\$50.00).

SECTION 9. It is the duty of every operator liable for the collection and payment of any tax imposed by this act to keep and preserve for a period of three (3) years all records necessary to determine the amount of tax due and payable to the City. The tax collection official has the right to inspect such records at all reasonable times.

SECTION 10. The tax collection official in administering and enforcing the provisions of this act has as additional powers, those powers and duties with respect to collecting taxes as provided in Title 67 of Tennessee Code Annotated or otherwise provided by law.

Upon any claim of illegal assessment and collection, the taxpayer has the remedies provided in Tennessee Code Annotated, Section 67-1-911. It is the intent of this act that the provisions of law which apply to the recovery of state taxes illegally assessed and collected shall also apply to the tax levied under the authority of this act. The provisions of Tennessee Code Annotated, Section 67-1-707, shall be applicable to adjustments and refunds of such tax.

With respect to the adjustment and settlement with taxpayers, all errors of City taxes collected by the tax collection official under authority of this act shall be refunded by the tax collection official. Notice of any tax paid under protest shall be given to the tax collection official, and suit for recovery shall be brought against such tax collection official.

SECTION 11. The tax collection official shall faithfully account for and make proper reports of all funds paid to and received by such tax collection official for the privilege tax levied in accordance with this act.

SECTION 12. The privilege tax levied by this act shall be in addition to all other taxes levied or authorized to be levied whether in the form of excise, license, or privilege taxes.

SECTION 13. The tax levied pursuant to the provisions of this act shall only apply in accordance with the provisions of Tennessee Code Annotated, Section 67-4-1425.

SECTION 14. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 15. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of the City of Dickson by December 31, 2001. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body of the City of Dickson and shall be certified by such presiding officer to the Secretary of State.

SECTION 16. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect on the first day of the month following ninety (90) days from approval as provided in Section 15.

PASSED: May 24, 2001

s/ Jimmy Naifeh
JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

s/ John S. Wilder
JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this ____ day of _____ 2000

DON SUNDQUIST, GOVERNOR

Pursuant to Article III, Section 18, of the Constitution of the State of Tennessee, the Governor had House Bill No. 2011 in his possession longer than ten (10) days, so therefore the bill becomes law without the Governor's signature.

CHARTER AND RELATED ACTS FOR THE CITY
OF DICKSON, TENNESSEE

YEAR	CHAPTER	SUBJECT
1989	50	Replaced Priv. Acts 1988, ch. 215. (See Related Acts following the charter.)
1998	176	Replaced § 5 of Priv. Acts 1989, ch. 50 "Natural Gas System" (See Related Acts following the charter.)
1998	178	Repealed Priv. Acts 1997, ch. 84 and created and established the "Water and Wastewater Authority of Greater Dickson." (See Related Acts following the charter.)
2000	160	Basic charter act.
2001	59	Added Privilege tax on occupancy of rooms, etc. (See Related Acts following the charter.)
2002	148	Amended Priv. Acts 1989, ch. 50. (See Related Acts following the charter.)