



Legislative Report

Second Session
112th General
Assembly

Tennessee Towns and Cities
Working Together

July 2022

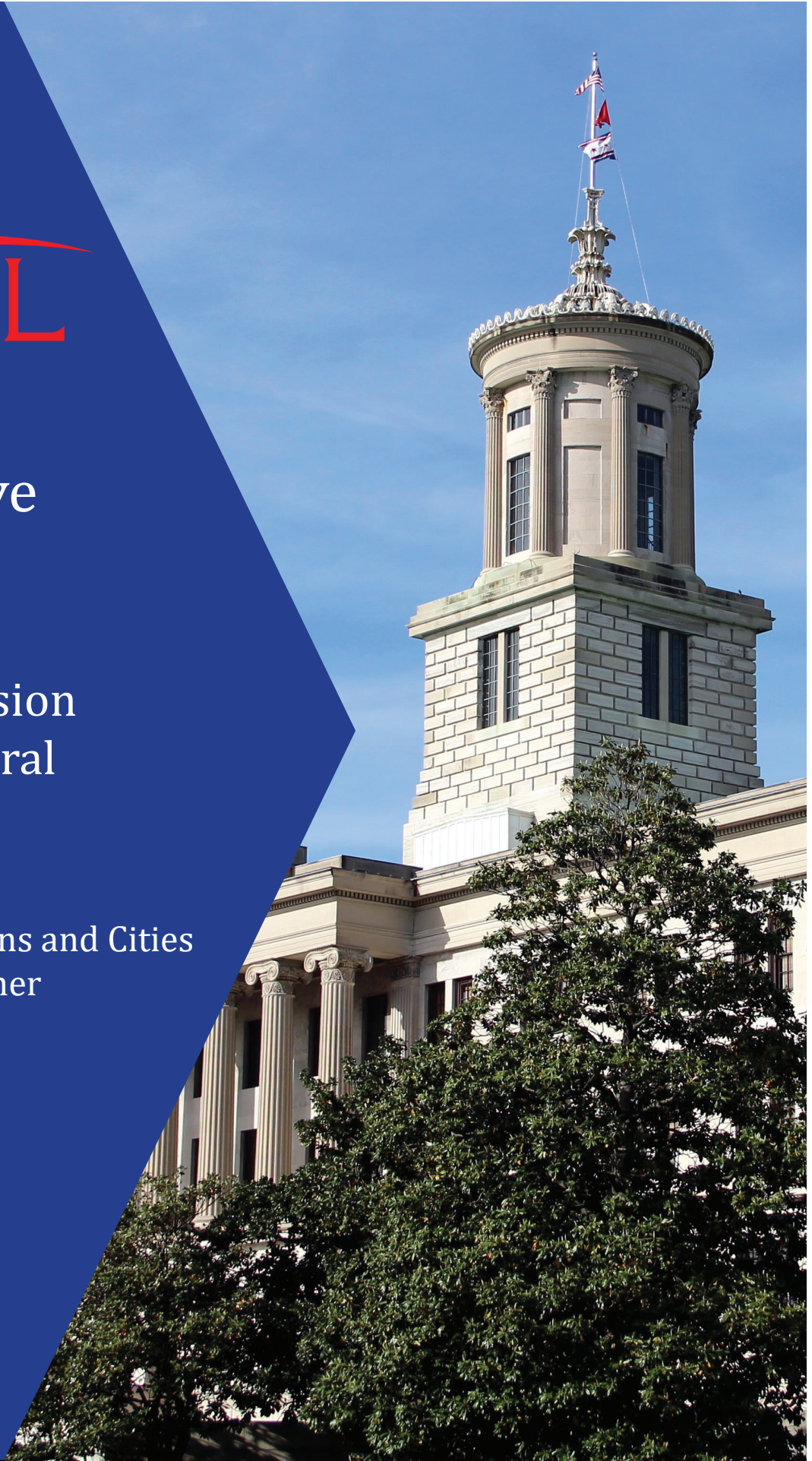




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Since 1940, the Tennessee Municipal League has been dedicated to helping Tennessee's cities and towns promote economic development and quality of life issues for their communities. Based in Nashville, the Tennessee Municipal League serves as the voice of and advocate for Tennessee's 345 towns and cities.

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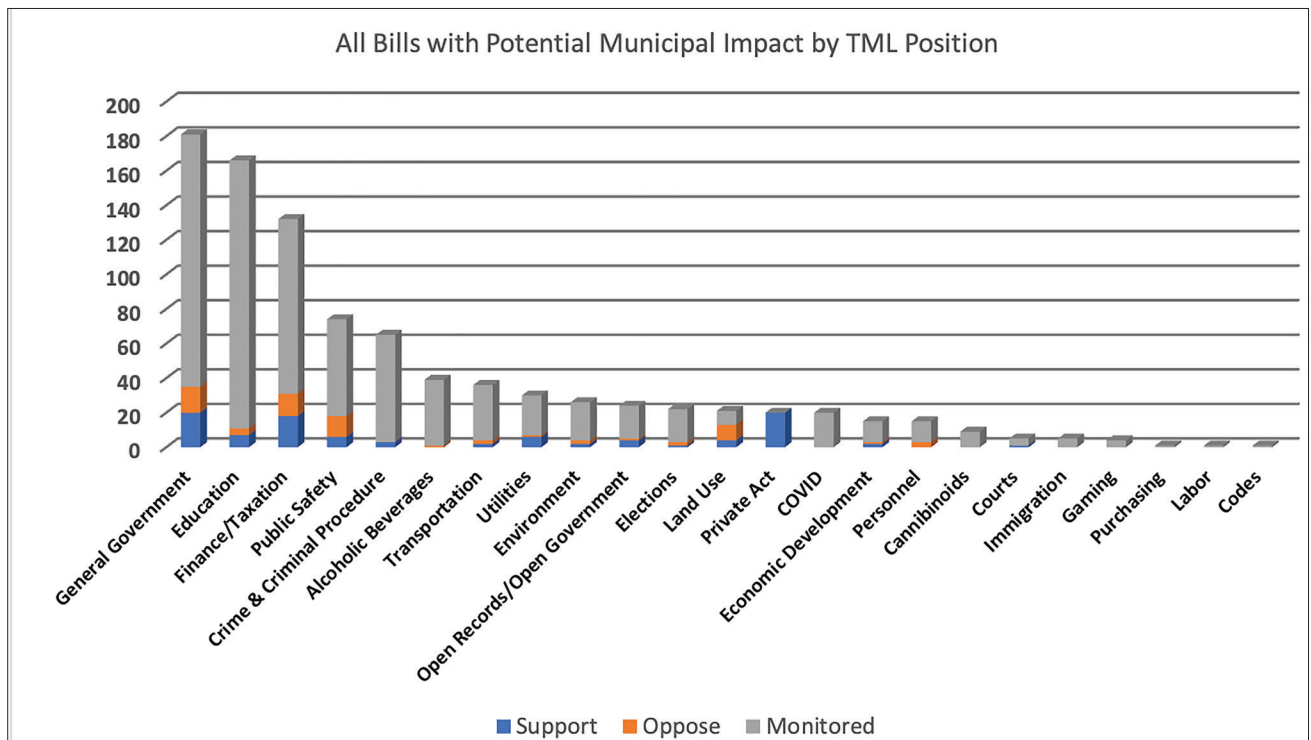
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2022 Legislative Report

The Second Session of 112th Tennessee General Assembly convened on Jan. 11, 2022, and concluded its business on April 28. The relatively abbreviated four-month long session was facilitated in part by a healthy budget surplus and legislators’ recognition of the need to campaign in newly-drawn districts. A total of 1,278 new bills were filed this session, which is fewer than recent trends would suggest. Of these, TML identified 522 new bills that either directly affected or had the potential to directly affect municipalities. In the second session of a two-year General Assembly any legislation that was not fully disposed of in the first session remains viable. When this carryover legislation is added to the 522 new municipal bills that were filed in 2022 there were a total of 912 bills that had the potential to impact municipalities this session.

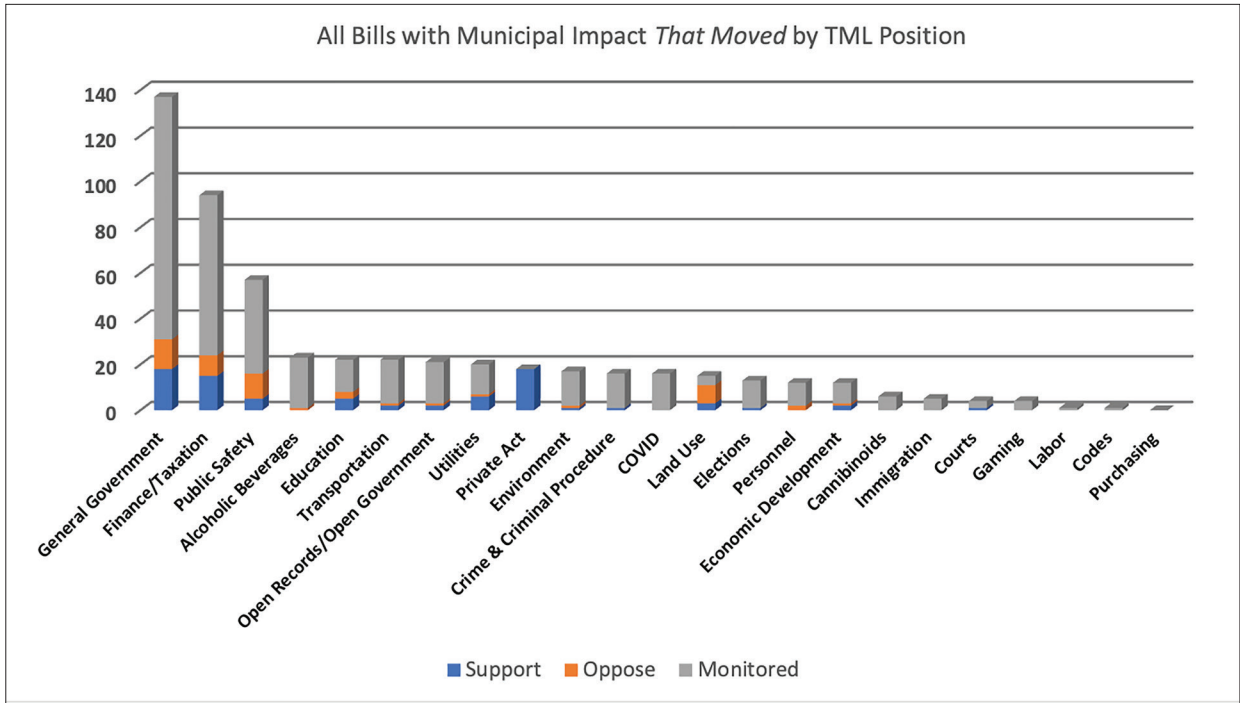
	First Session	Second Session	Total for 112th General Assembly
All Legislation	1654	1278	2932
Bills with Potential Municipal Impact	665	522	1187

Each year we review and analyze proposed legislation to include the grouping of bills by issue area in order to detect and to evaluate any trends. Of the 912 bills which had a potential to impact municipalities, three issue areas represented the majority: General Government (181), Education (166), and Finance/Taxation (132). Public Safety legislation has seen a significant increase since 2019: 74 bills in 2022 compared to 28 bills in 2019. Legislation regulating how Alcoholic Beverage activity is licensed, handled, and consumed grew to 39 total bills in 2022, a significant increase from the 6 bills introduced in 2019. TML staff added two new categories to this year’s analysis so that we can track the trends in Cannabinoid legislation and Gaming (sports betting).



Of the 912 bills which had a potential to impact municipalities, three issue areas represented the majority: General Government (181), Education (166), and Finance/Taxation (132).

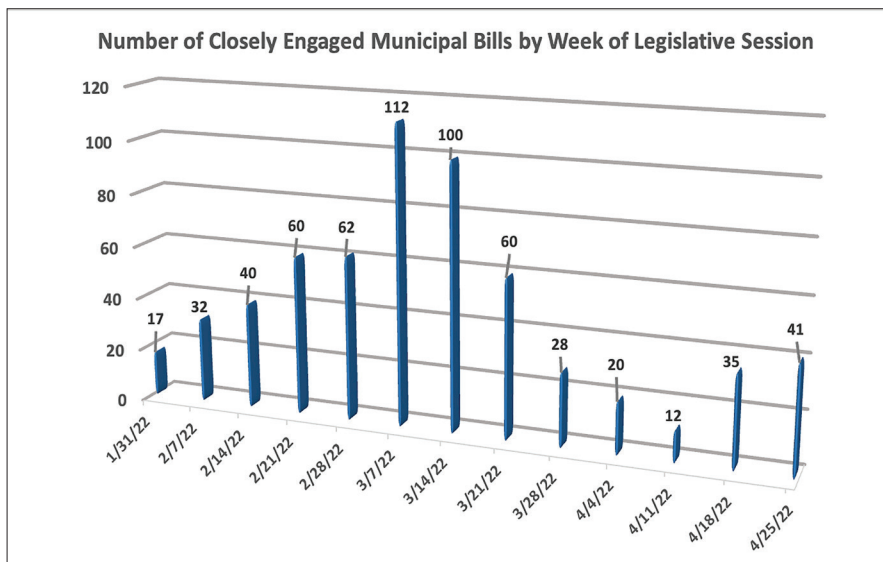
Not all viable legislation is considered. Of the 912 total bills potentially affecting municipal government only 688 saw action in 2022. Once our initial analysis and review was completed and we determined the number of bills with potential impact, identified issues and any trends, we narrowed the focus by removing education and crime and criminal procedure legislation that have little to no impact to municipal government (i.e. curriculum changes for education, requirements for athletic participation in schools, increased penalties for certain



The above chart shows the potential impact by subject area of the remaining 536 bills that moved in 2022.

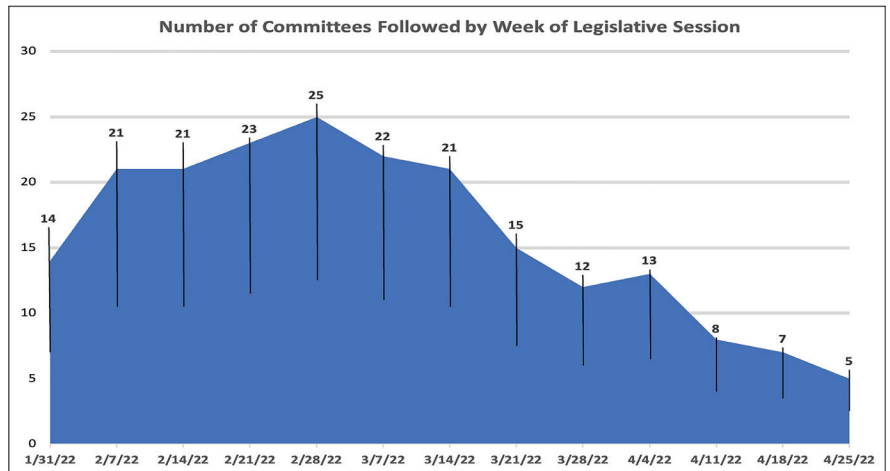
offenses, etc). This action reduced education legislation significantly from the previous chart to this one above: 166 bills to 22. The above chart shows the potential impact by subject area of the remaining 536 bills that moved in 2022. A vast majority of the Public Safety bills moved in the process (57 of 74). Alcoholic Beverage legislation also saw significant attention with 23 of the 39 bills being considered. Of the 20 COVID bills, 16 were considered. All four Gaming bills were heard in committee, and six of the nine Cannabinoid bills were considered.

Consideration of legislation by the various Senate and House Committees began in earnest the week of Jan. 31 and continued through the final week of April. During that three-month period, about 40 percent of these bills were considered by the various committees. Our team either directly engaged legislators or closely monitored an average of 79 bills in 21 different committees in each of the five most active weeks of the session; peaking at 112 bills during the week of March 7.



This graph shows the amount of closely engaged municipal bills and a the second graph on the next page shows the number of committees closely followed by our team, both by week of legislative session. Together these graphs demonstrate the rise and fall of legislative activity in a session more broadly while demonstrating the amount of legislation and committees that demand our care and attention.

Alongside this rise and fall in activity over the course of this session were eight key bills of which TML strenuously opposed that required significant attention. During the 11 weeks of session from February 7 to April 22, up to six of these bills and no fewer than four were being considered each week. The proponents of these bills were all well-resourced and experienced interests fighting for their legislation by introducing new arguments, mischaracterizing the impact, and offering multiple amendments (often surreptitiously). In other words, there was a new bill to fight each week on the



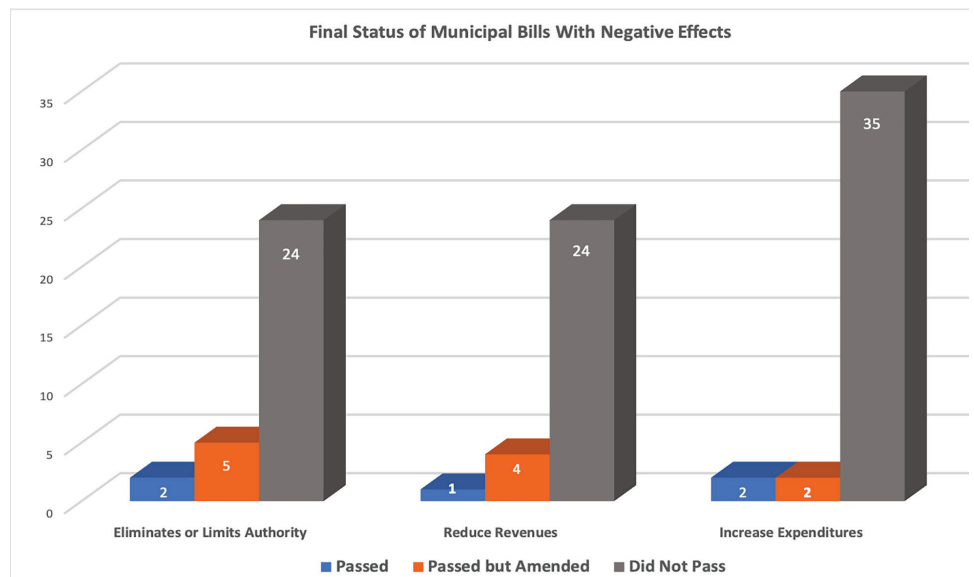
The above graph shows the number of committees closely followed weekly by our team during the legislative session.

same issue. This required TML to start each week refuting these new arguments, correcting the falsities in their characterization, and chasing down newly offered amendments so that we can educate legislators and lock down their commitments again. In addition, the legislative and communications team coordinated on 37 legislative alerts to the TML membership in support of municipal positions on these key bills and mobilized members of the Municipal Advocacy Committee (MAC) as warranted to make sure legislators received phone calls. The chart below shows these 8 key bills by each week of the legislative session and whether or not they were actively engaged on at this high level that week.

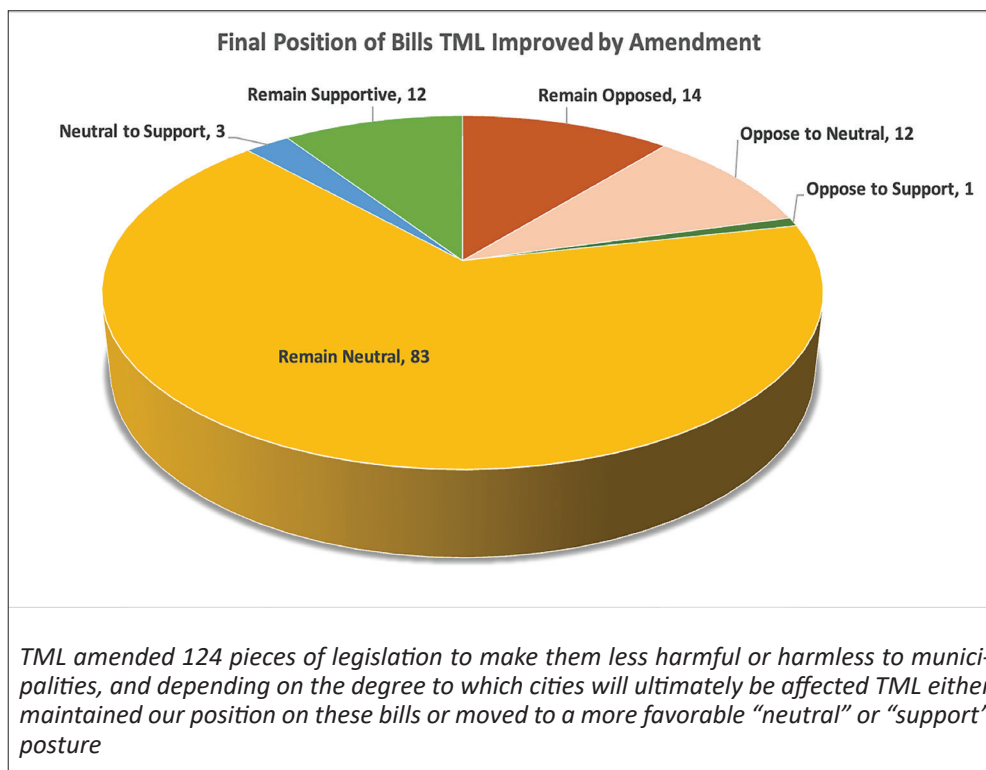
	2/7/22	2/14/22	2/21/22	2/28/22	3/7/22	3/14/22	3/21/22	3/28/22	4/4/22	4/11/22	4/18/22
Non-conforming Signs to Digital	X	X	X	X	X						
Food Trucks			X	X							
AirBnB				X	X	X	X	X	X	X	
Deannexation						X	X	X	X	X	X
Swimply					X	X	X		X	X	
Diminution			X	X		X	X	X	X	X	
Slaughter			X	X	X	X	X	X	X		
Municipal Electrics				X	X	X	X	X	X	X	

Alongside this rise and fall in activity over the course of this session were eight key bills of which TML strenuously opposed that required significant attention.

Included among the bills our team closely monitored this session were more than a dozen bills that sought to either limit or eliminate local authority, including the legislation above addressing AirBnB and deannexation, with several other bills addressing zoning and land use decisions among other subjects. For the vast majority of these bills TML was able to prevent their passage or amend the legislation to address its harmful effects before they became law. Five bills



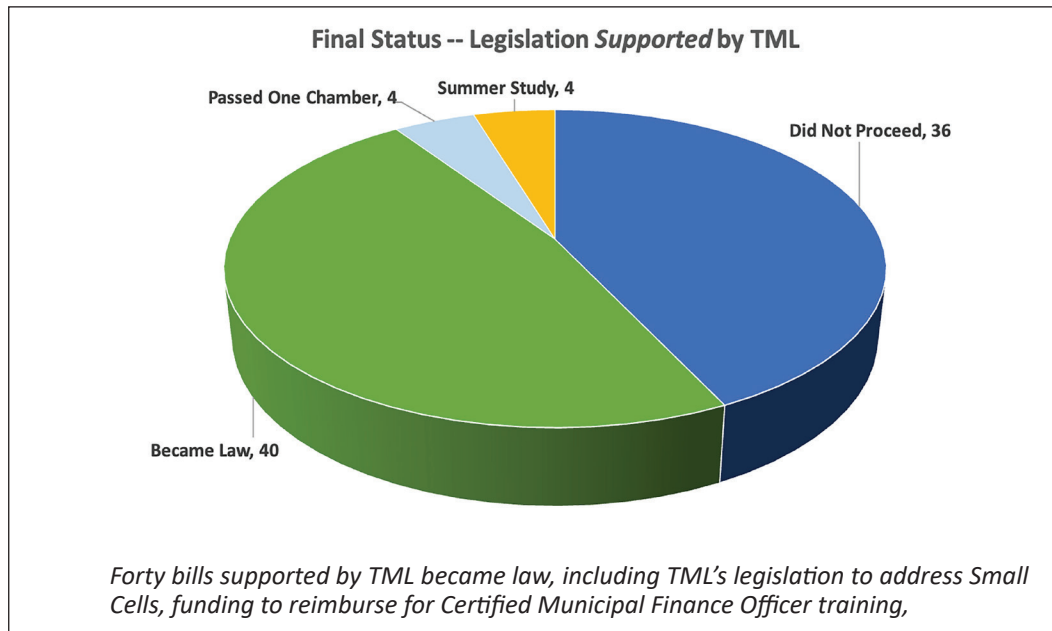
passed without being amended. Of these five, we remained opposed to two: 1. a Leukemia and testicular cancer presumption for firefighters and 2. a sales and use tax exemption for the fabrication of computer software by a person’s agent for the person’s own use and consumption. To maintain the intergrity of the process and to be consistent with our principles, the three remaining bills are fairly judged to have the effect of limiting municipal government authority, however, their impact on municipal governance is ultimately negligible, and for that reason TML maintained a neutral position on their passage: 1. Legislation prohibiting government restrictions on religious institutions during an emergency, major disaster, or natural disaster (primarily aimed at county health officers limiting operations of a religious institution); 2. Legislation prohibiting instant runoff and ranked choice voting; and 3. Legislation requiring voting machines to produce a voter-verified paper audit trail. In the end, the efforts of our team, working in coordination with the Municipal Advocacy Committee and assisted by the emails and calls of responsive individual municipal officials, ensured that no significant preemption bill became law.



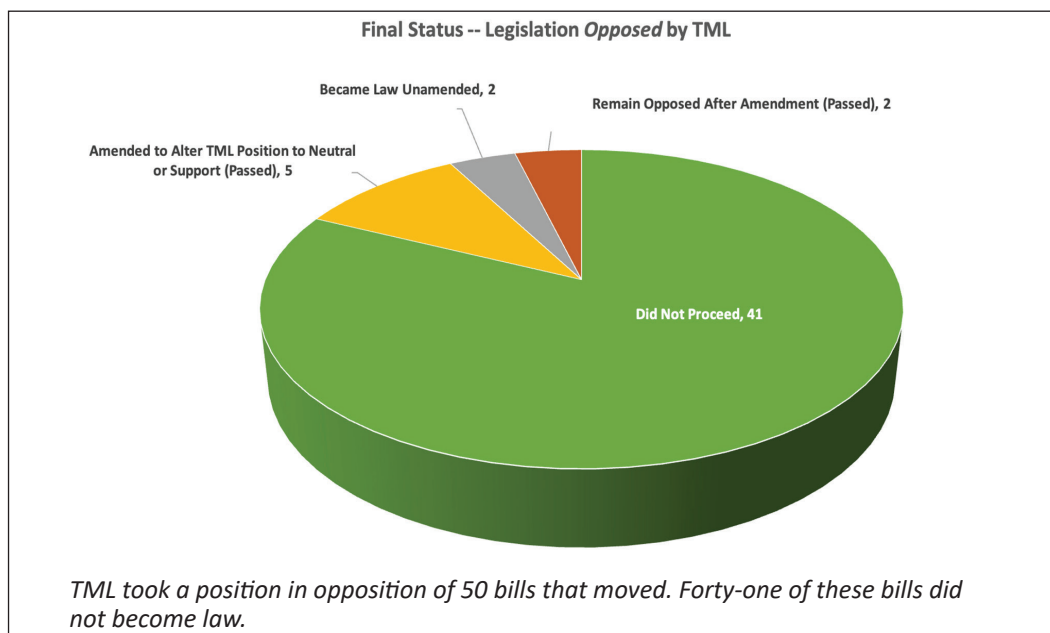
TML works with sponsors and interested parties to hold municipalities harmless in pursuit of their goals. TML amended 124 pieces of legislation to make them less harmful or harmless to municipalities, and depending on the degree to which cities will ultimately be affected TML either maintained our position on these bills or moved to a more favorable “neutral” or “support” posture.

Not all bills considered by the General Assembly this year sought to restrict local authority. There were a number of bills adopted that were favorable to local government. For example, legislators approved legislation granting local governments the ability to prohibit or otherwise regulate smoking and the use of vapor products in age-restricted venues. The General Assembly also adopted legislation extending the current authority to treat certain video captured by police officer’s body-worn video cameras as confidential and not subject to public inspection through July 1, 2027. New authority was also granted to local government to regulate “entertainment transportation services,” allowing municipalities to regulate the activities of trucks, buses, trailers and other transportation vehicles that are used primarily for entertainment on city streets.

Forty bills supported by TML became law, including TML’s legislation to address Small Cells, funding to reimburse for Certified Municipal Finance Officer training, and other legislation outlined in a later section of this report. Some examples of bills supported by TML that didn’t ultimately pass: 1. Eliminating liability for third party injuries during a police pursuit; 2. Expanding municipal court jurisdiction to include an expunction of a municipal ordinance violation; and 3. Lewisburg’s private act to grant the city the power to make various changes regarding public utility systems, telecommunications systems, public infrastructure, and impose fees from new land developments by ordinance.



Upon our initial review and analysis of bills filed this session, TML took a position in opposition of 50 bills that moved. Forty-one of these bills did not become law. Of the nine bills that TML initially opposed, five were improved by amendment to neutralize the harmful impact of the legislation to the point where TML could take a neutral position. TML was able to secure changes to improve another two bills but remained opposed on principle because they reduce local revenues through tax exemptions: 1. a personal property tax exemption for farmers, and 2. a sales tax exemption for the sale of specific precious metals (gold, silver, platinum, and palladium). The final two of the nine initially opposed that became law without any improvements are 1. the Leukemia and testicular cancer presumption for firefighters and 2. the sales and use tax exemption for the fabrication of computer software mentioned in a previous section. Our commitment to integrity and transparency require reporting these bills which passed despite a position of “oppose.” However, all of this legislation is ultimately negligible in its impact, and TML did not actively work against their adoption.



More broadly the General Assembly addressed a number of issues this legislative session, including recalculating the K-12 school education funding formula, approving once-in-a-decade redistricting maps for congressional and state legislative seats, and agreeing on a \$52.8 billion spending plan for the 2022-23 fiscal year. The two-year 112th General Assembly was historic in that it included three special sessions to address education, COVID-19 regulations, and to approve major tax incentives for the Ford Motor Company to establish a facility on the West Tennessee Megasite, which may have also contributed to a slightly abbreviated 2022 session.

Summary of Key Bills

Prohibiting Local Regulation of Food Trucks on Private Property

SB 2811 (Roberts) / HB2120 (Curcio)



The Beacon Center of Tennessee, a nonprofit, nonpartisan, and independent organization dedicated to providing expert empirical research and timely free market solutions to public policy issues in Tennessee, joined with an association of food truck operators in support of legislation preempting local regulation of food trucks. Specifically, the bill sought to establish state standards for food trucks operating on private property. The proponents argued that food trucks have a right to operate free of a burdensome patchwork of local restraints. One of the central themes and oft-quoted anecdotes related by proponents included special events and gatherings. Proponents suggested the bill was necessary because local governments were denying private citizens the right to hold special events, such as birthday parties, in their own driveways. TML op-

posed the legislation for numerous reasons. First, the most obvious point to be made is that the justifications offered for the bill and the ramifications, if enacted, were far more involved and complex than proponents offered. Unlike the simple anecdotes shared, the bill would have applied to food trucks operating on any private property, including a parking lot or parcel adjacent to or in close proximity to a business or intersection, and not just in a home owner's driveway. In addition, the standards imposed on food trucks under the bill would not have limited the number trucks in operation at a location or the number of consecutive days of operation at a location. Thus, the exceptions afforded food trucks for "special events or gatherings" would have allowed a food truck(s) to operate on private property on a permanent basis and in close proximity to an established business, thereby creating an inequity in the treatment of two business – a food truck and a fixed restaurant. The bill sought to eliminate food truck operator's obligation to obtain a local permit or special permit that is generally required of all such vendors and is used to inform such vendors of their obligations and responsibilities within the city as well as a means to obtain vital information about the operator typically associated with the permitting process. While the bill included some language suggested to preserve applicable local laws, the terms included were not defined and had no relevance or meaning under established law. Initially, the bill was approved by the House Health Subcommittee on a vote of 6-1. TML worked with interested committee members and representatives of the proponents of the bill in an attempt to find common ground. Unfortunately, these efforts failed to yield any results and the sponsor proceeded with a bill that fell short in a number of key areas. Members of the TML team were able to work with municipal officials to educate committee members about the effects of the bill and, two weeks later, the bill was defeated by the full House Health Committee. The Senate version of this legislation was not considered.

Allowing for the Conversion of Nonconforming Static Billboards to Digital Display

HB1651 (Howell) / SB1760 (Massey)

Large billboard companies and the Outdoor Advertising Association contend that municipalities illegally denied permits to convert off-site static display billboard to digital display signs. They argued these denials wrongly precluded companies from updating their signs to reflect the latest in technology. As a result, the companies and association supported the introduction of legislation they claimed was necessary to clarify that the expansion of a nonconforming sign, currently permitted under state law, is intended to allow the conversion of an off-site static display sign to digital display. The legislation also sought to alter the terms and include new definitions and standards under the provisions of law addressing local zoning and local regulation of nonconforming signs. These new terms,



definitions and standards were borrowed from the sections of law pertaining to signs operating along the federal interstate highway system. TML opposed this legislation. The effect of these various aspects of this proposed legislation would be to circumvent local zoning decisions, removing any local authority or decision-making concerning conversions of nonconforming signs to digital and to replace locally established lighting and safety standards with a one-size-fits-all statewide standard. As a result, the placement, size and brightness of signs along city streets, adjacent to intersections, within commercial areas and in proximity to neighborhoods would be subject to the same standards that are currently only applicable to interstate highways. In addition, the substitution of new terms and definitions creates substantial uncertainty surrounding an abundance of settled case law, which invites new litigation. The House bill was introduced by the chairman of the full House Transportation Committee and won quick approval of the subcommittee. Following subcommittee approval, the bill was deferred a week in an effort to determine whether TML and the sign industry could arrive at a compromise. Despite our best efforts, the fundamental differences could not be overcome and the chairman's bill was approved by the full committee and set for consideration on the House floor. The TML team immediately began its outreach to House leadership and mobilized municipal officials to contact their state representatives to communicate opposition to altering the long-standing law and legal precedent and revoking the authority that ensures that such decisions are made at the local level in a manner consistent with local ordinances and standards. These efforts were successful as the questions and concerns expressed by various legislators resulted in the deferral of further consideration for two weeks. In the interim, our team and municipal officials turned our attention to arranging visits and calls with senators as the companion bill was poised for consideration in the Senate State and Local Government Committee. Unable to secure sufficient support for the legislation in the committee or to overcome the questions and concerns raised members of the House, further consideration of the legislation in either body was halted.

Establishing a Process for Awarding Compensation for the Diminution in Value of Property

HB2435 (Farmer and Curcio) / SB2116 (Bell)

The Home Builders Association of Tennessee (HBAT) supported legislation to establish a process whereby any property owner that believed their property lost at least 10 percent of its value as a result of a local government enacting a zoning change, altering or imposing subdivision density requirements or adopting a transportation ordinance. HBAT argued the bill was necessary to provide property owner's relief when a local government regulation reduces the value of their property by restricting or reducing potential uses of such property. Under the process established in the bill, a property owner would file notice with the local government demanding compensation for the loss in value along with an estimate of the loss. The local government would have 180 days within which to either pay compensation to the owner, modify or repeal the offending ordinance or action, or deny the owner's demands. If the local government chooses to deny the owner's demands or if the property owner determines the amount of compensation offered is insufficient, then the property owner may file suit in chancery court seeking the desired compensation as well as attorney's fees, expenses and associated costs. TML opposed this legislation. First, this bill is redundant as property owners are already afforded rights and processes for compensation under both the Constitution of the United States and Tennessee Constitution. As such, it unnecessarily creates a new statutory process and cause of action that is heavily tilted against taxpayer interests. Second, a property owner would be permitted to file a notice demanding compensation based solely on a hypothetical claim of an unrealized loss, as the owner will not have experienced any actual loss – either in lost land or financial position. Thus, an owner might be awarded compensation while retaining full ownership rights and privileges of every square foot of his/her property, including the ability to sell or alter the property in the future. This is contrary to compensation for damages associated with an ordinary "takings" claim. Under the Constitution, the award of compensation is predicated on an owner incurring actual damages. Third, the bill applies retroactively and increases the current statute of limitations for filing such grievances from within one year of adoption to three years of adoption of a local ordinance or action. Fourth, the demand for compensation in such matters is required to be based on an actual written appraisal prepared by an accredited, certified and licensed professional. However, the bill only requires evidence that demonstrates a loss in fair market value and could be satisfied by a testimonial from a neighbor. Perhaps the most troubling aspect of all of these provisions is the impact this legislation would have on planning and future growth. As there are no risks associated with an owner availing themselves of the proposed process, one must assume that virtually any land use decision will invite a challenge, if the property owner believes there is a chance that he/she might derive a financial gain. A potential consequence that will inevitably affect land use policies and actions. Initially, the bill was sponsored in the House by the chairman of the Civil Justice Committee, Representative Andrew Farmer. However, the chairman transferred the bill to Representative Michael Curcio in mid-March but continued to support the bill. Consideration of the bill was deferred five separate times as supporters were unable to garner the support of a majority of the House committee members, in the face of TML and municipal officials' opposition. When the General Assembly adjourned, no action had been taken on the HBAT legislation in either the House or Senate.

AirBnb: Another Year, Another Bite at Local Authority

HB645 (Faison) / SB871 (Stevens)

HB 2782 (Curcio) / SB 2677 (Stevens)

This year's session saw yet another iteration of legislation introduced at the request of AirBnb and seeking to alter the law to further limit local authority. In fact, there were two identical bills requested by the industry this year. One, introduced by Representative Jeremy Faison and Senator John Stevens, and a second, introduced by Representative Michael Curcio and Senator Stevens. Both bills included provisions that expanded the list of parties an operator might transfer ownership without forfeiting their ability to continue to legally operate as a short-term rental property under local ordinances. The proposed legislation also sought to make it more difficult to prevent bad actors from continuing



to operate a short-term rental property. In addition to these provisions that were generally applicable to all local governments, there were additional provisions whose effect was limited to a few jurisdictions. Included among those jurisdictions targeted by these additional provisions were three cities that are amongst the most hospitable and most profitable markets for short-term rental properties. This fact provides further evidence of AirBnb's insatiable appetite and determination to pursue a strategy of utilizing the general assembly to bypass local governments and residents in the hope of steadily eroding the remaining authority and creating a short-term rental property utopia for out-of-state investors. TML opposed and actively engaged sponsors, legislators and municipal officials on both pieces of legislation. Despite several conversations, the bills' sponsors and proponents were unwilling to yield. Initially, HB645, a bill introduced last year, was scheduled for consideration but further consideration was delayed indefinitely by the sponsor. Shortly thereafter, Representative Curcio's bill was scheduled for consideration in the House Business and Utilities Subcommittee. The bill was defeated in the subcommittee. While this appeared to mark the end of AirBnb's legislative efforts for the session, it was just the beginning of a sustained battle. The Senate Commerce and Labor Committee unexpectedly approved SB871, the companion bill to HB645, which had been indefinitely deferred earlier in the session. This action spurred the return of its House counterpart, HB645. TML and city officials continued to work against HB645 as it charted a run through three House committees over multiple weeks. In the final days of the session, HB 645 was defeated by the full House Local Government Committee and its Senate companion, SB871, stalled in the Senate Calendar Committee.

Deannexation of Farms by Declaration

HB2536 (Alexander) / SB2573 (Crowe)

Legislation that would allow an owner of any property "used primarily for agricultural purposes" and located within one (1) mile of the incorporated limits of a municipality to deannex the property by written notice. The sponsors of the legislation indicated the bill was introduced at the request of an individual residing in East Tennessee. This bill is very similar to legislation that was considered and defeated on three separate occasions in prior general assemblies. The first occurrence was as part of the larger deannexation legislation offered a number of years ago by Representative Mike Carter and Senator Bo Watson. The second and third attempt as a stand-alone measure. As with the three prior efforts, the League opposed the bill. First and foremost, this bill seeks to single out a specific type of property that has been legally annexed for special consideration absent any review by the local governing body or input from affected residents. As with the previous attempts, the term "used primarily for agricultural purposes" is defined in such a way as to make this option available to properties that no one would consider an operating farm. Unlike previous efforts which were limited to only qualifying properties adjacent to or abutting the city limits, this bill allows owners within one (1) mile of the city limits to choose this method of deannexation, inviting the creation of donut holes and the certainty of the inherent inequities, inefficiencies and confusion. Although the bill passed a House subcommittee, it was ultimately defeated by a vote of both the House Local Government Committee and Senate State and Local Government Committee.

Preempting Local to Allow for the “Home Experience”

HB2434 (Farmer) / SB2850 (Bailey)

This bill was requested by Swimply, a new entrant into the sharing economy. Swimply operates an online platform that offers customers an opportunity to rent the use of home amenities, such as a swimming pool, home gym, patio and firepit, or tennis court, belonging to participating owners of advertised residential properties on an hourly basis. As presented, the bill preempted local government from imposing a citywide prohibition on such rentals or otherwise precluding or limiting the number of such rentals allowed within any area of the city including residential neighborhoods. In an effort



to soften the preemption, the bill included provisions allowing cities to require permitting and registration and to impose maximum occupancy limits. In addition, municipalities would be permitted to establish hours of operation and to enforce other generally applicable local ordinances. Unfortunately, the proponents failed to understand that merely reciting a list of actions or measures a municipality may already invoke or pursue under existing law does not mitigate the effects of the underlying preemption. TML opposed the legislation. The bill was approved by the Senate Commerce and Labor Committee as well as the House Commerce Committee. However, as the bill related to local land use authority, it was also referred to the House Local Government Committee for consideration. It was here, in the House Local Government Committee, that our concerns were fully understood and appreciated. Unable to secure the votes needed to keep the bill moving, the sponsors and Swimply withdrew the bill from consideration. However, there is the full expectation that the bill will return next year and there are plans to hold conversations with representatives of Swimply prior to the next legislative session.

Siting, Construction and Maintenance of Energy-Producing Facilities

HB2246 (Vaughan) / SB2077 (Yager)

The American Petroleum Institute, Tennessee Oil Marketers Association and the Tennessee Chamber of Commerce and Industry supported the introduction of legislation that preempted existing and precluded future local actions that would prohibit or have the effect of restricting or impairing the siting, construction, expansion or maintenance of any facility engaged in the production of energy. Such facilities included any structures, tanks, pipelines, transmission lines, fiber or other related equipment utilized in the production, generation, transmission or distribution of electricity, natural gas or liquid petroleum and owned or operated by producers, wholesalers or retail establishments. TML had serious concerns about the harmful effect of such a broad, sweeping preemption on the health and safety of communities as well as local authority and opposed this legislation. Specifically, the bill would have required such pipelines, storage tanks and transmission lines to be treated as any other commercial enterprise under local zoning ordinances. Clearly, there is a difference between a bookstore and a natural gas pipeline and those differences should necessarily be taken into consideration when contemplating law governing the location or expansion of each. The bill’s language also threatened the authority of municipalities to operate municipally-owned electric or natural gas systems and to create exclusive service areas. In addition, the bill negated municipalities’ ability to enter into and to preserve privileges afforded under exclusive franchise agreements. Moreover, the legislation sought by these entities would have greatly impaired a municipality’s ability to regulate any related activities in the public rights-of-way or to fully exercise its responsibility to protect the health, safety and welfare of its residents. Finally, the bill would have potentially exposed local taxpayers to considerable expenses related to legal liabilities as well as the imposition of penalties associated with a municipality’s obligations under federal and state environmental laws and programs. Your TML team participated in a number of conversations throughout the session with the bill’s sponsors and proponents as well as other interested municipal and local government partners. As a result of these conversations, we were able to develop and to gain the sponsors’ support for amendments that addressed our principle concerns. With the adoption of these amendments, the League removed its opposition to the version approved by the House Commerce Committee. The full House and Senate adopted the House Commerce Committee version and this legislation was signed by the governor on May 27, 2022.

TML Legislative Initiatives

Last summer, TML invited any elected or appointed municipal official to submit a proposed policy initiative that was signed by at least three eligible local officials to be considered for inclusion in the League's annual legislative priorities. Qualifying submissions were reviewed and ranked by the TML Policy Committee, which is comprised of the TML Second Vice President and each of the eight district directors. Next, these proposals and accompanying rankings were considered by the TML Legislative Committee and its recommendations were presented to the TML Board for consideration. The TML Board reviewed each submission, the Policy Committee's rankings and the recommendations of the Legislative Committee, prior to voting to establish the League's legislative priorities for the upcoming session. At the conclusion of this process, the Board directed the TML team to pursue six initiatives in the 2022 legislative session.

SSST and Single Article Campaign

The TML Board directed our team to pursue adoption of legislation restoring the historical sharing of state sales tax with municipalities that was altered in 2002. The Board also directed the team to attempt to secure authorization for local governments to receive the portion of sales tax collected on purchases between \$1,600 and \$3,200 that is normally reserved for the local option sales tax. To that end, Senator Briggs (SB2076) and Representative Carr (HB2012) introduced legislation related to the restoration of the sharing of state sales tax and Senator Powers (SB2469) and Representative



Hicks (HB2562) sponsored a bill to allow local governments to retain the local option sales tax on the first \$3,200 of a purchase. Following introduction, the TML officers and Executive Director Anthony Haynes met with Butch Eley, Deputy to the Governor and Commissioner of Finance and Administration, to advocate for both initiatives. Throughout the session, the team met with officials in the Lee Administration, the leadership of the General Assembly, finance committee chairs and individual legislators to advocate for passage of these two bills. In addition to our team's advocacy efforts, TML engaged municipalities in a grassroots campaign as well as a statewide media campaign to inform state and local officials and local residents about the relevant issues and of the benefits afforded under the two bills.

Statewide Grassroots and Media Campaign

Our team conducted 14 online kickoff events across the state, which afforded an opportunity for every city official to learn more about the legislation and the purpose of the campaign and its components. In conjunction with these kickoff events, our team released an online tool kit that included talking points; video clips; one-page summaries; and estimated revenue gains statewide, by grand division, and by both House and Senate district to use when communicating with different audiences. In addition to the tool kit, a sample resolution was distributed to each city. Ultimately, 77 municipalities adopted resolutions urging their legislators to support the two bills. Lastly, the campaign included the distribution of a mayors' letter signed by 236 Tennessee mayors that was sent to Gov. Lee, Lt. Gov. McNally, Speaker Sexton, and members of the General Assembly supporting passage of our state share and single article cap legislation. In addition to these efforts to engage and mobilize municipalities, the team developed and launched a media campaign in each of the state's five regional media markets. This campaign involved the distribution of an Op-Ed article, penned by



TML President and Franklin Mayor Dr. Ken Moore. President Moore's article was published in a Sunday edition of The Tennessean and reprinted in the Bristol Herald. The media campaign also resulted in local network news coverage in Middle and West Tennessee, featuring broadcast interviews with TML Board Members, including Mayors Paige Brown, Jim Strickland, Jill Holland, Keith McDonald and Justin Hanson. Locally- tailored information and statistics were distributed to the state's weekly papers, which resulted in favorable stories in print and online news publications across the state. Finally, the team utilized our social media presence to enhance our traditional media outreach posting seven different campaign-related items that received more than 2,200 unique views.

Additional TML Initiatives

In addition to the SSST and Single Article initiatives, the Board directed the TML team to pursue four other initiatives. Three of these four initiatives are now law, while a fourth is positioned for quick action next year.

Small Cells

The first of these four additional initiatives was sponsored by the Town of Farragut and relates to the state's small cells law that was initially adopted in 2018. The team was successful in negotiating an agreement with cellular providers in Tennessee, which brings the provisions of state law into alignment with the more expansive authority afforded under federal law. This agreement was represented in legislation sponsored by Senator Briggs (SB149) and Representative Zachary (HB170). The bill was adopted by the Senate and House and signed into law by the governor on April 8. While the service provided by cellular providers is essentially the same, the technological means by which the service is provided and the physical characteristics of the equipment installed may vary significantly.

The amendment adopted:

- allows local regulations to include reasonable differentiations between small cell providers based on these variances;
- increases the amount of fees allowed to be assessed during the permitting and installation process:

▷ First, municipalities may continue to assess a fee of \$500 for a single application seeking approval of up to five small cells. Each additional small cell included in the same, single application (total of 6 or more) is subject to a fee of \$100 each. This is an increase from the current \$50 fee.

▷ Second, the amendment adopted provides for a one-time \$1,000 fee to be assessed for the installation of a new PSS (pole). This fee is not applicable when a provider is replacing an existing PSS.

▷ Third, the new law allows for an annual fee of \$270 per small cell for all ROW and attachment fees.

The amendment approved also:

- reduces the maximum allowable physical size of small cells and related equipment. Previously, a small cell could be no more than 28 cubic feet in volume. However, there were allowances made for "other wireless equipment" than excluded about eight different pieces of necessary equipment from this volume limit. Under the new law all but the actual concealment element must be accounted for under the limit;
- reduces the allowable size of each small cell antenna from six cubic feet to three cubic feet in volume; and
- changes the manner in which the maximum height of a new or replacement PSS. Under the prior law, a new or replacement PSS could not be more than 10 feet taller than the tallest existing PSS located within 500 feet of the new or replacement PSS. The new law states that a new or replacement PSS may not be more than 10 percent taller than the tallest existing PSS located within 500 feet of the new or replacement PSS.



CMFO

A second initiative was initially proposed by several West Tennessee cities and has narrowly escaped enactment in each of the last two legislative sessions. Since 2020, TML has pursued legislation championed by Senator Jackson (SB1985) and Representative Carr (HB2039) to fund a stipend and the reimbursement of expenses. In addition, Comptroller Mumpower remains a vocal and active proponent for this funding. This year, our persistence

was rewarded as the final budget agreement includes the Comptroller's requested funds.

- Beginning July 1, 2022, cities that have employees actively participating in the Certified Municipal Finance Officer (CMFO) program may be reimbursed for costs associated with their employees obtaining the CMFO certification. These costs include travel-related expenses and class fees.
- A one-time stipend of \$1,000 will be awarded to eligible city employees who successfully complete the program after July 1, 2022

Harmonizing Compensation

A third initiative sought to bring uniformity to the manner in which the compensation of members of a municipal governing body is established. Senator Crowe (SB2564) and Representative Darby (HB1949) filed legislation to harmonize the establishment of compensation. This legislation was adopted by the General Assembly and signed into law by the governor on April 26. Under the newly-adopted legislation, the council of a municipality operating under a modified manager-council charter may fix the salaries of the mayor and members of the council each year by a two-thirds vote of the entire council. Any increase or decrease in compensation may not take effect prior to the end of the term of the members voting. With the enactment of this law, the affected municipalities no longer require legislation to determine the compensation of members of the governing body or by means other than legislation.

Electronic Meetings

The last of these four additional initiatives did not become law; however, the League expects to be positioned to push for quick adoption next year. This year, the legislative team sought to fulfill the Board's directive by building upon last year's agreement with the Tennessee Coalition on Open Government (TCOG) to allow any local government to conduct meetings electronically in times of a declared emergency and to allow local citizen advisory committees to meet electronically. This initiative was incorporated into an amendment that Senator Walley (SB971) and Representative Moon (HB1029) were prepared to offer to their bill. The amendment reflects an



agreement between the Tennessee Municipal League, the Tennessee County Services Association and the Tennessee Coalition on Open Government (TCOG). Under the agreement reached, a local governing body may vote to meet electronically in the event of a bona fide emergency directly affecting the municipality or county.

Under the terms of the agreement:

- Regular public notice requirements apply and must include information detailing how the public may access the meeting remotely.
- Any such meetings must be open and accessible to the public, including live-audio or video. All persons must speak and be audible in such a way as to be identified by those listening and an audio or video recording of the meeting must be made available to the public within two business days.
- If a majority of the governing body meets in the same physical space, then the public must also be allowed to participate in person.
- Whether meeting in person or participating electronically, a member of the public must be afforded the opportunity to address the governing body.
- Additional provisions that authorize any citizen advisory committee that does not render binding decisions or recommendations to meet electronically at any time. While there is general agreement among the parties to extend authorization for these committees to meet electronically, there is not a consensus on how to best define advisory committees. Prior to consideration of the amendment, TCOG expressed concerns about the provisions related to citizen committees.

Rather than rush through a revision or risk jeopardizing the agreement, we consulted with the bill's sponsors and agreed to work to arrive at a definition of citizen advisory committee that satisfies local government and TCOG. Rather than rush through a revision or risk jeopardizing the agreement, we consulted with the bill's sponsors and agreed to work together over the summer and fall to arrive at a definition of citizen advisory committee that satisfies local government and TCOG.

Additional Resources

For more detailed information on all of the bills TML tracked during the 2022 session, follow the below link.

TML's Legislative Tracking

- https://www.tml1.org/sites/default/files/tml/2022_tml_legislative_tracking.xlsx

For a summary of this year's public acts that have the most impact on municipal operations in Tennessee, follow the below link to UT MTAS's publication.

UT MTAS Summary of Public Acts

- [https://www.mtas.tennessee.edu/system/files/knowledgebase/original/MTAS Public Acts 2022 6-14-2022.pdf](https://www.mtas.tennessee.edu/system/files/knowledgebase/original/MTAS_Public_Acts_2022_6-14-2022.pdf)