HOUSE BILL 778

By Carter

AN ACT to amend Tennessee Code Annotated, Title 6, Chapter 51 and Title 6, Chapter 58, relative to alternative forms of public referendum for annexation.

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

SECTION 1. Tennessee Code Annotated, Section 6-51-105(a), is amended by deleting the language “territory proposed for annexation” and by substituting instead the language “territory proposed for annexation and the qualified voters who are nonresident property owners in the territory proposed for annexation”.

SECTION 2. Tennessee Code Annotated, Section 6-51-105, is amended by adding the following language as a new subsection:

(g) For purposes of this section, no more than two (2) nonresident property owners shall be entitled to vote in an annexation referendum based upon the ownership of an individual parcel of real property regardless of the total number of owners of the property. A business entity may submit to the county election commission the names of no more than two (2) persons to vote in an annexation referendum; provided, that each person meets the requirements of § 6-51-101(3)(B).

SECTION 3. Tennessee Code Annotated, Section 6-51-101, is amended by adding the following language as new subdivisions and by redesignating the existing subdivisions accordingly:

(1) “Business entity” includes a sole proprietorship, partnership, association, closely held corporation, limited liability corporation, limited partnership, or any other business entity organized under the laws of this state and in good standing. “Business

entity" does not include a publicly traded company as defined in § 67-4-2008 or a foreign corporation organized under laws other than the laws of this state;

(3) "Nonresident property owner" means:

(A) A person who:

(i) Owns real property within an area proposed for annexation;

(ii) Resides outside the area proposed for annexation; and

(iii) Is a qualified voter in the county where the proposed annexation is to occur; or

(B) In the case of a business entity, a person who:

(i) Has an ownership interest in real property proposed for annexation; and

(ii) Is a resident and a qualified voter in the county where the proposed annexation is to occur;

SECTION 4. Tennessee Code Annotated, Title 6, Chapter 51, Part 1, is amended by adding the following language as a new section:

(a) In addition to the method of annexation by referendum in § 6-51-105, a municipality may initiate, by resolution, a proposed annexation of territory within the municipality's urban growth boundary by submitting the resolution to a vote at a town hall meeting by the qualified voters who reside in the territory proposed for annexation and the qualified voters who are nonresident property owners in the territory proposed for annexation; provided, that the proposed annexation encompasses a geographic territory in which less than one hundred (100) registered voters reside.

(b) A municipality shall not conduct more than one (1) town hall meeting per year. A municipally may only conduct the town hall meeting in odd-numbered years.

(c) A municipality shall read and pass the resolution proposing the annexation of territory on three (3) different days in open session. Not less than two (2) weeks shall elapse between the first, second, and third readings. The legislative body shall read and

pass the resolution on third and final consideration at the town hall meeting before submitting the resolution to a vote.

(d) After passage of the resolution, following the first reading, public notice of the date, time, and location of the town hall meeting shall be made in accordance with the following requirements:

(1) Notice shall be published in a newspaper of general circulation in the municipality where the annexation is to occur;

(2) Notice shall be sent by certified mail to each qualified voter who resides in the territory proposed for annexation and to each qualified voter who is a nonresident property owner in the territory proposed for annexation as defined in Section 3 of this act; and

(3) Notice shall be posted on not less than three (3) signs in conspicuous block letters to be erected on every public road in the territory proposed for annexation.

(e) The notice sent by certified mail shall contain a copy of the resolution, which shall detail, with specificity:

(1) The services to be provided in the territory proposed for annexation; provided, that the services are above and beyond the services currently provided in the territory;

(2) The geographic territory proposed for annexation;

(3) The completion dates for the delivery of services in the territory proposed for annexation;

(4) The requirements to receive a ballot to cast a vote on the proposed annexation as described in subsection (i); and

(5) The names and signatures of each member of the legislative body who voted for or against the proposed annexation.

(f) Any proposed annexation that fails to meet the notice requirements described in subsections (d) and (e) shall be null and void.

(g) Not less than thirty (30) days after passage of the resolution, following the second reading, the legislative body shall conduct a town hall meeting as a forum for public comment on the proposed annexation. Testimony on the proposed annexation shall not exceed fifteen (15) minutes per side. At the conclusion of the forum, the legislative body shall read and pass the resolution on third and final consideration before submitting the resolution to a vote.

(h) Each qualified voter who resides in the territory proposed for annexation and each qualified voter who is a nonresident property owner in the territory proposed for annexation, as defined in Section 3 of this act, who is present at the town hall meeting shall receive a paper ballot to cast a vote either for or against the proposed annexation; provided, no more than two (2) nonresident property owners shall be entitled to vote on the resolution based upon the ownership of an individual parcel of real property regardless of the number of owners of such property.

(i) Prior to receiving a ballot in which to cast a vote, a person shall deliver to the county election commissioner or the commissioner's designee:

(1) Proof of ownership, a notarized statement, or a lease that demonstrates that the person has the power to vote as an owner of the property or as a lessee of the property; and

(2) Evidence of identification as defined in § 2-7-112.

(j) Each ballot shall be placed in a locked box to be counted and certified by the county election commissioner or the commissioner's designee at the town hall meeting.

Each vote shall be recorded by the county election commissioner or the commissioner's designee by listing the vote, property address, or tax map number. Each vote shall be treated as confidential and not open to public inspection.

(k) If a majority of persons vote in favor of the proposed annexation, then the property shall be annexed. If a majority of persons vote against the proposed annexation, then the property shall not be annexed.

(l) If the vote prevails for annexation, then the legislative body shall record the vote on its minutes along with the resolution. If the vote fails for annexation, then the legislative body shall not propose an annexation of the territory within the next thirty-six (36) months.

(m) The records and results of any election conducted in accordance with this section shall be kept by the legislative body of the municipality for not less than three (3) years.

SECTION 5. This act shall take effect May 16, 2015, at 12:01 a.m., the public welfare requiring it.