

HOUSE BILL 938

By Alexander

AN ACT to amend Tennessee Code Annotated, Title 6,
Chapter 51, relative to municipal boundaries.

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

SECTION 1. Tennessee Code Annotated, Section 6-51-201, is amended by adding the following as new subsections:

(c)

(1) Owners of real property used primarily for agricultural purposes who reside in a territory previously annexed by ordinance upon the initiative of the municipality may petition the municipality to deannex such property used primarily for agricultural purposes, if some portion of the real property lies within one (1) mile of the existing municipal boundaries. The petition must include a copy of the ordinance that includes the map of the plat seeking deannexation. The map must be the same map the municipality used to annex the territory.

(2) Upon receiving the petition for deannexation, the municipality shall determine the debt amount owed, if any, pursuant to § 6-51-204(a) within thirty (30) days.

(3) The deannexation of the property becomes operative ninety (90) days after receipt of the petition by the municipality.

(d) This section does not require a municipal utility to cease providing electrical service, sanitary sewer service, other utility services, or street lighting in the territory excluded from the municipality's corporate limits.

(e) For purposes of this section, "property used primarily for agricultural purposes" means property owned or operated by a person whose federal income tax return contains one (1) or more of the following:

(1) Business activity on IRS schedule F, profit or loss from farming, and the business activity reflected on the form is related to the property that is the subject of the petition; or

(2) Farm rental activity on IRS form 4835, farm rental income and expenses on schedule E, supplemental income and loss, and the farm rental activity reflected on the form is related to the property that is the subject of the petition.

SECTION 2. Tennessee Code Annotated, Section 6-51-204(a), is amended by deleting the subsection and substituting instead the following:

(a)

(1) Except for responsibility for any debt newly contracted after the territory was annexed and prior to the surrender of jurisdiction, all municipal jurisdiction ceases over the territory excluded from the municipality's corporate limits on:

(A) The effective date of the ordinance if the contraction is done by ordinance;

(B) The date of the certification of the results of the election if the contraction is done by election; or

(C) The operative date of a contraction accomplished through a petition by an owner of property used primarily for agricultural purposes pursuant to § 6-51-201(c).

(2) The municipality may continue to levy and collect taxes on property in the excluded territory to pay the excluded territory's proportion of any debt newly contracted after the territory was annexed and prior to the exclusion.

SECTION 3. This act takes effect July 1, 2023, the public welfare requiring it.