

CITY OF HENDERSONVILLE  
FINANCE COMMITTEE  
January 27, 2026, at 6:00 p.m.  
101 Maple Drive North, Hendersonville, TN 37075

Pages

- I. Call to Order by the Chairman
- II. Acceptance of agenda
- III. Minutes
  - A. Approval of December 9, 2025, meeting minutes 2-6
- IV. Public Comments
- V. Ordinances and Resolutions
  - 1. Reading of ordinance 2026-02, an ordinance amending budget ordinance 2025-09 to reflect mid-year adjustments to the City's 2026 fiscal year budget 7-13
- VI. Other Agenda Items
  - 2. Discussion: Receive and File 2024 Annual Comprehensive Financial Report (to be provided at the meeting)
  - 3. Discussion of letter from Sumner County regarding payment of Adequate Facilities Tax (AFT) 14-71
  - 4. Discussion of letter to Sumner County regarding funds bequeathed to the Hendersonville Public Library 72-74
  - 5. Sales Tax Analysis Report (*to be provided under separate cover*)
  - 6. Hotel-Motel Tax Report (*to be provided under separate cover*)
  - 7. Investment Earnings Analysis (*to be provided under separate cover*)
  - 8. Stormwater Report (*to be provided under separate cover*)
  - 9. Public Safety, Infrastructure, Parks & Paving (PIPP) Fund Report (*to be provided under separate cover*)
  - 10. Other Business
- VII. Adjournment

Anyone needing accommodations due to disabilities, please contact the ADA Coordinator at 615-822-1016 at least 24 hours prior to the meeting.



**FINANCE COMMITTEE MEETING MINUTES**

**December 9, 2025**

**CONFERENCE ROOM 1 @ 6:00 pm**

Present: Jeffrey Sasse, Mark Burgdorf, Mark Evans

Other Staff Present: Mayor Jamie Clary, Jesse Eckenroth, Tamara Ingersoll, Lance Wray

Called to order at 6:00 pm by Chairman Jeffrey Sasse

Motion to accept the December 9, 2025, Finance Committee agenda

Motion: Mark Burgdorf

Second: Mark Evans

Vote: Approved Unanimously 3-0

Motion to approve the September 23, 2025 meeting minutes

Motion: Mark Evans

Second: Mark Burgdorf

Vote: Approved unanimously 3-0

**Citizens' Comments**

None.

**Ordinances and Resolutions**

Reading of Ordinance 2025-25, an ordinance amending the Hendersonville Municipal Code, Title 20 establishing impact fees for the City of Hendersonville

Discussion:

Alderman Burdgorf indicated that he thinks that they need to discuss these ordinances and then send them on to BOMA for a broader discussion with the whole board. Alderman Sasse agrees and noted that the two impact fee ordinances are similar but do have defining differences. One is residential only and the other is residential and commercial.

Mayor Clary indicated that the biggest difference is the fees that would be collected over the next 5 years. In 2027 the rate would be \$5,000 and would increase by \$500 each year through 2030. This ordinance applies only to residential and 1/3 of the fees fund parks and 2/3 fund roads. This is based on the study that was completed pursuant to State law.

Alderman Evans was surprised this came up now. It seems a bit rushed and Alderman Burgdorf agrees with this statement. He wants to make sure we take the time to ensure that the best ordinance for the City is approved.

Alderman Sasse asked if it was possible to hold a public hearing on impact fees. It is possible and we typically hold public hearings on the second reading.

Motion to forward to BOMA with a neutral recommendation: Jeff Sasse  
Second: Mark Burgdorf  
Vote: Approved unanimously 3-0

Reading of Ordinance 2025-26, an ordinance amending the Hendersonville Municipal Code, Title 20 establishing credits for assessed impact fees

Discussion:

Mayor Clary indicated that it is important that the credits be approved if impact fees are approved. Alderman Sasse indicated that ordinance 2025-23 has the credits included and asked Mr. Wray why the credits were included in one ordinance but done as a separate ordinance for the other. Mr. Wray indicated that this was done at the preference of the sponsor.

Motion to forward to BOMA with a neutral recommendation: Jeff Sasse  
Second: Mark Evans  
Vote: Approved unanimously 3-0

Reading of Ordinance 2025-23, an ordinance amending the Hendersonville Municipal Code, Title 20 establishing impact fees for the City of Hendersonville

Discussion:

Alderman Sasse noted that this ordinance was set at 50% of what was recommended and is for both residential and commercial. It is split 50% for parks and 50% for roads for residential and 100% for roads for commercial.

Alderman Evans asked why one looks at only residential and the other looks at both residential and commercial. Alderman Sasse indicated that this was sponsor preference. Alderman Evans is interested in know what the hope of the commercial side is and is there any downfall to it.

Motion to forward to BOMA with a neutral recommendation: Jeff Sasse  
Second: Mark Burgdorf  
Vote: Approved unanimously 3-0

Reading of Ordinance 2025-24, an ordinance to amend Title 5, Municipal Finance and Taxation, to allow for the acceptance of partial payments for City of Hendersonville real and personal property taxes

Discussion:

Director Ingersoll explained that beginning with the 2026 the City would be able to accept partial payments on property taxes. We would be able to establish payment plans between October and February for citizens who request one. Historically, our software did not have the capability to do so. However, we implemented new technology this year that now has that capability. The biggest benefit would be to fixed income citizens who often qualify for the tax relief or tax freeze programs.

Previously a question was brought asking if this would encourage commercial property owners to only pay partial on their tax bills. Director Ingersoll indicated that this shouldn't be an issue. A majority of the large commercial taxpayers don't pay their taxes until January or February and that likely won't change.

Alderman Burgdorf noted that he thinks this is a great plan and requested to be a co-sponsor of this ordinance.

Alderman Sasse noted that this is a good plan and asked if they would be able to pay in two payments or would it be more. Director Ingersoll explained that the plan for payments is included in the ordinance and allows for 5 monthly payments which mirrors what Sumner County and Gallatin both do. The minimum payment amount is set at \$50 and any relief payments received applies to the last payment. This is set up based on recommendations from MTAS and following TCA.

Motion to forward to BOMA with a positive recommendation: Jeff Sasse

Second: Mark Burgdorf

Vote: Approved unanimously 3-0

At 6:19 pm a motion to take a 10 minute break was made by Alderman Sasse, seconded by Alderman Burgdorf, approved unanimously.

At 6:29 pm the meeting resumed.

Reading of Resolution 2025-45, a resolution to establish a purchasing card policy for the City of Hendersonville and to replace the existing credit card policy, dated July 14, 2009, with said purchasing card policy upon implementation of the purchasing card program

Discussion:

Director Ingersoll explained that the P-Card program would replace the City's existing credit card program. Under the current program most departments have one credit card that is signed out when an employee needs to make a purchase. For departments that don't have a card assigned to them, they check out the credit card from Finance. This process is very inefficient and the card sharing does not follow internal control best practices. The P-card program allows a lot of flexibility to set limits based on department operational needs. Finance would have the ability to immediately turn a card off if necessary.

Alderman Burgdorf asked if Finance would be coordinating the implementation of this program and Director Ingersoll confirmed that Finance would be.

Alderman Evans asked if Finance would set the limits. Director Ingersoll explained that department heads would recommend the limits for their staff but the approval would happen in Finance. For Finance staff, the final approval of limits would be done by the COO. Finance will be monitoring the program and will adjust the limits based on actual usage. Finance is developing a training program and

anyone who is assigned a card will be required to attend the training. The proposed policy outlines allowable and prohibit uses of the cards and explains the consequences of violating the policy.

Alderman Sasse asked if we would be changing the credit card company and Director Ingersoll indicated that they City would be changing credit card companies. The intention is for us to piggyback on the Statewide contract with US Bank. There are no fees for implementation and depending on the amount spent using the cards, the City may earn rebates.

Motion to forward to BOMA with a positive recommendation: Mark Evans

Second: Mark Burgdorf

Vote: Approved unanimously 3-0

### **Other Agenda Items**

#### Discussion of property tax bills for 1455 and 1473 Center Point Road

Director Ingersoll indicated that the Mayor requested this be added to the agenda to get input from the Finance Committee on how to proceed with these. These properties were donated to the City in October 2024. There were taxes due to both the city and the county on those properties by the developer when the City assumed ownership that were not paid. The developer has indicated that since the properties were donated to the City, they do not intent to pay these taxes. The total due is just under \$1,000.

Alderman Burgdorf asked if either of these properties are utilized by the City in any way. Mayor Clary indicated that they are not and they likely cannot be.

The Mayor would like direction on what to do with the taxes. He thinks we likely need to pay them. The Finance Committee agrees that these taxes from 2024 should be paid.

#### Discussion of letter to Sumner County regarding funds bequeathed to the Hendersonville Public Library

Mayor Clary indicated that he has sent a letter to the new Library Board on this situation but has not received a response.

#### Discussion of letter from Sumner County regarding payment of adequate facilities tax (AFT)

Mr. Wray indicated that a new letter is still requesting payment. There is some other information being verified by Codes. As soon as Codes was aware of the requirement to confirm AFT payment, they have been doing so. The committee requested that this item be placed on the January agenda to continue discussion.

### Sales Tax Analysis

State Sales Tax Analysis – Sales tax for the month of October 2025 totaled \$669,845. This represents a \$37,407 increase compared to October 2024, and a \$107,990 increase compared to this point in FY2025.

Local Sales Tax Analysis – Sales tax for the month of October 2025 totaled \$1,852,701. This represents a \$95,590 increase compared to October 2024, and a \$196,583 increase compared to this point in FY2025.

### Hotel-Motel Tax Analysis

Occupancy tax collections for the month of October 2025 totaled \$49,946. This represents a \$8,448 increase compared to October 2024, and a \$30,207 increase compared to this point in FY2025.

### Investment Activity

The City of Hendersonville's interest earnings for the month of November 2025 was \$97,106 which is a \$9,183 increase compared to November of 2024, and a \$10,677 increase compared to this point in FY2025. It is important to note that the investment revenues are anticipated to come in lower than the previous fiscal year due to lower interest rates and the budgeted use of funds that were able to be invested in the prior year.

### Stormwater Fund Report

The current balance in the Stormwater Fund is \$2,044,637. The majority of the revenues for the Stormwater Fund are received between November and February as they are billed and paid with property taxes.

### Public Safety, Infrastructure, Parks & paving (PIPP) Fund Report

Tax collections for the month of November 2025 totaled \$693,276. Total revenues through November 2025 total \$2,888,452. Year to date expenditures total \$1,821,005 bringing the balance in the PIPP Fund to \$5,887,363. Details of activity in this fund are available on the City website:

<https://www.hvilletn.org/469/Investing-In-Hendersonville>.

### **Motion to Adjourn**

Motion: Mark Evans

Second: Jeff Sasse

Vote: Approved unanimously 2-0 with Burgdorf absent for the vote

Adjourned 6:48 pm

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Jeffrey Sasse, Chairman



**ORDINANCE 2026-02**

**Sponsor:** Clary

**AN ORDINANCE AMENDING BUDGET ORDINANCE 2025-09 TO REFLECT MID-YEAR ADJUSTMENTS TO THE CITY’S 2026 FISCAL YEAR BUDGET**

**WHEREAS**, on June 16, 2025, the City’s governing body passed Ordinance 2025-09 (the “Budget Ordinance”) adopting the City’s operating budget for Fiscal Year 2026;

**WHEREAS**, the Budget Ordinance was based on projected revenues and anticipated expenditures for Fiscal Year 2026;

**WHEREAS**, there have been over six (6) months of actual revenue, expenditure activity and other adjustments, and the City desires to amend the budget ordinance mid-year to reflect this activity and these adjustments:

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF HENDERSONVILLE, TENNESSEE AS FOLLOWS:**

**SECTION 1:** That the salary rate for all employees on pay scale TP01 be increased by 6.7%, effective the with the pay period beginning March 7, 2026, as shown in Exhibit A.

**SECTION 2:** That the City’s Fiscal Year 2026 Budget Ordinance, Ordinance 2025-09, is hereby amended in accordance with the mid-year budget adjustments set forth in the attached Exhibit B.

This ordinance shall take effect on the earliest date allowed by law.

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
**JAMIE CLARY**, Mayor

ATTEST:

\_\_\_\_\_  
**TAMARA INGERSOLL**, City Recorder

APPROVED AS TO FORM:

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**LANCE A. WRAY**, City Attorney

**LEGISLATIVE HISTORY**

Ordinance 2026-02

**Sponsor:** Clary

**Committee:** Finance

**Date of Committee Meeting:** January 27, 2026

**Committee Recommendation:**

Exhibit A

**City of Hendersonville, TN**  
**FY2026 Salary Tables - Eff 03-07-2026**  
**TEMP GRADE CHANGE**

**Current Grade Rate**  
Effective 06/22/2025

**Proposed Grade Rate**  
Effective 03/07/2026

GRADE	TP01
STEP/LEVEL	1
HOURLY RATE	\$ 19.3410

GRADE	TP01
STEP/LEVEL	1
HOURLY RATE	\$ 20.6368

**EXHIBIT B  
BUDGET AMENDMENT WORKSHEET - ORDINANCE 2026-02**

	<b>Fund</b>	<b>Account Name</b>	<b>Current Budget</b>	<b>Requested Expenditure Amendment</b>	<b>Requested Revenue Amendment</b>	<b>Use of Fund Balance / Reserves</b>	<b>Adjusted Budget</b>	<b>Notes</b>
1	General	LOCAL OPTION SALES TAX	\$ 22,084,000		\$ 300,000		\$ 22,384,000	Sales tax revenue slightly higher than budgeted
2	General	STATE SALES TAX	\$ 7,700,000		\$ 150,000		\$ 7,700,000	Sales tax revenue slightly higher than budgeted
3	General	INTEREST EARNINGS	\$ 850,000		\$ 46,000		\$ 850,000	Investment income slightly higher than budgeted
4	General	CONTRIBUTIONS-PARKS SPONSORS	\$ 25,000		\$ 52,000		\$ 77,000	Donations received by Parks
5	General	SKATE PARK RENOVATIONS	\$ -	\$ 50,000			\$ 50,000	Renovation to skate park funded with donations
6	General	CONTRIBUTIONS & DONATIONS	\$ 30,725		\$ 16,319		\$ 47,044	Donations received by Parks
7	General	MAINT - MARY'S MAGICAL PLACE	\$ 81,291	\$ 16,319			\$ 97,610	Mary's Magical Place Maintenance - Funded with donations
8	General	FY26 - SF GREENWAY MARKING POS	\$ 1,500	\$ 2,000			\$ 3,500	Greenway Trailmarkers - Funded with donations
9	General	USTA TENNIS GRANT	\$ -		\$ 20,300		\$ 20,300	USTA grant for Memorial Park tennis improvements
10	General	MEMORIAL PARK TENNIS IMPROV	\$ -	\$ 20,300			\$ 20,300	Memorial Park Tennis - Funded with USTA grant funds
11	General	FUEL TANK REPLACEMENT	\$ -	\$ 200,000			\$ 200,000	Replacement of fuel tanks at Free Hill Rd. - Gasoline system currently inoperable.
12	General	FIRE SUPPRESSION SYSTEM REPLAC	\$ -	\$ 350,000			\$ 350,000	Replacement of fire suppression system at City Hall that is beyond its service life.
13	General	FIRE HVAC AND FOUNDATION	\$ -	\$ 85,000			\$ 85,000	Replace HVAC and repair foundation at Fire Station 3
14	General	LANDSCAPING SERVICES	\$ 60,000	\$ 31,000		\$ 31,000	\$ 91,000	Use of Tree Bank
15	General	PRIOR YEAR REFUNDS	\$ -	\$ 58,325		\$ 58,325	\$ 58,325	Refund of Tree Bank funds to Grace Place
16	General	BEAUTIFUL HENDERSONVILLE SUPPL	\$ 10,500	\$ 2,455			\$ 12,955	Storage container for Beautiful Hendersonville
17	General	HR-MEALS AND INCIDENTALS	\$ 500	\$ 3,000			\$ 3,500	Public Safety recognition event
18	General	IT-COMPUTERS	\$ 523,000	\$ 20,000			\$ 543,000	Increased software cost beyond projections
19	General	FIN-COMPUTERS	\$ 21,000	\$ (7,600)			\$ 13,400	Property Tax now included in MUNIS in IT budget
20	General	FIN-OTHER PROFESSIONAL SVCS	\$ 169,943	\$ (25,000)			\$ 144,943	Technology implementation less than anticipated
21	General	FIRE-REPAIR & MAINT - VEHICLES	\$ 250,000	\$ 140,000			\$ 390,000	Repairs necessary to keep vehicles in service
22	General	FIRE-OVERTIME SALARIES	\$ 158,000	\$ 180,000			\$ 338,000	Necessary for staffing coverage
23	General	FIRE-SALARIES - RETIREMENT PAY	\$ 80,000	\$ 375,000			\$ 455,000	Payout of vacation and sick leave for two retirements not identified in the original budget process
24	General	PARKS-WATER	\$ 40,000	\$ 20,000			\$ 60,000	There have been multiple issues with the well system and leaks this FY.
25	General	PARKS-SALARIES - PT REGULAR	\$ 319,500	\$ 90,000			\$ 409,500	Necessary to fund required Parks part time employees. Also adds 6.7% increase to employees on pay scale TP01
26	General	SALARIES - PERM EMPLOYEE - REG	\$ 12,756,600	\$ (250,000)			\$ 12,506,600	Savings due to vacancies
27	General	E-911 SUMNER CO EMERG COMMUN	\$ 1,860,561	\$ (75,000)			\$ 1,860,561	Actual cost is less than budgeted

\$ (635,000) Net Non-Operating Budget Impact
\$ 23,145 Net Operating Budget Impact

<b>\$ (23,145) Existing Operating Budget Surplus / (Deficit)</b>
<b>\$ - Remaining Surplus / (Deficit) After Amendment</b>

<b>Finance Use Only - Account Codes</b>	
1	110-000-00000-0000-0000-431600-
2	110-000-00000-0000-0000-433510-
3	110-000-00000-0000-0000-436100-
4	110-002-00000-0000-0000-436700-
5	TBD
6	110-002-00000-0000-0000-436700-MMPLC
7	110-000-110-000-44700-0015-0000-526500-15004
8	110-000-41920-0033-0000-534200-33045
9	TBD
10	TBD
11	TBD
12	TBD
13	TBD
14	110-000-41700-0022-0000-525400-
15	110-000-41700-0022-0000-574310-
16	110-000-41620-0013-0000-532900-BEAUT
17	110-000-41690-0012-0000-528700-
18	110-000-41690-0016-0000-536000-
19	110-000-41500-0014-0000-536000-
20	110-000-41500-0014-0000-525900-
21	110-000-42200-0043-0000-526100-
22	110-000-42200-0043-0000-511300-
23	110-000-42200-0043-0000-511500-
24	110-000-44700-0015-0000-524200-
25	110-000-44700-0015-0000-511800-
26	110-000-42100-0042-0000-511100-
27	110-000-41620-0013-0000-521800-

DATE:	January 27, 2026
ORDINANCE/RESOLUTION #	Ordinance 2026-02
SPECIFIC REQUEST/ RECOMMENDATION:	That the Board of Mayor and Alderman consider Ordinance 2026-02, a mid-year budget ordinance, amending the Fiscal Year 2025/2026 Budget for the City of Hendersonville.
REPORT PREPARED BY:	Tamara Ingersoll, Finance Director



<b>BACKGROUND:</b>	1
<p>On an annual basis the city appropriates funds to facilitate the orderly operations of local government services. The city’s budget year, or fiscal year, begins July 1<sup>st</sup> and ends June 30<sup>th</sup>. The budget is segregated between multiple funds, the General Fund being the primary fund used for the city’s operations. The General Fund is divided amongst the different departments and functions of the city. Each department within the General Fund is segregated into three groups of expenses: salaries/benefits, assets, and operations. The expense groups have itemized expense accounts (line items) within the group that serve as a budgeting guide, but the budget is ultimately constrained by the total group budget and not by the individual line items. The mid-year budget review serves as a time to review and revise the budget based on 6-months of actual activity and updated projections.</p>	

<b>DISCUSSION:</b>	2
<p>Fiscal Year 2025-2026 continues to yield revenue growth. The budgeted revenue numbers have been revised to reflect six months of actual revenues and the updated projections for the remaining six months. The revenue projections for the General Fund budget are expected to increase by approximately \$585,000. The revenue growth is primarily driven by an increase of \$300,000 in Local Option Sales Tax, \$150,000 in State Sales Tax, and various other revenues. The primary additional expenses being proposed with the mid-year review:</p> <ul style="list-style-type: none"> <li>• Project prioritization <ol style="list-style-type: none"> <li>1. Fuel tank replacement at Free Hill Road</li> <li>2. Fire suppression system replacement at City Hall</li> <li>3. HVAC replacement and foundation repairs at Fire Station 3</li> </ol> </li> <li>• Repairs and Maintenance of vehicles</li> <li>• Salary adjustments for retirement payouts</li> </ul>	

<b>FISCAL IMPACT:</b>	3
<p>The additional General Fund revenue projections amount to \$584,619 and the expenditures being proposed with the mid-year review are divided into two categories:</p> <ul style="list-style-type: none"> <li>• Operating expenses - \$472,855</li> <li>• Non-operating expenses - \$812,944</li> </ul> <p>The amendments result in a balanced operating budget.</p>	

<b>General Fund</b>					
<b>Budget Summary Comparison - Original FY 2026 Budget and Amendments</b>					
<b>Operating Budget</b>					
	<b>FY2026 - Original Budget Ord 2025-09</b>	<b>Balance After Ord 2025-16</b>	<b>Balance After Ord 2025-21</b>	<b>FY2026 Amend Ord 2026-02</b>	<b>Balance After Ord 2026-02</b>
Revenues	64,805,960	64,805,960	64,816,685	496,000	65,312,685
Expenditures	64,781,487	64,819,587	64,839,830	472,855	65,312,685
<b>Surplus/(Deficit)</b>	<b>24,473</b>	<b>(13,627)</b>	<b>(23,145)</b>	<b>23,145</b>	<b>0</b>
<b>Non-Operating Budget (Capital &amp; Special Projects)</b>					
	<b>FY2026 - Original Budget Ord 2025-09</b>	<b>Balance After Ord 2025-16</b>	<b>Balance After Ord 2025-21</b>	<b>FY2025 Amend Ord 2024-23</b>	<b>Balance After Ord 2026-02</b>
Revenues	10,112,924	10,112,924	10,293,641	88,619	10,382,260
Use of Reserves				89,325	89,325
Expenditures	25,283,169	25,283,169	25,671,443	812,944	26,484,387
Subtotal	(15,170,245)	(15,170,245)	(15,377,802)	(635,000)	(16,012,802)
<i>PLUS: Project Rebudgets</i>	6,231,927	6,231,927	6,231,927	0	6,231,927
<b>Surplus/(Deficit)</b>	<b>(8,938,318)</b>	<b>(8,938,318)</b>	<b>(9,145,875)</b>	<b>(635,000)</b>	<b>(9,780,875)</b>
<b>OPERATING and NON-OPERATING</b>					
	<b>FY2026 - Original Budget Ord 2025-09</b>	<b>Balance After Ord 2025-16</b>	<b>Balance After Ord 2025-21</b>	<b>FY2025 Amend Ord 2024-23</b>	<b>Balance After Ord 2026-02</b>
Operating - Surplus/(Deficit)	24,473	(13,627)	(23,145)	23,145	0
Non-Operating - Surplus/(Deficit)	(8,938,318)	(8,938,318)	(9,145,875)	(635,000)	(9,780,875)
<b>Surplus/(Deficit)</b>	<b>(8,913,845)</b>	<b>(8,951,945)</b>	<b>(9,169,020)</b>	<b>(611,855)</b>	<b>(9,780,875)</b>
Estimated FY2025 YE Unassigned Fund Balance as Budgeted	21,665,110				
Actual FY2025 YE Unassigned Fund Balance	21,536,294				
Use of Fund Balance	8,913,845	8,951,945	9,169,020	611,855	9,780,875
<b>Remaining Unassigned Fund Balance</b>	<b>12,622,449</b>	<b>12,584,349</b>	<b>12,367,274</b>		<b>11,755,419</b>
<b>Minumim Required Unassigned Fund Balance</b>	<b>10,799,074</b>	<b>10,805,425</b>	<b>10,808,800</b>		<b>10,887,625</b>

ATTACHMENTS:

4

Exhibit A is attached to Ordinance 2026-02 and includes the proposed salary table for pay grade TP01.  
Exhibit B is attached to Ordinance 2026-02 and itemizes every proposed budget amendment.





**SUMNER COUNTY, TENNESSEE**

OFFICE OF THE LAW DIRECTOR

355 N. Belvedere Drive, Suite 303

Gallatin, Tennessee, 37066

(615) 451-6060 / FAX: (615) 451-6061

**ERIC W. SITLER**  
LAW DIRECTOR

**STEVE M. WEINER**  
STAFF ATTORNEY

December 1, 2025

VIA CERTIFIED MAIL (Hon. Jamie Clary)

VIA EMAIL (Hendersonville Finance Committee, Lance Wray, City Attorney, Sumner County Commission)

Hon. Jamie Clary, Mayor  
City of Hendersonville  
101 Maple Drive N.  
Hendersonville, TN 37075

RE: Unpaid Adequate Facilities Tax (AFT)

Dear Mayor Clary:

I have had the opportunity to review Mr. Wray's letter from October with his objections to city liability for unpaid AFT. Sumner County likewise wishes to be a good partner to the City. Nonetheless, the County is obligated to account for its increased expenditures related to city growth. If the City follows the requirements of the AFT Private Act by verifying payment of AFT before issuing building permits, the County would not be in the position of needing to use the enforcement provision of the Private Act. I hope that once this issue is resolved, the City will observe its verification requirements so that the taxpayers of the City are not burdened by the City's failure to verify AFT payments from developers.

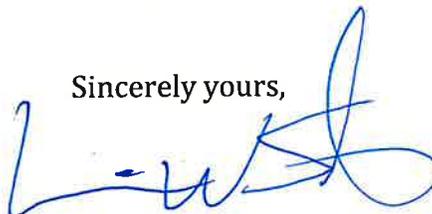
I have reviewed the 2008 Comptroller report referenced in Mr. Wray's letter and disagree with the constitutional analysis presented. Article XI, Section 9 requires approval of Private Acts by 2/3 vote of the municipality or county legislative body. Since the Sumner County Commission has ratified the AFT Private Act, Article XI, Section 9 is satisfied and the Act is constitutionally compliant.

Our county building and codes department has re-calculated the unpaid AFT since February 2024 when Mr. Wright sent out his initial correspondence (see enclosure) based on

monthly building permit records provided by the City. A detailed list with each property and amount owing is enclosed. We have been unable to verify complete figures due to missing information in the City's building permit record reports. In order to ensure appropriate accounting of AFT collections, I respectfully request complete reporting of building permit report records, including most importantly, address and square footage. In addition, the City should specify the use of the building/type of building structure.

The total amount owing from February 2024 to-date is \$278,748.00. Accordingly, I demand payment of this sum along with future compliance with the AFT Private Act, such sum payable by the end of this calendar year. If the City fails to comply with this request, the County may take any appropriate measures to collect these unpaid taxes from the City.

Sincerely yours,



Eric W. Sitler  
Sumner County Law Director

Enclosures:

Letter from Marshall Wright dated February 15, 2024, Unpaid permit list since February 2024  
CC (via email): Hendersonville Finance Committee, Lance Wray, City Attorney, Sumner County  
Commission



## SUMNER COUNTY BUILDING AND CODES DEPARTMENT

Sumner County Administration Building

355 N. Belvedere Drive - Room 208

Gallatin, Tennessee 37066-5410

Telephone 615.452.1467

Date: 02/15/24

To: Honorable, City Mayors and their Legal Departments

Subject: Classifying Industrial as defined in the OSHA (SIC) Standard Industrial Classification Manual.

I have recently been directed by Sumner County Attorney: Eric Sitler to contact the Mayor's/City Administrators of our respective Cities concerning the collection of the Adequate Facility Tax. AFT payments are required on Residential and Industrial, but appears there may be some confusion on what qualifies as Industrial.

**Note:** Industrial is defined as called out in Section 2, Part (K) of the Private Act.

I have provided the attachments above for quick review and reminder as what qualifies for Adequate Facility Tax collection as prescribed by the Standard Industrial Classification (SIC) Manual. The (SIC) Manual can be viewed upon opening attachment #2. Please note that Major Groups as defined in Division A through Division J of the (SIC) Manual would qualify as Industrial therefore would require AFT payment prior to issuance of building permits.

Also, attachment #1 is the AFT Summary and Private Act.

SECTION 11 of the Private Act states in part: "Any person aggrieved by the decision of the county building official or other responsible official concerning any aspect of this act may obtain review of the official's decision in the following manner..."

The Board of Construction Appeals shall act as a quasi-judicial body whose purpose is to determine the intent of this act, its applicability to the appellant, and to rule upon the interpretation of the official" ... (Full text of Section 11 can be found in attachment #1.)

I would ask that you please disseminate this information to the appropriate staff. Certified letters addressing (SIC) manual requirements will be forthcoming to all City Mayors and Legal Departments. For additional comprehensive details regarding the OSHA Standard Industrial Classification (SIC) Manual please go to their Government Web site-[osha.gov/data/sic-manual](https://www.osha.gov/data/sic-manual).

For any questions or concerns feel free to contact Sumner County Attorney: Eric Sitler or Sumner County Building Official: Marshall Wright.

[esitler@sumnercountyttn.gov](mailto:esitler@sumnercountyttn.gov)

[mwright@sumnercountyttn.gov](mailto:mwright@sumnercountyttn.gov)

Kind regards,  
Marshall Wright

Permits showing UN PAID since February 2024:

This is all according to the permit report records they have provided us with.

February through May of 2024:

- No commercial permits accounted for per the records we have been provided.

June 2024:

- 550 E Main Street. *236 sq ft. \$94.40*

July 2024:

- No commercial permits accounted for per the records we have been provided.

August 2024:

- 179 Maple Drive. *13,210 sq ft. \$5,284.00*

September through October 2024:

- No commercial permits accounted for per the records we have been provided.

November 2024:

- 531 E Main Street. *6446 sq ft. \$2,578.40*
- 355 New Shackle Island Rd Women's Tower. *49,615 sq ft. \$19,846.00*
- 355 New Shackle Island Rd Dietary. *1,444 sq ft. \$577.60*
- 908 Cardinal LN Mail Center. *320 sq ft. \$128.00*

December 2024:

- 190 E Saundersville Rd. *22,072 sq ft. \$8,828.80*
- 160 S Center Point Rd. *800 sq ft. \$320.00*

January 2025:

- 108 Bonita Pkwy. *16,097 sq ft. \$6,438.80*

February 2025:

- 267 E Main St. *2,500 sq ft. \$1,000.00*
- 143 E Main. *288 sq ft. \$115.20*
- 500 Button Pvt Aly. *2,962 sq ft. \$1,184.80*
- 264 Rockland Rd 200. *2,400 sq ft. \$960.00*
- 264 Rockland Rd 100. *4,410 sq ft. \$1,764.00*

- 255 E Main St. 3,817 sq ft. **\$1,526.80**
- 231 New Shackle Island. (zero sq ft. listed, permit shows a pavilion- requires AFT)

March 2025:

- 204 N Anderson Ln. 3,840 sq ft. **\$1,536.00**
- 264 E Main Street. 4,432 sq ft. **\$1,772.80**
- 217 Innovation Way. 15,000 sq ft. **\$6,000.00**

April 30<sup>th</sup> 2025:

- 109 Imperial Point Drive. Sq. Ft?

All of May 2025: (missing pages 4-9 of the permit report. Unsure if there are more commercials on those pages)

- 111 Saundersville Road. Sq. Ft?
- 217 Innovation Way. Sq. Ft?
- 108 Bonita Pkwy. Sq. Ft?
- 1530 Hunt Club Blvd. 8,640sq ft. **\$3,456.00**
- 157 Molly Walton DR 100. 142,622 sq ft. **\$57,048.80**
- 157 Molly Walton DR 200. 118,298 sq ft. **\$47,319.20**
- 157 Molly Walton DR 300. 94,284 sq ft. **\$37,713.60**
- 157 Molly Walton DR 400. 68,444 sq ft. **\$27,377.60**
- 157 Molly Walton DR 500. 68,444 sq ft. **\$27,377.60**
- 1530 Hunt Club Blvd (building 1). 8,640 sq ft. **\$3,456.00**
- 1530 Hunt Club Blvd (building 2?). 6,162 sq ft. **\$2,464.80**

All of June 2025:

- 230 Innovation Way. Sq. Ft?
- 262 E Main Street. 5,883 sq ft. **\$2,353.20**
- 217 Shivel Drive. 17,222 sq ft. **\$6,888.80**
- 262 E Main Street. Sq. Ft?
- 267 E Main Street. 2,185 sq ft. **\$874.00**

July 2025, permit report indicates there were zero new commercial builds. There were four renovations/remodels listed.

August 2025, one new commercial build listed at \$0 valuation and 0 square feet, at 1020 Glenbrook Way. There were eight renovations/remodels listed.

September 2025:

- 126 New Shackle Island Rd. sq ft?

- 1530 Hunt Club Blvd. 6,162 sq ft. **\$2,462.80**  
*Per Amanda in attachment called "Permit reports April-sept", this permit does not have an aft because it was paid for in 2024, but the permit was ISSUED September 10<sup>th</sup>. There were also eight renovations/remodels listed in this month.*

**TOTAL: \$278,748.00**



## SUMNER COUNTY, TENNESSEE

OFFICE OF THE LAW DIRECTOR  
355 N. Belvedere Drive, Suite 303  
Gallatin, Tennessee, 37066  
(615) 451-6060 / FAX: (615) 451-6061

**ERIC W. SITLER**  
LAW DIRECTOR

**STEVE M. WEINER**  
STAFF ATTORNEY

July 7, 2025

### VIA US MAIL

Hon. Jamie Clary, Mayor  
City of Hendersonville  
101 Maple Drive N.  
Hendersonville, Tennessee 37075

Re: Unpaid Adequate Facilities Tax

Dear Mayor Clary:

It has come to the attention of the Sumner County Building and Codes Department and our office that the City has failed to require evidence of payment of adequate facilities tax ("AFT") from certain applicants for building permits as required by the AFT Private Act.<sup>1</sup> Attached is a list of building permits that were issued without collection of AFT. Failure to require evidence of payment for AFT prior to issuance of building permits by municipalities in Sumner County renders such municipalities directly liable for payment to the County of such unpaid AFT.<sup>2</sup> The City has 14 calendar days from the date of this letter to remit the unpaid AFT in the sum of \$225,841.60, as shown in the attached list to the County. Otherwise, the County may take the necessary measures to collect these unpaid taxes from the City.

Sincerely,

Eric W. Sitler  
Sumner County Law Director

Attachment: Delinquency List

CC: Sumner County Commission VIA EMAIL

John Isbell, Sumner County Mayor VIA EMAIL

Marshall Wright, Sumner County Building and Codes Director VIA EMAIL

David Lawing, Sumner County Finance Director VIA EMAIL

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<sup>1</sup> Ch. 57, Private Acts of 1999, Section 9

<sup>2</sup> Ch. 57, Private Acts of 1999, Section 9

Permit #	Address	Square Footage	AFT Fee \$ .40 per Sq Ft	AFT Paid	AFT Balance
027342-2024	908 Cardinal LN Mail Center, Hendersonville	320	\$128.00		\$128.00
026216-2024	550 E Main St., Hendersonville	236	\$94.40		\$94.40
029505-2025	500 Button Pvt Aly, Hendersonville	2962	\$1,184.80		\$1,184.80
025832-2024	179 Maple Dr. N, Hendersonville	13210	\$5,284.00		\$5,284.00
029486-2025	143 E Main, Hendersonville	288	\$115.20		\$115.20
028165-2024	1530 Hunt Club Blvd Building 1, Gallatin	8640	\$3,456.00		\$3,456.00
028027-2024	204 N Anderson Ln N, Hendersonville	3840	\$1,536.00		\$1,536.00
025769-2024	217 Innovation Way, Hendersonville	15000	\$6,000.00		\$6,000.00
027583-2024	264 Rockland Rd 200, Hendersonville	2400	\$960.00		\$960.00
027582-2024	264 Rockland Rd 100, Hendersonville	4410	\$1,764.00		\$1,764.00
028164-2024	160 S Center Point Rd S, Hendersonville	800	\$320.00		\$320.00
026960-2024	531 E Main St., Hendersonville	6446	\$2,578.40		\$2,578.40
030707-2025	135 Walton Ferry Rd, Hendersonville	9176	\$3,670.40		\$3,670.40
028447-2024	157 Molly Walton Dr. 300, Hendersonville	94284	\$37,713.60		\$37,713.60
028449-2024	157 Molly Walton Dr. 500, Hendersonville	68444	\$27,377.60		\$27,377.60
028448-2024	157 Molly Walton Dr. 400, Hendersonville	68444	\$27,377.60		\$27,377.60
028443-2024	157 Molly Walton Dr. 100, Hendersonville	142622	\$57,048.80		\$57,048.80
029313-2025	267 E Main St., Hendersonville	2500	\$1,000.00		\$1,000.00
029314-2025	255 E Main St., Hendersonville	3817	\$1,526.80		\$1,526.80
028614-2024	108 Bonita Pkwy, Hendersonville	16097	\$6,438.80		\$6,438.80
027578-2024	190 E Saundersville Rd, Hendersonville	22072	\$8,828.80		\$8,828.80
027545-2024	355 New Shackle Island Rd Women's Tower	49615	\$19,846.00		\$19,846.00
028263-2024	264 E Main St.E Hendersonville	4432	\$1,772.80		\$1,772.80
027549-2024	355 New Shackle Island Rd Dietary	1444	\$577.60		\$577.60
027643-2024	262 E Main St. E, Hendersonville	5883	\$2,353.20		\$2,353.20
024065-2023	217 Shivel Dr., Hendersonville	17,222	\$6,888.80		\$6,888.80
			<b>\$225,841.60</b>		<b>\$225,841.60</b>



## SUMNER COUNTY, TENNESSEE

OFFICE OF THE LAW DIRECTOR

355 N. Belvedere Drive, Suite 303

Gallatin, Tennessee, 37066

(615) 451-6060 / FAX: (615) 451-6061

August 26, 2025

**ERIC W. SITLER**  
LAW DIRECTOR

**STEVE M. WEINER**  
STAFF ATTORNEY

VIA CERTIFIED MAIL (Hon. Jamie Clary)  
VIA EMAIL (Hendersonville Finance Committee,  
Lance Wray, City Attorney, Sumner County  
Commission)

Hon. Jamie Clary, Mayor  
City of Hendersonville  
101 Maple Drive N.  
Hendersonville, TN 37075

RE: Unpaid Adequate Facilities Tax

Dear Mayor Clary:

Concerning for your letter regarding Hendersonville's responsibilities regarding remittance of the Adequate Facilities Tax ("AFT"). Please find attached a copy of Ch. 57, Private Acts of 1999, the Private Act relating to AFT. Section 9 of said Act requires verification that AFT has been paid from the County Building Official prior to issuance of a building permit by the City. The same section renders the City liable for any unpaid AFT if the City fails to verify remittance. You will find attached a letter from Marshall Wright, the County Building Official, sent to you and Mr. Wray advising of the definition of industrial classification in February 2024, which is the subject of the City's unpaid AFT. Copies of certified mail receipts are attached. A copy of an email sent to you in February 2024 so advising is also attached. By copy of this letter, we are including the members of the Hendersonville Finance Committee per their request.

Sincerely yours,

Eric W. Sitler  
Sumner County Law Director

Enclosures: AFT email from Marshall Wright, County Building Official dated February 12, 2024  
AFT letter from Marshall Wright dated February 15, 2024  
Certified mail/return receipt copies for February 15 letter  
Ch. 57, Private Acts of 1999

CC (via email): Hendersonville Finance Committee, Lance Wray, City Attorney, Sumner County  
Commission

## Steven Weiner

---

**From:** Marshall Wright  
**Sent:** Monday, February 12, 2024 3:07 PM  
**To:** jclary@hvilletn.org; paige.brown@gallatintn.gov; rtinnin@goodlettsville.gov; tolong@bellsouth.net; mayor@cityofmitchellville.com; mikecallis@cityofportlandtn.gov; jcorbitt@whitehousetn.gov; dleath0412@gmail.com  
**Cc:** John C. Isbell; Eric Sitler; David Lawing; Merrol Hyde; Jeremy Mansfield; Matthew Shoaf; Steven Weiner; Barry Briley  
**Subject:** Identifying Industrial for the purpose of Adequate Facility Tax collection.  
**Attachments:** Attachment 1.pdf; Attachment 2.pdf

02/12/24

To: Honorable, City Mayors

Subject: Classifying Industrial as defined in the OSHA (SIC) Standard Industrial Classification Manual.

I have recently been directed by Sumner County Attorney: Eric Sitler to contact the Mayor's/City Administrators of our respective Cities concerning the collection of the Adequate Facility Tax. AFT payments are required on Residential and Industrial, but appears there may be some confusion on what qualifies as Industrial.

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Also, attachment #1 is the AFT Summary and Private Act.

SECTION 11 of the Private Act states in part: "Any person aggrieved by the decision of the county building official or other responsible official concerning any aspect of this act may obtain review of the official's decision in the following manner..."

The Board of Construction Appeals shall act as a quasi-judicial body whose purpose is to determine the intent of this act, its applicability to the appellant, and to rule upon the interpretation of the official"... ( Full text of Section 11 can be found in attachment #1.)

I would ask that you please disseminate this information to your appropriate staff. Certified letters addressing (SIC) manual requirements will be forthcoming to all City Mayors and Legal Departments.

For any questions or concerns feel free to contact Sumner County Attorney: Eric Sitler or Sumner County Building Official: Marshall Wright.

Kind regards,

Marshall Wright



## SUMNER COUNTY BUILDING AND CODES DEPARTMENT

Sumner County Administration Building  
355 N. Belvedere Drive - Room 208  
Gallatin, Tennessee 37066-5410  
Telephone 615.452.1467

Date: 02/15/24

To: Honorable, City Mayors and their Legal Departments

Subject: Classifying Industrial as defined in the OSHA (SIC) Standard Industrial Classification Manual.

I have recently been directed by Sumner County Attorney: Eric Sitler to contact the Mayor's/City Administrators of our respective Cities concerning the collection of the Adequate Facility Tax. AFT payments are required on Residential and Industrial, but appears there may be some confusion on what qualifies as Industrial.

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[esitler@sumnercountyttn.gov](mailto:esitler@sumnercountyttn.gov)  
[mwright@sumnercountyttn.gov](mailto:mwright@sumnercountyttn.gov)

Kind regards,  
Marshall Wright



State of Tennessee

PRIVATE CHAPTER NO. 57

HOUSE BILL NO. 1000

By Representatives McDonald, Black

Substituted for: Senate Bill No. 1972

By Senator Graves

AN ACT to authorize an adequate facilities tax in Sumner County, Tennessee.

WHEREAS, Sumner County, Tennessee, has been one of the fastest growing counties in the State for the past ten years, having been impacted by the rapid growth in the standard metropolitan area of Nashville; and

WHEREAS, anticipated continued growth from the expansion of Nashville is expected to accelerate; and

WHEREAS, this growth is anticipated to stimulate commercial, office, industrial and warehouse development in Sumner County as well as the incorporated cities of Gallatin, Hendersonville, Millersville, Mitchellville, Portland, Westmoreland and White House, all lying within Sumner County; and

WHEREAS, the projected non-residential development and the availability of jobs is anticipated to stimulate a significant demand for new dwelling units in Sumner County; and

WHEREAS, current projections show that:

(1) County population will be 147,700 persons in the year 2010, an increase of more than forty-three percent (43%) from 1990 to 2010; there will be a demand for approximately 15,000 additional dwelling units between 1990 and 2010; and new residential and non-residential development will consume additional acreage in Sumner County;

(2) Projected growth and land use development will cause a demand for county-provided capital facilities (schools) in an amount well in excess of \$20 million over the next four (4) years alone; and

(3) The county's present revenue-raising authority is limited and relies heavily on Intergovernmental transfers which are not subject to county control and on property taxes, which would impose the costs of new growth on existing residents rather than on new residents and businesses creating the demand for the additional expenditures; and

WHEREAS, Sumner County is committed to both present and future county residents to maintaining a level of public facilities and services commensurate with those presently provided; and

WHEREAS, Sumner County is prepared to impose a fair, equitable and reasonable share of the costs of providing the necessary public facilities and services on existing residents of the county; and

WHEREAS, the county's present population, property tax base, tax base and budget cannot alone support the additional revenues needed to supply facilities to serve new growth without a substantial increase in the property tax rate on existing development; and

WHEREAS, the continued expansion of the Nashville metropolitan area represents both an extraordinary economic opportunity for the State of Tennessee as well as a potential economic burden on the existing residents of Sumner County; and

WHEREAS, due to these unique circumstances, it is necessary and appropriate that Sumner County be given authorization to extend its taxing power to enable the county to impose a fair and reasonable share of the costs of public facilities necessitated by new development on that development so as not to create an unfair and inequitable burden on existing county residents; and

WHEREAS, there is precedent in the State of Tennessee for such additional tax measures to impose costs on those who benefit from improvements and where the result would otherwise be to impose an unfair burden on existing residents; and

WHEREAS, the most logical and effective mechanism to accomplish the intended result would be the imposition of a new privilege tax on new development in Sumner County and to use the revenues from such tax to provide the needed public facilities in those areas of Sumner County that would generally be required due to the growth in that area; now, therefore,

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

SECTION 1. This act shall be known and cited as the "Sumner County Adequate Facilities Tax".

SECTION 2. As used in this act, unless a different meaning appears from the context:

(a) "Board of Construction Appeals" means the board established in Sumner County pursuant to the requirements of the Southern Standard Building Code Congress.

(b) "Building" means any structure built for the support, shelter, or enclosure of persons, chattels, or movable property of any kind; the term includes a mobile home. This will not pertain to buildings used for agriculture purposes.

(c) "Building Permit" means a permit for development issued in Sumner County, whether by the county or by any city therein.

(d) "Capital Improvement Program" means a proposed schedule of future projects, listed in order of construction priority, together with cost estimates and the anticipated means of financing each project. All major projects requiring expenditure of public funds, over and above the annual local government operating expenses, for the purchase, construction, or replacement of the physical assets of the community are included.

(e) "Certificate of Occupancy" means a license issued for occupancy of a building or structure in Sumner County, whether by the county or by any city therein.

(f) "Development" means the construction, building, reconstruction, erection, extension, betterment, or improvement of land providing a building or structure or the addition to any building or structure, or any part thereof, which provides, adds to or increases the floor area of a residential use or industrial use.

(g) "Dwelling Unit" means a room, or rooms connected together, constituting a separate, independent housekeeping establishment for owner occupancy, rental or lease on a daily, weekly, monthly or longer basis; physically separated from any other room(s) or dwelling units which may be in the same structure; and containing independent cooking and sleeping facilities.

(h) "Floor Area" for residential developments means the total of the gross horizontal area of all floors, including basements, cellars, or attics which is heated and/or air-conditioned living space, or designed to be finished into heated and/or air-conditioned living space at a future date.

(i) "General Plan" means the official statement of the planning commission which sets forth major policies concerning future development of the jurisdictional area and meeting the provisions set forth in Tennessee Code Annotated, Sections 13-3-301, 13-3-302, and 13-4-102. For purposes of this act only, a general plan may consist solely of the land development plan element which sets out a plan or scheme of future land usage.

(j) "Governing Body" means the Board of County Commissioners of Sumner County, Tennessee.

(k) "Industrial" means the development of any property for use by any person in a business classified as industrial under the United States Government Standard Industrial Classification Manual.

(l) "Major Street or Road Plan" means the plan adopted by the planning commission, pursuant to Tennessee Code Annotated, Sections 13-3-402 and 13-4-302, showing, among other things, "the general location, character, and extent of public ways (and) the removal, relocation, extension, widening, narrowing, vacating, abandonment or change of use of existing public ways..."

(m) "Person" means any individual, firm, co-partnership, joint venture, association, corporation, estate, trust, business trust, receiver, syndicate, or other group or combination acting as a unit, and the plural as well as the singular number.

(n) "Place of Worship" means that portion of a building, owned by a religious institution which has tax-exempt status, which is used for worship services and related functions; provided, however, that a place of worship does not include buildings or portions of buildings which are used for purposes other than for worship and related functions or which are intended to be leased, rented or used by persons who do not have tax-exempt status.

(o) "Public Buildings" means a building owned by the State of Tennessee or any agency thereof, a political subdivision of the State of Tennessee, including, but not necessarily limited to counties, cities, school districts and special districts, or the federal government or any agency thereof.

(p) "Public Facility or Facilities" means a physical improvement undertaken by the county or city, including, but not limited to, the following: roads and bridges, parks and recreational facilities, jails and law enforcement facilities, schools, libraries, government buildings, fire stations, sanitary landfills, water, wastewater and drainage projects, airport facilities and other governmental capital improvements benefiting the citizens of the county and/or city(ies).

(q) "Residential" means the development of any property for a dwelling unit or units.

(r) "Subdivision Regulations" means the regulations adopted by the Sumner County Regional Planning Commission on August 2, 1980, as amended, pursuant to State Statutory authorization, by which the county regulates the subdivision of land.

(s) "Zoning Resolution" means the resolution adopted by the governing body pursuant to State Statutory authorization on July 9, 1973, as amended, by which the county regulates the zoning, use and development of property.

SECTION 3. It is the intent and purpose of this act to impose a tax on new development in Sumner County payable at the time of issuance of a building permit so as to ensure and require that the persons responsible for the new development share in the burdens of growth by paying their fair share for the cost of new and expanded public facilities made necessary by such development.

SECTION 4. Engaging in the act of development within Sumner County, except as provided in Section 6 herein, is declared to be a privilege upon which Sumner County may levy a tax at the rate set forth in Section 7.

SECTION 5. The governing body may, by resolution, adopt administrative guidelines, procedures, regulations and forms necessary to properly implement, administer and enforce the provisions of this act.

SECTION 6. This act shall not apply to development of:

- (a) Public buildings;
- (b) Places of worship;
- (c) Barns or outbuildings used for agricultural purposes;
- (d) Replacement structures for previously existing structures destroyed by fire or other disaster;
- (e) A structure owned by a nonprofit corporation which is a qualified 501(c)(3) corporation under the Internal Revenue Code; or
- (f) Additions to an existing single-family dwelling.

SECTION 7.

(a) There is hereby imposed a tax on new development equal in an amount of seventy cents (\$.70) per gross square foot of floor area of new residential development. The amount of such tax shall be approved by not less than a two-thirds (2/3) vote of the Legislative Body of Sumner County.

(b) There is hereby imposed a tax on new development equal in an amount of forty cents (\$.40) per gross square foot of floor area of new industrial development. The amount of such tax shall be approved by not less than a two-thirds (2/3) vote of the Legislative Body of Sumner County.

SECTION 8. Proceeds from the tax levied herein shall be applied to capital projects and/or the related debt service for new school construction for projects situated generally in the areas of growth due to the construction of dwelling units in such areas.

SECTION 9. The tax established in this act shall be collected at the time of application for a building permit for development as herein defined by a county official duly authorized only by the county executive. If the building permit is issued by the county, the county building official or other responsible official shall receive payment in full in cash or other negotiable instrument as specified by resolution of the county and as approved by the county attorney. If the building permit is issued by one of the incorporated cities of Sumner County, the city shall, before issuance of the building permit, require evidence by a valid certificate executed by the county building inspector that the full amount of the tax due the county has been paid. The issuance of a building permit by any city official, without certificate from the county that the tax has been paid, shall render the city liable to the county for the sum or sums that would have been collected by the county had the certificate of tax paid been required by the city.

SECTION 10. The authority to impose this privilege tax on new development in Sumner County is in addition to all other authority to impose taxes, fees, assessment, or other revenue-raising or land development regulatory measures granted either by the private or public acts of the State of Tennessee and the imposition of such tax, in addition to any other authorized tax, fee assessment or charge, shall not be deemed to constitute double taxation.

SECTION 11. Any person aggrieved by the decision of the county building official or other responsible official concerning any aspect of this act may obtain review of the official's decision in the following manner:

(a) By payment of the disputed amount to Sumner County and by notifying the official that the payment is made under protest.

(b) By requesting an appeal of the decision of the official in written form within ten (10) days of the protest and payment. Appeals shall be heard by the Sumner County Board of Construction Appeals. A hearing shall be scheduled within forty-five (45) days of the written request for appeal.

The Board of Construction Appeals shall render a decision on all hearings within thirty (30) days of the hearing date, unless the hearing is continued from time to time by a majority vote of the board for further information.

The Board of Construction Appeals shall act as a quasi-judicial body whose purpose is to determine the intent of this act, its applicability to the appellant, and to rule upon the interpretation of the official. The board will not be bound by formal rules of evidence applicable to the various courts of the State.

Hearings before the board shall proceed as follows:

(1) The county building official shall explain his ruling and the reason for his ruling.

(2) The appellant shall explain his reasons for protesting the ruling.

(3) The board may request further information from any county official, including, but not limited to, the county executive, county commissioners, or the committee members, the county attorney, or the county planning staff. The board will not have the power of subpoena.

(4) The board will deliberate and render a decision by a majority vote. Decisions will be reduced to writing and copies shall be sent to all parties and shall become a part of the minutes of the board. Decisions of the Board of Construction Appeals shall be final, except that either the county building official or the person aggrieved may seek review of the board's action by certiorari and supersedeas to the Chancery Court of Sumner County, Tennessee, provided that an application to the court is made within sixty (60) days of the written decision of the board.

SECTION 12. The provisions of this act shall in no manner repeal, modify, or interfere with the authority granted by any other public or private law applicable to Sumner County. This act shall be deemed to create an additional and alternative method for Sumner County to impose and collect taxes for the purpose of providing public facilities.

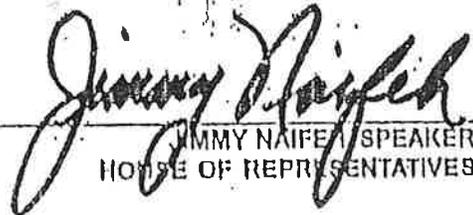
SECTION 13. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 14. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the County Legislative Body of Sumner County. Its approval or non-approval shall be proclaimed by the Presiding Officer of the County Legislative Body and certified by such officer to the Secretary of State.

SECTION 15. 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 14.

HOUSE BILL NO. 1900

PASSED MAY 24, 1999

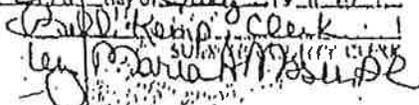
  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_ 1999

STATE OF TENNESSEE, SUMNER COUNTY  
I, the undersigned county clerk, do hereby  
certify that this is a true and correct  
copy of the original instrument filed in  
this office.

Given under my hand and the seal of office  
this \_\_\_\_\_ day of July 15, 1999

  
Paula Kemp, Clerk  
SUMNER COUNTY CLERK

\_\_\_\_\_  
DON SUNDQUIST, GOVERNOR

Clearer more legible  
font of the  
Sumner County  
Adequate Facility Tax  
Private Act Of 1999  
(Verbatim)

TAXATION

ADEQUATE FACILITIES TAX

PRIVATE ACTS OF 1999

CHAPTER 57

WHEREAS, Sumner County, Tennessee, has been one of the fastest growing counties in the State for the past ten years, having been impacted by the rapid growth in the standard metropolitan area of Nashville; and

WHEREAS, anticipated continued growth from the expansion of Nashville is expected to accelerate; and

WHEREAS, this growth is anticipated to stimulate commercial, office, industrial and warehouse development in Sumner County as well as the incorporated cities of Gallatin, Hendersonville, Millersville, Mitchellville, Portland, Westmoreland and White House, all lying within Sumner County; and

WHEREAS, the projected non-residential development and the availability of jobs is anticipated to stimulate a significant demand for new dwelling units in Sumner County; and

WHEREAS, current projections show that:

(1) County population will be 147,700 persons in the year 2010, an increase of more than forty-three percent (43%) from 1990 to 2010; there will be a demand for approximately 15,000 additional dwelling units between 1990 and 2010; and new residential and non-residential development will consume additional acreage in Sumner County;

(2) Projected growth and land use development will cause a demand for county-provided capital facilities (schools) in an amount well in excess of \$20 million over the next four (4) years alone; and

(3) The county's present revenue-raising authority is limited and relies heavily on intergovernmental transfers which are not subject to county control and on property taxes, which would impose the costs of new growth on existing residents rather than on new residents and businesses creating the demand for the additional expenditures; and

WHEREAS, Sumner County is committed to both present and future county residents to maintaining a level of public facilities and services commensurate with those presently provided; and

WHEREAS, Sumner County is prepared to impose a fair, equitable and reasonable share of the costs of providing the necessary public facilities and services on existing residents of the county; and

WHEREAS, the county's present population employment base, tax base and budget cannot alone support the additional revenues needed to supply facilities to serve new growth without a substantial increase in the property tax rate on existing development; and

WHEREAS, the continued expansion of the Nashville metropolitan area represents both an extraordinary economic opportunity for the State of Tennessee as well as a potential economic burden on the existing residents of Sumner County; and

WHEREAS, due to these unique circumstances, it is necessary and appropriate that Sumner County be given authorization to extend its taxing power to enable the county to impose a fair and reasonable share of the costs of public facilities necessitated by new development on that development so as not to create an unfair and inequitable burden on existing county residents; and

WHEREAS, there is precedent in the State of Tennessee for such additional tax measures to impose costs on those who benefit from improvements and where the result would otherwise be to impose an unfair burden on existing residents; and

WHEREAS, the most logical and effective mechanism to accomplish the intended result would be the imposition of a new privilege tax on new development in Sumner County and to use the revenues from such tax to provide the needed public facilities in those areas of Sumner County that would generally be required due to the growth in that area; now, therefore,

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

SECTION 1. This act shall be known and cited as the "Sumner County Adequate Facilities Tax".

SECTION 2. As used in this act, unless a different meaning appears from the context:

(a) "Board of Construction Appeals" means the board established in Sumner County pursuant to the requirements of the Southern Standard Building Code Congress.

(b) "Building" means any structure built for the support, shelter, or enclosure of persons, chattels, or movable property of any kind; the term includes a mobile home. This will not pertain to buildings used for agriculture purposes.

(c) "Building Permit" means a permit for development issued in Sumner County, whether by the county or by any city therein.

(d) "Capital Improvement Program" means a proposed schedule of future projects, listed in order of construction priority, together with cost estimates and the anticipated means of financing each project. All major projects requiring expenditure of public funds, over and above the annual local government operating expenses, for the purchase, construction, or replacement of the physical assets of the community are included.

(e) "Certificate of Occupancy" means a license issued for occupancy of a building or structure in Sumner County, whether by the county or by any city therein.

(f) "Development" means the construction, building, reconstruction, erection, extension, betterment, or improvement of land providing a building or structure or the addition to any building or structure, or any part thereof, which provides, adds to or increases the floor area of a residential use or industrial use.

(g) "Dwelling Unit" means a room, or rooms connected together, constituting a separate, independent housekeeping establishment for owner occupancy, rental or lease on a daily, weekly, monthly or longer basis; physically separated from any other room(s) or dwelling units which may be in the same structure; and containing independent cooking and sleeping facilities.

(h) "Floor Area" for residential developments means the total of the gross horizontal area of all floors, including basements, cellars, or attics which is heated and/or air-conditioned living space, or designed to be finished into heated and/or air-conditioned living space at a future date.

(i) "General Plan" means the official statement of the planning commission which sets forth major policies concerning future development of the jurisdictional area and meeting the provisions set forth in Tennessee Code Annotated, Sections 13-3-301, 13-3-302, and 13-4-102. For purposes of this act only, a general plan may consist solely of the land development plan element which sets out a plan or scheme of future land usage.

(j) "Governing Body" means the Board of County Commissioners of Sumner County, Tennessee.

(k) "Industrial" means the development of any property for use by any person in a business classified as industrial under the United States Government Standard Industrial Classification Manual.

(l) "Major Street or Road Plan" means the plan adopted by the planning commission, pursuant to Tennessee Code Annotated, Sections 13-3-402 and 13-4-302, showing, among other things, "the general location, character, and extent of public ways (and) the removal, relocation, extension, Widening, narrowing, vacating, abandonment or change of use of existing public ways..."

(m) "Person" means any individual, firm, co-partnership, joint venture, association, corporation, estate, trust, business trust, receiver, syndicate, or other group or combination acting as a unit, and the plural as well as the singular number.

(n) "Place of Worship" means that portion of a building, owned by a religious institution which has tax-exempt status, which is used for worship services and related functions; provided, however, that a place of worship does not include buildings or portions of buildings which are used for purposes other than for worship and related functions or which are intended to be leased, rented or used by persons who do not have tax-exempt status.

(o) "Public Buildings" means a building owned by the State of Tennessee or any agency thereof, a political subdivision of the State of Tennessee, including, but not necessarily limited to counties, cities, school districts and special districts, or the federal government or any agency thereof.

(p) "Public Facility or Facilities" means a physical improvement undertaken by the county or city, including, but not limited to, the following: roads and bridges, parks and recreational facilities, jails and law enforcement facilities, schools, libraries, government buildings, fire stations, sanitary landfills, water, wastewater and drainage projects, airport facilities and other governmental capital improvements benefiting the citizens of the county and/or city(ies).

(q) "Residential" means the development of any property for a dwelling unit or units.

(r) "Subdivision Regulations" means the regulations adopted by the Sumner County Regional Planning Commission on August 2, 1989, as amended, pursuant to State Statutory authorization, by which the county regulates the subdivision of land.

(s) "Zoning Resolution" means the resolution adopted by the governing body pursuant to State Statutory authorization on July 9, 1973, as amended, by which the county regulates the zoning, use and development of property.

SECTION 3. It is the intent and purpose of this act to impose a tax on new development in Sumner County payable at the time of issuance of a building permit so as to ensure and require that the persons responsible for the new development share in the burdens of growth by paying their fair share for the cost of new and expanded public facilities made necessary by such development.

SECTION 4. Engaging in the act of development within Sumner County, except as provided in Section 6 herein, is declared to be a privilege upon which Sumner County may levy a tax at a rate set forth in Section 7.

SECTION 5. The governing body may, by resolution, adopt administrative guidelines, procedures, regulations and forms necessary to properly implement, administer and enforce the provisions of this act.

SECTION 6. This act shall not apply to development of:

- (a) Public buildings;
- (b) Places of worship;
- (c) Barns or outbuildings used for agricultural purposes;
- (d) Replacement structures for previously existing structures destroyed by fire or other disaster;
- (e) A structure owned by a nonprofit corporation which is a qualified 501(c)(3) corporation under the Internal Revenue Code; or
- (f) Additions to an existing single-family dwelling.

SECTION 7.

(a) There is hereby imposed a tax on new development equal in an amount of seventy cents (\$.70) per gross square foot of floor area of new residential development. The amount of such tax shall be approved by not less than a two-thirds (2/3) vote of the Legislative Body of Sumner County.

(b) There is hereby imposed a tax on new development equal in an amount of forty cents (\$.40) per gross square foot of floor area of new industrial development. The amount of such tax shall be approved by not less than a two-thirds (2/3) vote of the Legislative Body of Sumner County.

SECTION 8. Proceeds from the tax levied herein shall be applied to capital projects ~~and/or~~ the related debt service for new school construction for projects situated generally in the areas of growth due to the construction of dwelling units in such areas.

SECTION 9. The tax established in this act shall be collected at the time of application for a building permit for development as herein defined by a county official duly authorized only by the county executive. If the building permit is issued by the county, the county building official or other responsible official shall receive payment in full in cash or other negotiable instrument as specified by resolution of the county and as approved by the county attorney. If the building permit is issued by one of the incorporated cities of Sumner County, the city shall, before issuance of the building permit, require evidence by a valid certificate executed by the county building inspector that the full amount of the tax due the county has been paid. The issuance of a building permit by any city official, without certificate from the county that the tax has been paid, shall render the city liable to the county for the sum or sums that would have been collected by the county had the certificate of tax paid been required by the city.

SECTION 10. The authority to impose this privilege tax on new development in Sumner County is in addition to all other authority to impose taxes, fees, assessment, or other revenue-raising or land development regulatory measures granted either by the private or public acts of the State of

Tennessee and the imposition of such tax, in addition to any other authorized tax, fee assessment or charge, shall not be deemed to constitute double taxation.

SECTION 11. Any person aggrieved by the decision of the county building official or other responsible official concerning any aspect of this act may obtain review of the official's decision in the following manner:

(a) By payment of the disputed amount to Sumner County and by notifying the official that the payment is made under protest.

(b) By requesting an appeal of the decision of the official in written form within ten (10) days of the protest and payment. Appeals shall be heard by the Sumner County Board of Construction Appeals. Hearing shall be scheduled within forty-five (45) days of the written request for appeal.

The Board of Construction Appeals shall act as a quasi-judicial body whose purpose is to determine the intent of this act, its applicability to the appellant, and to rule upon the interpretation of the official. The board will not be bound by formal rules of evidence applicable to the various courts of the State.

Hearings before the board shall proceed as follows:

(1) The county building official shall explain his ruling and the reason for his ruling.

(2) The appellant shall explain his reasons for protesting the ruling.

(3) The board may request further information from any county official, including, but not limited to, the county executive, county commissioners, or the committee members, the county attorney, or the county planning staff. The board will not have the power of subpoena.

(4) The board will deliberate and render a decision by a majority vote. Decisions will be reduced to writing and copies shall be sent to all parties and shall become a part of the minutes of the board. Decisions of the Board of Construction Appeals shall be final, except that either the county building official or the person aggrieved may seek review of the board's action by certiorari and supersedeas to the Chancery Court of Sumner County, Tennessee, provided that an application to the court is made within sixty (60) days of the written decision of the board.

SECTION 12. The provisions of this act shall in no manner repeal, modify, or interfere with the authority granted by any other public or private law applicable to Sumner County. This act shall be deemed to create an additional and alternative method for Sumner County to impose and collect taxes for the purpose of providing public facilities.

SECTION 13. 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 14. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the County Legislative Body of Sumner County. Its approval or non-approval shall be proclaimed by the Presiding Officer of the County Legislative Body and certified by such officer to the Secretary of State.

SECTION 15. 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 14.

Passed: May 24, 1999.



## Occupational Safety and Health Administration

SIC Search

# Standard Industrial Classification (SIC) Manual

## Division Structure

### A. Division A: Agriculture, Forestry, And Fishing

- Major Group 01: Agricultural Production Crops
- Major Group 02: Agriculture Production Livestock And Animal Specialties
- Major Group 07: Agricultural Services
- Major Group 08: Forestry
- Major Group 09: Fishing, Hunting, And Trapping

### B. Division B: Mining

- Major Group 10: Metal Mining
- Major Group 12: Coal Mining
- Major Group 13: Oil And Gas Extraction
- Major Group 14: Mining And Quarrying Of Nonmetallic Minerals, Except Fuels

### C. Division C: Construction

- Major Group 15: Building Construction General Contractors And Operative Builders
- Major Group 16: Heavy Construction Other Than Building Construction Contractors
- Major Group 17: Construction Special Trade Contractors

### D. Division D: Manufacturing

- Major Group 20: Food And Kindred Products
- Major Group 21: Tobacco Products
- Major Group 22: Textile Mill Products

- Major Group 23: Apparel And Other Finished Products Made From Fabrics And Similar Materials
- Major Group 24: Lumber And Wood Products, Except Furniture
- Major Group 25: Furniture And Fixtures
- Major Group 26: Paper And Allied Products
- Major Group 27: Printing, Publishing, And Allied Industries
- Major Group 28: Chemicals And Allied Products
- Major Group 29: Petroleum Refining And Related Industries
- Major Group 30: Rubber And Miscellaneous Plastics Products
- Major Group 31: Leather And Leather Products
- Major Group 32: Stone, Clay, Glass, And Concrete Products
- Major Group 33: Primary Metal Industries
- Major Group 34: Fabricated Metal Products, Except Machinery And Transportation Equipment
- Major Group 35: Industrial And Commercial Machinery And Computer Equipment
- Major Group 36: Electronic And Other Electrical Equipment And Components, Except Computer Equipment
- Major Group 37: Transportation Equipment
- Major Group 38: Measuring, Analyzing, And Controlling Instruments; Photographic, Medical And Optical Goods; Watches And Clocks
- Major Group 39: Miscellaneous Manufacturing Industries

#### E. Division E: Transportation, Communications, Electric, Gas, And Sanitary Services

- Major Group 40: Railroad Transportation
- Major Group 41: Local And Suburban Transit And Interurban Highway Passenger Transportation
- Major Group 42: Motor Freight Transportation And Warehousing
- Major Group 43: United States Postal Service
- Major Group 44: Water Transportation
- Major Group 45: Transportation By Air
- Major Group 46: Pipelines, Except Natural Gas
- Major Group 47: Transportation Services
- Major Group 48: Communications
- Major Group 49: Electric, Gas, And Sanitary Services

#### F. Division F: Wholesale Trade

- Major Group 50: Wholesale Trade-durable Goods
- Major Group 51: Wholesale Trade-non-durable Goods

#### G. Division G: Retail Trade

- Major Group 52: Building Materials, Hardware, Garden Supply, And Mobile Home Dealers
- Major Group 53: General Merchandise Stores
- Major Group 54: Food Stores
- Major Group 55: Automotive Dealers And Gasoline Service Stations
- Major Group 56: Apparel And Accessory Stores
- Major Group 57: Home Furniture, Furnishings, And Equipment Stores
- Major Group 58: Eating And Drinking Places
- Major Group 59: Miscellaneous Retail

#### H. Division H: Finance, Insurance, And Real Estate

- Major Group 60: Depository Institutions
- Major Group 61: Non-depository Credit Institutions
- Major Group 62: Security And Commodity Brokers, Dealers, Exchanges, And Services
- Major Group 63: Insurance Carriers
- Major Group 64: Insurance Agents, Brokers, And Service
- Major Group 65: Real Estate
- Major Group 67: Holding And Other Investment Offices

#### I. Division I: Services

- Major Group 70: Hotels, Rooming Houses, Camps, And Other Lodging Places
- Major Group 72: Personal Services
- Major Group 73: Business Services
- Major Group 75: Automotive Repair, Services, And Parking
- Major Group 76: Miscellaneous Repair Services
- Major Group 78: Motion Pictures
- Major Group 79: Amusement And Recreation Services
- Major Group 80: Health Services
- Major Group 81: Legal Services
- Major Group 82: Educational Services
- Major Group 83: Social Services
- Major Group 84: Museums, Art Galleries, And Botanical And Zoological Gardens

- Major Group 86: Membership Organizations
- Major Group 87: Engineering, Accounting, Research, Management, And Related Services
- Major Group 88: Private Households
- Major Group 89: Miscellaneous Services

J. Division J: Public Administration

- Major Group 91: Executive, Legislative, And General Government, Except Finance
- Major Group 92: Justice, Public Order, And Safety
- Major Group 93: Public Finance, Taxation, And Monetary Policy
- Major Group 94: Administration Of Human Resource Programs
- Major Group 95: Administration Of Environmental Quality And Housing Programs
- Major Group 96: Administration Of Economic Programs
- Major Group 97: National Security And International Affairs
- Major Group 99: Nonclassifiable Establishments

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**U.S. DEPARTMENT OF LABOR**

Occupational Safety and Health Administration  
 200 Constitution Ave NW  
 Washington, DC 20210  
 ☎ 1-800-321-OSHA  
 1-800-321-6742  
[www.osha.gov](http://www.osha.gov)

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 Adult Signature Restricted Delivery \$

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
**LANCE WRAY**  
**100 BLUEGRASS COMMONS BLVD**  
**ST 200**  
**HENDERSONVILLE TN 37075**

**9114 9011 8986 6760 8025 89**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 Agent  
 Addressee

B. Received by (Printed Name)  
**Dylan Richards**

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
**JAMIE CLARY**  
**101 MAPLE DR N**  
**HENDERSONVILLE TN 37075**

**9114 9011 8986 6760 8026 33**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 Agent  
 Addressee

B. Received by (Printed Name)  
**D. Trisdale**

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

Restricted Delivery? (Extra Fee)  Yes

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
**Attn: Greg Story**  
**101 Maple Drive North**  
**HENDERSONVILLE CITY HALL**  
**HENDERSONVILLE TN 37075**

**9590 9402 5293 9154 9378 12**

2. Article Number (Transfer from service label)  
**7016 2710 0000 8573 5259**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 Agent  
 Addressee

B. Received by (Printed Name)  
**D. Trisdale**

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Adult Signature  Priority Mail Express®  
 Adult Signature Restricted Delivery  Registered Mail™  
 Certified Mail®  Registered Mail Restricted Delivery  
 Certified Mail Restricted Delivery  Return Receipt for Merchandise  
 Collect on Delivery  Signature Confirmation™  
 Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

7022 3330 0001 6058 8060  
 7022 3330 0001 6058 8172  
 7016 2710 0000 8573 5259

## Private Acts of 1999 Chapter 57

WHEREAS, Sumner County, Tennessee, has been one of the fastest growing counties in the State for the past ten years, having been impacted by the rapid growth in the standard metropolitan area of Nashville; and WHEREAS, anticipated continued growth from the expansion of Nashville is expected to accelerate; and WHEREAS, this growth is anticipated to stimulate commercial, office, industrial and warehouse development in Sumner County as well as the incorporated cities of Gallatin, Hendersonville, Millersville, Mitchellville, Portland, Westmoreland and White House, all lying within Sumner County; and WHEREAS, the projected non-residential development and the availability of jobs is anticipated to stimulate a significant demand for new dwelling units in Sumner County; and WHEREAS, current projections show that:

- (1) County population will be 147,700 persons in the year 2010, an increase of more than forty-three percent (43%) from 1990 to 2010; there will be a demand for approximately 15,000 additional dwelling units between 1990 and 2010; and new residential and non-residential development will consume additional acreage in Sumner County;
- (2) Projected growth and land use development will cause a demand for county provided capital facilities (schools) in an amount well in excess of \$20 million over the next four (4) years alone; and
- (3) The county's present revenue-raising authority is limited and relies heavily on intergovernmental transfers which are not subject to county control and on property taxes, which would impose the costs of new growth on existing residents rather than on new residents and businesses creating the demand for the additional expenditures; and

WHEREAS, Sumner County is committed to both present and future county residents to maintaining a level of public facilities and services commensurate with those presently provided and WHEREAS, Sumner County is prepared to impose a fair, equitable and reasonable share of the costs of providing the necessary public facilities and services on existing residents of the county; and WHEREAS, the county's present population employment base, tax base and budget cannot alone support the additional revenues needed to supply facilities to serve new growth without a substantial increase in the property tax rate on existing development; and WHEREAS, the continued expansion of the Nashville metropolitan area represents both an extraordinary economic opportunity for the State of Tennessee as well as a potential economic burden on the existing residents of Sumner County; and WHEREAS, due to these unique circumstances, it is necessary and appropriate that Sumner County be given authorization to extend its taxing power to enable the county to impose a fair and reasonable share of the costs of public facilities necessitated by new development on that development so as not to create an unfair and inequitable burden on existing county residents; and WHEREAS, there is precedent in the State of Tennessee for such additional tax measures to impose costs on those who benefit from improvements and where the result would otherwise be to impose an unfair burden on existing residents; and WHEREAS, the most logical and effective mechanism to accomplish the intended result would be the imposition of a new privilege tax on new development in Sumner County and to use the revenues from such tax to provide the needed public facilities in those areas of Sumner County that would generally be required due to the growth in that area; now, therefore, BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

**SECTION 1.** This act shall be known and cited as the "Sumner County Adequate Facilities Tax".

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- (f) "Development" means the construction, building, reconstruction, erection, extension, betterment, or improvement of land providing a building or structure or the addition to any building

or structure, or any part thereof, which provides, adds to or increases the floor area of a residential use or industrial use.

(g) "Dwelling Unit" means a room, or rooms connected together, constituting a separate, independent housekeeping establishment for owner occupancy, rental or lease on a daily, weekly, monthly or longer basis; physically separated from any other room(s) or dwelling units which may be in the same structure; and containing independent cooking and sleeping facilities.

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**SECTION 4.** Engaging in the act of development within Sumner County, except as provided in Section 6 herein, is declared to be a privilege upon which Sumner County may levy a tax at a rate set forth in Section 7.

**SECTION 5.** The governing body may, by resolution, adopt administrative guidelines, procedures, regulations and forms necessary to properly implement, administer and enforce the provisions of this act.

**SECTION 6.** This act shall not apply to development of:

- (a) Public buildings;
- (b) Places of worship;
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- (e) A structure owned by a nonprofit corporation which is a qualified 501(c)(3) corporation under

the Internal Revenue Code; or  
(f) Additions to an existing single-family dwelling.

**SECTION 7.**

(a) There is hereby imposed a tax on new development equal in an amount of seventy cents (\$.70) per gross square foot of floor area of new residential development. The amount of such tax shall be approved by not less than a two-thirds (2/3) vote of the Legislative Body of Sumner County.

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**SECTION 8.** Proceeds from the tax levied herein shall be applied to capital projects and/or the related debt service for new school construction for projects situated generally in the areas of growth due to the construction of dwelling units in such areas.

**SECTION 9.** The tax established in this act shall be collected at the time of application for a building permit for development as herein defined by a county official duly authorized only by the county executive. If the building permit is issued by the county, the county building official or other responsible official shall receive payment in full in cash or other negotiable instrument as specified by resolution of the county and as approved by the county attorney. If the building permit is issued by one of the incorporated cities of Sumner County, the city shall, before issuance of the building permit, require evidence by a valid certificate executed by the county building inspector that the full amount of the tax due the county has been paid. The

issuance of a building permit by any city official, without certificate from the county that the tax has been paid, shall render the city liable to the county for the sum or sums that would have been collected by the county had the certificate of tax paid been required by the city.

**SECTION 10.** The authority to impose this privilege tax on new development in Sumner County is in addition to all other authority to impose taxes, fees, assessment, or other revenue-raising or land development regulatory measures granted either by the private or public acts of the State of Tennessee and the imposition of such tax, in addition to any other authorized tax, fee assessment or charge, shall not be deemed to constitute double taxation.

**SECTION 11.** Any person aggrieved by the decision of the county building official or other responsible official concerning any aspect of this act may obtain review of the official's decision in the following manner:

(a) By payment of the disputed amount to Sumner County and by notifying the official that the payment is made under protest.

(b) By requesting an appeal of the decision of the official in written form within ten (10) days of the protest and payment. Appeals shall be heard by the Sumner County Board of Construction Appeals. Hearing shall be scheduled within forty-five (45) days of the written request for appeal. The Board of Construction Appeals shall act as a quasi-judicial body whose purpose is to determine the intent of this act, its applicability to the appellant, and to rule upon the interpretation of the official. The board will not be bound by formal rules of evidence applicable to the various courts of the State. Hearings before the board shall proceed as follows:

(1) The county building official shall explain his ruling and the reason for his ruling.

(2) The appellant shall explain his reasons for protesting the ruling.

(3) The board may request further information from any county official, including, but not limited to, the county executive, county commissioners, or the committee members, the county attorney, or the county planning staff. The board will not have the power of subpoena.

(4) The board will deliberate and render a decision by a majority vote. Decisions will be reduced to writing and copies shall be sent to all parties and shall become a part of the minutes of the board. Decisions of the Board of Construction Appeals shall be final, except that either the county building official or the person aggrieved may seek review of the board's action by certiorari and supersedeas to the Chancery Court of Sumner County, Tennessee, provided that an application to the court is made within sixty (60) days of the written decision of the board.

**SECTION 12.** The provisions of this act shall in no manner repeal, modify, or interfere with the authority granted by any other public or private law applicable to Sumner County. This act shall be deemed to create an additional and alternative method for Sumner County to impose and collect taxes for the purpose of providing public facilities.

**SECTION 13.** 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 14.** This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the County Legislative Body of Sumner County. Its approval or non-approval shall be proclaimed by the Presiding Officer of the County Legislative Body and certified by such officer to the Secretary of State.

**SECTION 15.** 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 14.

Passed: May 24, 1999.

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**Source URL:** <https://www.ctas.tennessee.edu/private-acts/private-acts-1999-chapter-57>

# City of Hendersonville



101 Maple Drive North

Hendersonville, TN 37075  
[www.hvilletn.org](http://www.hvilletn.org)

Telephone (615) 822-1000

## MEMORANDUM

**TO:** Finance Committee

**CC:** Mayor, Jamie Clary, Chief of Operations, Jesse Eckenroth, Director of Codes, Greg Story  
Board of Mayor and Aldermen,

**FROM:** Lance Wray, City Attorney

**RE:** County Demand for Reimbursement of Unpaid Adequate Facilities Tax owed by Commercial  
Developers

**DATE:** September 18, 2025

### I. Background

- In 1999, the County adopted a Private Act authorizing “Adequate Facilities Tax (AFT)” on all new Residential and Industrial development within the County. (The Act is attached as **Exh 1**).
- An AFT is somewhat like an impact fee, but more specifically is a privilege tax on development used to raise general revenue for the government, not necessarily tied to the specific costs of new development, and the funds can be used for existing deficiencies or operations and maintenance, not just capital projects.
- “Industrial” according to the Act “means the development of any property for use by any person in a business classified as industrial under the United States Government Standard Industrial Classification Manual.”
- Development applicants pay the County’s AFT at the County. If ultimately the building permit is to be issued by an incorporated city of Sumner County, the city requires evidence that the AFT has been paid to the County.
- According to the County’s Act, “[t]he issuance of a building permit by any city official, without certificate from the county that the tax has been paid, shall render the city liable to the county for the sum or sums that would have been collected by the county had the certificate of tax paid been required by the city.”
- Since inception of the Act approx. 25 years ago, the City has ensured that the County has been paid its AFT on all new residential and industrial development within the City.
- It appears that in or around the beginning of 2024, the County made a legal determination that “Industrial” development also includes “Commercial” development, on the basis of certain

development activities or products grouped under the United States Government Standard Industrial Classification Manual.<sup>1</sup>

- On February 10, 2024, the County sent out an email addressed to city mayors, followed by a letter days after addressed to “City Mayors and their Legal Departments” under the subject heading “Classifying Industrial as defined in the OSHA (SIC) Standard Industrial Classification Manual.” The letter stated that “AFT payments are required on Residential and Industrial, but appears there may be some confusion on what qualifies as Industrial.” The letter went on to state that it was providing “attachments.... for quick review and reminder as what qualifies for Adequate Facility Tax collection as prescribed by the Standard Industrial Classification (SIC) Manual. The (SIC) Manual can be viewed upon opening attachment #2.” “Please note that Major Groups as defined in Division A through Division J of the (SIC) Manual would qualify as Industrial therefore would require AFT payment prior to issuance of building permits.” (The February 2024 correspondence is attached as **Exh 2**)
- No where in the County’s February 2024 correspondence does it mention that AFT was being assessed, and the City was required to verify AFT payments on permits for “*Commercial*” development. The letter merely directed that the City refer to the several industries listed under “Major Groups as defined in Division A through Division J of the United States Government Standard Industrial Classification Manual (under which there is also no mention of the term “*Commercial*”) and make determinations if any of the listed industries applied as “Industrial” development. Upon face value of the letter, and even after its careful review including the attachments, the letter is wholly unclear that the City had any duty, or was being directed to begin verifying AFT payments to the County on “*Commercial*” development.
- On April 10, 2025, fourteen (14) months after the February letter, the County Codes office mailed a letter directly to the City’s Codes Director (as well as to the Mayor and the City Attorney) stating that “there has been no AFT payments on *commercial* builds in the City of Hendersonville” although “[i]t was recently determined that payment on *commercial* builds are required” (my emphasis added). The letter went on to inform that “[p]lease consider this as a notification that AFT payments should be made on *commercial* builds to the Sumner County Building & Codes Office” (my emphasis added). **This is the first that the City had any indication that AFT was now being assessed on all *Commercial* development.** (The April 10, 2025 correspondence is attached as **Exh 3**).
- Immediately after receiving the letter, the City’s Codes Director called the County Codes Director to confirm that all *commercial* development was being assessed AFT, and after which the City’s Codes Director immediately began implementing a process to verify payments of the County’s AFT on all commercial development for all new commercial permit applications.
- On July 7, 2025, the County sent a letter to the City informing that the City had failed to require evidence of payment of the County’s AFT on commercial development dating back to February 2024 (the date of the first letter) and as such, the City was directly liable for payment of all such unpaid AFT. The letter included a list of twenty-six (26) commercial permits issued by the City on which the County did not collect AFT, the total of which is **\$225,841.60**. The letter demanded payment within “14 calendar days from the date of this letter .... in the sum of \$225,841.60.” (The July 7, 2025 correspondence is attached as **Exh 4**)

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<sup>1</sup> “Commercial” is not listed under the United States Government Standard Industrial Classification Manual. However, various development industries are listed that would be considered “commercial”.

## **II. Findings**

City Codes researched the County's list of twenty-six (26) permits having unpaid AFT on commercial development, to include research for the dates each commercial permit application was made and when each commercial permit was issued, and found as follows:

- 1 permit has been determined that the AFT was actually paid and evidence was provided and verified by the City (Permit # 030707-2025, 135 Walton Ferry Rd, \$3,670.40).
- 25 permits (all remaining) have been determined to have application dates prior to the County's letter of April 10, 2025, and 1 of which was prior to the February 2024 letter.
- 17 permits have been determined to have issue dates prior to the County's letter of April 10, 2025.

## **III. Brief Legal Analysis**

There are arguably significant legal issues in favor of the City as to whether or not a county can establish such a liability and enforce such a claim against a municipality, derived from language contained in the county's own private act, absent any written mutual agreement. These would include Constitutional issues (see, for example, the above mentioned Comptroller Report referencing the City of Gallatin which prevailed against a similar claim (pp. 6-7)), as well as statutory issues. For example, the County's attempt to assess the citizens of Hendersonville for taxes presumably owed by permittees to the County, may be contrary to State law relative to unenforceable indemnification. Additional legal issues may apply such as whether or not the City had effective notice.

## **IV. Recommendations**

1). Advise against an appropriation of \$225,841.60 from the citizenry coffers at this time for reasons including the following:

a). For approximately 25 years the City has been a good steward of ensuring that the County is paid its AFT owed on residential and industrial development within the City. The sudden change of interpretation to include commercial development under the definition of industrial development after such a long period is something for staff that came completely out of left field and caught everyone off guard. The February 2024 letter from the County addressed to "City Mayors and their Legal Departments" contained, in hindsight and after a closer review, a monumental change. However, arguably, its significance was not matched by the clarity of the letter in that:

- i). it was without clear indication that the County would begin immediately to assess AFT on *commercial* development; and
- ii). it was without any direction that the City was to immediately begin verifying AFT paid to the County for *commercial* development.

The letter merely acknowledged that there may be "some confusion on what qualifies for AFT collection" and by way of explanation simply directed the City to refer to the various industrial groupings under the Standard Industrial Classification Manual and make determinations if certain commercial projects fell under industrial groupings. Again, nowhere in the February 2024 letter, nor under the Standard Industrial Classification Manual Groupings lists is "*commercial*" stated. I would argue that this

was insufficient and appropriate notice to the City. Yet, 17 of the 26 total permits for which the County claims the City is liable were issued between this February 2024 letter and the next communication, the April 2025 letter. In other words, the City had no awareness that the County had begun assessing AFT on commercial development within the City until the April 2025 letter from the County.

b). As mentioned, after the February 2024 letter there was to my knowledge nothing further conveyed by the County to the City until the April 2025 letter. The April 2025 letter, sent directly to the City Codes Director, was clear that the County assessed AFT on commercial development, and that the City should begin verifying for such. Upon receipt of the letter, the City Codes Director immediately responded and contacted the County Codes Director for affirmation. After which, the City Codes Director immediately began processing and implementing measures within the Codes and other departments to ensure verification of AFT paid for commercial developments, beginning with all new applications. No applications made after the April 2025 letter have gone without AFT payment verification.

c). At all times relevant hereto, the City has acted in good faith. As soon as, in fact the second after the City was properly and effectively notified that the County was collecting AFT on commercial development, and as a result the City was to begin verifying for such, the City immediately began verifying for all new permit applications.

d). The AFT owed to the County is owed by the respective permittees, and not the citizens of the City. It is unknown what measures or actions the County is employing or has employed against them and I am unsure what if anything would prevent that.

e). In the 2008 Comptroller Reporter, it was recommended to the County to have mutual agreements in place with the City to clearly identify each parties roles and responsibilities. There has not been any such Agreement.

f). Legally, it is believed that the enforceability of the County's claim is on very shaky legal ground.

2). Memorialize and send a formal response to the County containing these findings.

3). Make inquiry to the County if it is taking any measures to pursue the actual AFT debtors, and if not, why not?

4). Consider whether or not to make a request to the legislative delegation for submission of an AG Opinion.

End of Memorandum

Attachments:

Exh 1: The County's Private Act authorizing AFT

Exh 2: The County's February 2024 correspondence

Exh 3: The County's April 10, 2025 correspondence

Exh 4: The County's July 7, 2025 correspondence

# **EXHIBIT 1**

TAXATION

ADEQUATE FACILITIES TAX

PRIVATE ACTS OF 1999

CHAPTER 57

WHEREAS, Sumner County, Tennessee, has been one of the fastest growing counties in the State for the past ten years, having been impacted by the rapid growth in the standard metropolitan area of Nashville; and

WHEREAS, anticipated continued growth from the expansion of Nashville is expected to accelerate; and

WHEREAS, this growth is anticipated to stimulate commercial, office, industrial and warehouse development in Sumner County as well as the incorporated cities of Gallatin, Hendersonville, Millersville, Mitchellville, Portland, Westmoreland and White House, all lying within Sumner County; and

WHEREAS, the projected non-residential development and the availability of jobs is anticipated to stimulate a significant demand for new dwelling units in Sumner County; and

WHEREAS, current projections show that:

(1) County population will be 147,700 persons in the year 2010, an increase of more than forty-three percent (43%) from 1990 to 2010; there will be a demand for approximately 15,000 additional dwelling units between 1990 and 2010; and new residential and non-residential development will consume additional acreage in Sumner County;

(2) Projected growth and land use development will cause a demand for county-provided capital facilities (schools) in an amount well in excess of \$20 million over the next four (4) years alone; and

(3) The county's present revenue-raising authority is limited and relies heavily on intergovernmental transfers which are not subject to county control and on property taxes, which would impose the costs of new growth on existing residents rather than on new residents and businesses creating the demand for the additional expenditures; and

WHEREAS, Sumner County is committed to both present and future county residents to maintaining a level of public facilities and services commensurate with those presently provided; and

WHEREAS, Sumner County is prepared to impose a fair, equitable and reasonable share of the costs of providing the necessary public facilities and services on existing residents of the county; and

WHEREAS, the county's present population employment base, tax base and budget cannot alone support the additional revenues needed to supply facilities to serve new growth without a substantial increase in the property tax rate on existing development; and

WHEREAS, the continued expansion of the Nashville metropolitan area represents both an extraordinary economic opportunity for the State of Tennessee as well as a potential economic burden on the existing residents of Sumner County; and

WHEREAS, due to these unique circumstances, it is necessary and appropriate that Sumner County be given authorization to extend its taxing power to enable the county to impose a fair and reasonable share of the costs of public facilities necessitated by new development on that development so as not to create an unfair and inequitable burden on existing county residents; and

WHEREAS, there is precedent in the State of Tennessee for such additional tax measures to impose costs on those who benefit from improvements and where the result would otherwise be to impose an unfair burden on existing residents; and

WHEREAS, the most logical and effective mechanism to accomplish the intended result would be the imposition of a new privilege tax on new development in Sumner County and to use the revenues from such tax to provide the needed public facilities in those areas of Sumner County that would generally be required due to the growth in that area; now, therefore,

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SECTION 9. The tax established in this act shall be collected at the time of application for a building permit for development as herein defined by a county official duly authorized only by the county executive. If the building permit is issued by the county, the county building official or other responsible official shall receive payment in full in cash or other negotiable instrument as specified by resolution of the county and as approved by the county attorney. If the building permit is issued by one of the incorporated cities of Sumner County, the city shall, before issuance of the building permit, require evidence by a valid certificate executed by the county building inspector that the full amount of the tax due the county has been paid. The issuance of a building permit by any city official, without certificate from the county that the tax has been paid, shall render the city liable to the county for the sum or sums that would have been collected by the county had the certificate of tax paid been required by the city.

SECTION 10. The authority to impose this privilege tax on new development in Sumner County is in addition to all other authority to impose taxes, fees, assessment, or other revenue-raising or land development regulatory measures granted either by the private or public acts of the State of

Tennessee and the imposition of such tax, in addition to any other authorized tax, fee assessment or charge, shall not be deemed to constitute double taxation.

SECTION 11. Any person aggrieved by the decision of the county building official or other responsible official concerning any aspect of this act may obtain review of the official's decision in the following manner:

(a) By payment of the disputed amount to Sumner County and by notifying the official that the payment is made under protest.

(b) By requesting an appeal of the decision of the official in written form within ten (10) days of the protest and payment. Appeals shall be heard by the Sumner County Board of Construction Appeals. Hearing shall be scheduled within forty-five (45) days of the written request for appeal.

The Board of Construction Appeals shall act as a quasi-judicial body whose purpose is to determine the intent of this act, its applicability to the appellant, and to rule upon the interpretation of the official. The board will not be bound by formal rules of evidence applicable to the various courts of the State.

Hearings before the board shall proceed as follows:

(1) The county building official shall explain his ruling and the reason for his ruling.

(2) The appellant shall explain his reasons for protesting the ruling.

(3) The board may request further information from any county official, including, but not limited to, the county executive, county commissioners, or the committee members, the county attorney, or the county planning staff. The board will not have the power of subpoena.

(4) The board will deliberate and render a decision by a majority vote. Decisions will be reduced to writing and copies shall be sent to all parties and shall become a part of the minutes of the board. Decisions of the Board of Construction Appeals shall be final, except that either the county building official or the person aggrieved may seek review of the board's action by certiorari and supersedeas to the Chancery Court of Sumner County, Tennessee, provided that an application to the court is made within sixty (60) days of the written decision of the board.

SECTION 12. The provisions of this act shall in no manner repeal, modify, or interfere with the authority granted by any other public or private law applicable to Sumner County. This act shall be deemed to create an additional and alternative method for Sumner County to impose and collect taxes for the purpose of providing public facilities.

SECTION 13. 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 14. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the County Legislative Body of Sumner County. Its approval or non-approval shall be proclaimed by the Presiding Officer of the County Legislative Body and certified by such officer to the Secretary of State.

SECTION 15. 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 14.

Passed: May 24, 1999.

# **EXHIBIT 2**

## Steven Weiner

---

**From:** Marshall Wright  
**Sent:** Monday, February 12, 2024 3:07 PM  
**To:** jclary@hvilletn.org; paige.brown@gallatintn.gov; rtinnin@goodlettsville.gov; tolong@bellsouth.net; mayor@cityofmitchellville.com; mikecallis@cityofportlandtn.gov; jcorbitt@whitehousetn.gov; dleath0412@gmail.com  
**Cc:** John C. Isbell; Eric Sitler; David Lawing; Merrol Hyde; Jeremy Mansfield; Matthew Shoaf; Steven Weiner; Barry Briley  
**Subject:** Identifying Industrial for the purpose of Adequate Facility Tax collection.  
**Attachments:** Attachment 1.pdf; Attachment 2.pdf

02/12/24

To: Honorable, City Mayors

Subject: Classifying Industrial as defined in the OSHA (SIC) Standard Industrial Classification Manual.

I have recently been directed by Sumner County Attorney: Eric Sitler to contact the Mayor's/City Administrators of our respective Cities concerning the collection of the Adequate Facility Tax. AFT payments are required on Residential and Industrial, but appears there may be some confusion on what qualifies as Industrial.

I have provided the attachments above for quick review and reminder as what qualifies for Adequate Facility Tax collection as prescribed by the Standard Industrial Classification (SIC) Manual. The (SIC) Manual can be viewed upon opening attachment #2. Please note that Major Groups as defined in Division A through Division J of the (SIC) Manual would qualify as Industrial therefore would require AFT payment prior to issuance of building permits.

Also, attachment #1 is the AFT Summary and Private Act.

SECTION 11 of the Private Act states in part: "Any person aggrieved by the decision of the county building official or other responsible official concerning any aspect of this act may obtain review of the official's decision in the following manner..."

The Board of Construction Appeals shall act as a quasi-judicial body whose purpose is to determine the intent of this act, its applicability to the appellant, and to rule upon the interpretation of the official"... ( Full text of Section 11 can be found in attachment #1.)

I would ask that you please disseminate this information to your appropriate staff. Certified letters addressing (SIC) manual requirements will be forthcoming to all City Mayors and Legal Departments.

For any questions or concerns feel free to contact Sumner County Attorney: Eric Sitler or Sumner County Building Official: Marshall Wright.

Kind regards,

Marshall Wright



## SUMNER COUNTY BUILDING AND CODES DEPARTMENT

Sumner County Administration Building  
355 N. Belvedere Drive - Room 208  
Gallatin, Tennessee 37066-5410  
Telephone 615.452.1467

Date: 02/15/24

To: Honorable, City Mayors and their Legal Departments

Subject: Classifying Industrial as defined in the OSHA (SIC) Standard Industrial Classification Manual.

I have recently been directed by Sumner County Attorney: Eric Sitler to contact the Mayor's/City Administrators of our respective Cities concerning the collection of the Adequate Facility Tax. AFT payments are required on Residential and Industrial, but appears there may be some confusion on what qualifies as Industrial.

**Note:** Industrial is defined as called out in Section 2, Part (K) of the Private Act.

I have provided the attachments above for quick review and reminder as what qualifies for Adequate Facility Tax collection as prescribed by the Standard Industrial Classification (SIC) Manual. The (SIC) Manual can be viewed upon opening attachment #2. Please note that Major Groups as defined in Division A through Division J of the (SIC) Manual would qualify as Industrial therefore would require AFT payment prior to issuance of building permits.

Also, attachment #1 is the AFT Summary and Private Act.

SECTION 11 of the Private Act states in part: "Any person aggrieved by the decision of the county building official or other responsible official concerning any aspect of this act may obtain review of the official's decision in the following manner..."

The Board of Construction Appeals shall act as a quasi-judicial body whose purpose is to determine the intent of this act, its applicability to the appellant, and to rule upon the interpretation of the official" ... (Full text of Section 11 can be found in attachment #1.)

I would ask that you please disseminate this information to the appropriate staff. Certified letters addressing (SIC) manual requirements will be forthcoming to all City Mayors and Legal Departments. For additional comprehensive details regarding the OSHA Standard Industrial Classification (SIC) Manual please go to their Government Web site [osha.gov/data/sic-manual](https://www.osha.gov/data/sic-manual).

For any questions or concerns feel free to contact Sumner County Attorney: Eric Sitler or Sumner County Building Official: Marshall Wright.

[esitler@sumnercountyttn.gov](mailto:esitler@sumnercountyttn.gov)  
[mwright@sumnercountyttn.gov](mailto:mwright@sumnercountyttn.gov)

Kind regards,  
Marshall Wright



## Occupational Safety and Health Administration

SIC Search

# Standard Industrial Classification (SIC) Manual

## Division Structure

### A. Division A: Agriculture, Forestry, And Fishing

- Major Group 01: Agricultural Production Crops
- Major Group 02: Agriculture Production Livestock And Animal Specialties
- Major Group 07: Agricultural Services
- Major Group 08: Forestry
- Major Group 09: Fishing, Hunting, And Trapping

### B. Division B: Mining

- Major Group 10: Metal Mining
- Major Group 12: Coal Mining
- Major Group 13: Oil And Gas Extraction
- Major Group 14: Mining And Quarrying Of Nonmetallic Minerals, Except Fuels

### C. Division C: Construction

- Major Group 15: Building Construction General Contractors And Operative Builders
- Major Group 16: Heavy Construction Other Than Building Construction Contractors
- Major Group 17: Construction Special Trade Contractors

### D. Division D: Manufacturing

- Major Group 20: Food And Kindred Products
- Major Group 21: Tobacco Products
- Major Group 22: Textile Mill Products

- Major Group 23: Apparel And Other Finished Products Made From Fabrics And Similar Materials
- Major Group 24: Lumber And Wood Products, Except Furniture
- Major Group 25: Furniture And Fixtures
- Major Group 26: Paper And Allied Products
- Major Group 27: Printing, Publishing, And Allied Industries
- Major Group 28: Chemicals And Allied Products
- Major Group 29: Petroleum Refining And Related Industries
- Major Group 30: Rubber And Miscellaneous Plastics Products
- Major Group 31: Leather And Leather Products
- Major Group 32: Stone, Clay, Glass, And Concrete Products
- Major Group 33: Primary Metal Industries
- Major Group 34: Fabricated Metal Products, Except Machinery And Transportation Equipment
- Major Group 35: Industrial And Commercial Machinery And Computer Equipment
- Major Group 36: Electronic And Other Electrical Equipment And Components, Except Computer Equipment
- Major Group 37: Transportation Equipment
- Major Group 38: Measuring, Analyzing, And Controlling Instruments; Photographic, Medical And Optical Goods; Watches And Clocks
- Major Group 39: Miscellaneous Manufacturing Industries

#### E. Division E: Transportation, Communications, Electric, Gas, And Sanitary Services

- Major Group 40: Railroad Transportation
- Major Group 41: Local And Suburban Transit And Interurban Highway Passenger Transportation
- Major Group 42: Motor Freight Transportation And Warehousing
- Major Group 43: United States Postal Service
- Major Group 44: Water Transportation
- Major Group 45: Transportation By Air
- Major Group 46: Pipelines, Except Natural Gas
- Major Group 47: Transportation Services
- Major Group 48: Communications
- Major Group 49: Electric, Gas, And Sanitary Services

#### F. Division F: Wholesale Trade

- Major Group 50: Wholesale Trade-durable Goods
- Major Group 51: Wholesale Trade-non-durable Goods

#### G. Division G: Retail Trade

- Major Group 52: Building Materials, Hardware, Garden Supply, And Mobile Home Dealers
- Major Group 53: General Merchandise Stores
- Major Group 54: Food Stores
- Major Group 55: Automotive Dealers And Gasoline Service Stations
- Major Group 56: Apparel And Accessory Stores
- Major Group 57: Home Furniture, Furnishings, And Equipment Stores
- Major Group 58: Eating And Drinking Places
- Major Group 59: Miscellaneous Retail

#### H. Division H: Finance, Insurance, And Real Estate

- Major Group 60: Depository Institutions
- Major Group 61: Non-depository Credit Institutions
- Major Group 62: Security And Commodity Brokers, Dealers, Exchanges, And Services
- Major Group 63: Insurance Carriers
- Major Group 64: Insurance Agents, Brokers, And Service
- Major Group 65: Real Estate
- Major Group 67: Holding And Other Investment Offices

#### I. Division I: Services

- Major Group 70: Hotels, Rooming Houses, Camps, And Other Lodging Places
- Major Group 72: Personal Services
- Major Group 73: Business Services
- Major Group 75: Automotive Repair, Services, And Parking
- Major Group 76: Miscellaneous Repair Services
- Major Group 78: Motion Pictures
- Major Group 79: Amusement And Recreation Services
- Major Group 80: Health Services
- Major Group 81: Legal Services
- Major Group 82: Educational Services
- Major Group 83: Social Services
- Major Group 84: Museums, Art Galleries, And Botanical And Zoological Gardens

- Major Group 86: Membership Organizations
- Major Group 87: Engineering, Accounting, Research, Management, And Related Services
- Major Group 88: Private Households
- Major Group 89: Miscellaneous Services

J. Division J: Public Administration

- Major Group 91: Executive, Legislative, And General Government, Except Finance
- Major Group 92: Justice, Public Order, And Safety
- Major Group 93: Public Finance, Taxation, And Monetary Policy
- Major Group 94: Administration Of Human Resource Programs
- Major Group 95: Administration Of Environmental Quality And Housing Programs
- Major Group 96: Administration Of Economic Programs
- Major Group 97: National Security And International Affairs
- Major Group 99: Nonclassifiable Establishments

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**U.S. DEPARTMENT OF LABOR**

Occupational Safety and Health Administration  
 200 Constitution Ave NW  
 Washington, DC 20210  
 ☎ 1-800-321-OSHA  
 1-800-321-6742  
[www.osha.gov](http://www.osha.gov)

**FEDERAL GOVERNMENT**    **OCCUPATIONAL SAFETY & HEALTH** 

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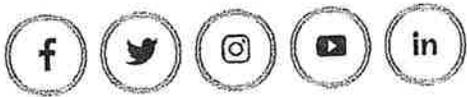
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# **EXHIBIT 3**



**SUMNER COUNTY BUILDING AND CODES DEPARTMENT**

Sumner County Administration Building  
355 N. Belvedere Drive - Room 208  
Gallatin, Tennessee 37066-5410  
Telephone 615.452.1467

04/10/25

To: City of Hendersonville's Codes Director, Greg Story

Subject; Payment Adequate Facility Tax

Dear Greg, I hope all is well with you and the City of Hendersonville Codes Department. As you probably know, one of my responsibilities as the County Codes Director is to confirm that all required AFT payments are being made. The reason for the letter is that our records indicate that there has been no AFT payments on commercial builds in the City of Hendersonville.

It was recently determined by the Sumner County Commission as well as the County's Legal Department that payment on commercial builds are required. **TAXATION ADEQUATE FACILITIES TAX PRIVATE ACT OF 1999 CHAPTER 57 Section 2 (k)** gives us a definition of "Industrial per the United States Government Standard Industrial Classification Manual, which is also (provided in your packet). If you google the term United States Government Standard Industrial Classification Manual you'll see that it defines most if not all commercial builds as Industrial.

Please, kindly consider this as a notification that AFT payments should be made on commercial builds to the Sumner County Building & Codes Office prior to building permits issued. I know this can be a bit confusing but if you have any questions, please don't hesitate to call me or feel free to have the City Attorney contact County Attorney: Eric Sitler if more clarification is needed. I can be reached at 615-452-1467 and Eric's office number is 615-451-6060

Marshall Wright

Sumner County Codes Director

# **EXHIBIT 4**



**SUMNER COUNTY, TENNESSEE**

OFFICE OF THE LAW DIRECTOR  
355 N. Belvedere Drive, Suite 303  
Gallatin, Tennessee, 37066  
(615) 451-6060 / FAX: (615) 451-6061

**ERIC W. SITLER**  
LAW DIRECTOR

**STEVE M. WEINER**  
STAFF ATTORNEY

July 7, 2025

**VIA US MAIL**

Hon. Jamie Clary, Mayor  
City of Hendersonville  
101 Maple Drive N.  
Hendersonville, Tennessee 37075

Re: Unpaid Adequate Facilities Tax

Dear Mayor Clary:

It has come to the attention of the Sumner County Building and Codes Department and our office that the City has failed to require evidence of payment of adequate facilities tax ("AFT") from certain applicants for building permits as required by the AFT Private Act.<sup>1</sup> Attached is a list of building permits that were issued without collection of AFT. Failure to require evidence of payment for AFT prior to issuance of building permits by municipalities in Sumner County renders such municipalities directly liable for payment to the County of such unpaid AFT.<sup>2</sup> The City has 14 calendar days from the date of this letter to remit the unpaid AFT in the sum of \$225,841.60, as shown in the attached list to the County. Otherwise, the County may take the necessary measures to collect these unpaid taxes from the City.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric W. Sitler", is written over a light blue horizontal line.

Eric W. Sitler  
Sumner County Law Director

Attachment: Delinquency List

CC: Sumner County Commission VIA EMAIL  
John Isbell, Sumner County Mayor VIA EMAIL  
Marshall Wright, Sumner County Building and Codes Director VIA EMAIL  
David Lawing, Sumner County Finance Director VIA EMAIL

<sup>1</sup> Ch. 57, Private Acts of 1999, Section 9

<sup>2</sup> Ch. 57, Private Acts of 1999, Section 9

Permit #	Address	Square Footage	AFT Fee		AFT Paid	AFT Balance
			\$.40 per Sq Ft			
027342-2024	908 Cardinal LN Mail Center , Hendersonville	320	\$128.00			\$128.00
026216-2024	550 E Main St., Hendersonville	236	\$94.40			\$94.40
029505-2025	500 Button Pvt Aly, Hendersonville	2962	\$1,184.80			\$1,184.80
025832-2024	179 Maple Dr. N , Hendersonville	13210	\$5,284.00			\$5,284.00
029486-2025	143 E Main, Hendersonville	288	\$115.20			\$115.20
028165-2024	1530 Hunt Club Blvd Building 1 , Gallatin	8640	\$3,456.00			\$3,456.00
028027-2024	204 N Anderson Ln N, Hendersonville	3840	\$1,536.00			\$1,536.00
025769-2024	217 Innovation Way, Hendersonville	15000	\$6,000.00			\$6,000.00
027583-2024	264 Rockland Rd 200, Hendersonville	2400	\$960.00			\$960.00
027582-2024	264 Rockland Rd 100, Hendersonville	4410	\$1,764.00			\$1,764.00
028164-2024	160 S Center Point Rd S , Hendersonville	800	\$320.00			\$320.00
026960-2024	531 E Main St., Hendersonville	6446	\$2,578.40			\$2,578.40
030707-2025	135 Walton Ferry Rd, Hendersonville	9176	\$3,670.40			\$3,670.40
028447-2024	157 Molly Walton Dr. 300, Hendersonville	94284	\$37,713.60			\$37,713.60
028449-2024	157 Molly Walton Dr. 500, Hendersonville	68444	\$27,377.60			\$27,377.60
028448-2024	157 Molly Walton Dr. 400, Hendersonville	68444	\$27,377.60			\$27,377.60
028443-2024	157 Molly Walton Dr. 100, Hendersonville	142622	\$57,048.80			\$57,048.80
029313-2025	267 E Main St., Hendersonville	2500	\$1,000.00			\$1,000.00
029314-2025	255 E Main St., Hendersonville	3817	\$1,526.80			\$1,526.80
028614-2024	108 Bonita Pkwy, Hendersonville	16097	\$6,438.80			\$6,438.80
027578-2024	190 E Saundersville Rd, Hendersonville	22072	\$8,828.80			\$8,828.80
027545-2024	355 New Shackle Island Rd Women's Tower	49615	\$19,846.00			\$19,846.00
028263-2024	264 E Main St.E Hendersonville	4432	\$1,772.80			\$1,772.80
027549-2024	355 New Shackle Island Rd Dietary	1444	\$577.60			\$577.60
027643-2024	262 E Main St. E, Hendersonville	5883	\$2,353.20			\$2,353.20
024065-2023	217 Shivel Dr., Hendersonville	17,222	\$6,888.80			\$6,888.80
			<b>\$225,841.60</b>			<b>\$225,841.60</b>

**From:** [Jamie Clary](#)  
**To:** [Tamara Ingersoll](#)  
**Subject:** Finance Committee packet  
**Date:** Tuesday, December 2, 2025 10:08:35 AM  
**Attachments:** [image001.png](#)

---

Tamara:

Good morning. Below is the text of the letter I sent to the Sumner County Library Board.

Thank you.

Jamie Clary  
Mayor of Hendersonville, Tennessee



Dear Erika:

Thank you for your service on the county's library board. I appreciate your willingness to lead a very important opportunity that we provide our residents.

I am delighted with some of the changes to the library board and am eager to work with you. For years I have been campaigning for the Hendersonville library to have as many operating hours as the Gallatin library. With new board members in place under your leadership, I see an opportunity to renew this effort.

This letter is a follow-up request from a letter I sent almost a year ago.

In 2024 Shirly Phipps, a long-time Hendersonville resident, passed away. Through her last will and testament, she left a generous gift of \$321,164.21 to the Hendersonville library. The will states, "I leave ten percent (10%) of my estate to the HENDERSONVILLE PUBLIC (MARTIN CURTIS) LIBRARY in Hendersonville, Tennessee" (caps original). Mrs. Phipps' executors issued checks to Sumner County in the amount of \$321,164.21.

I am unsure why only one library owner received funds from the bequest. As 50 percent owner, the City of Hendersonville should have received 50 percent of the bequest. Following that error, I inquired about this bequest but received no responses from

previous chairman Joanna Daniels. My previous letter stated to members of the library board, "As a 50 percent owner of the library, the City of Hendersonville looks forward to discussing the use of these funds and how they can benefit the patrons of the library in Hendersonville."

To my knowledge nobody from the City of Hendersonville has been invited to discussions regarding the use of the bequest. The library board did not discuss my request. I never received acknowledgement from the library board about my request.

At this time, I respectfully ask again the library board transfer 50 percent of the bequest to the City of Hendersonville. That would be \$160,582.10. That money would allow me to revisit my longtime effort to increase the operating hours of the Hendersonville library.

Documents and discussions are very clear that the City and County share library ownership evenly. However, the only action directing use of the funds came from a county resolution to accept the entirety of the bequest. That is troubling in that the decision did not include the other owner, the City of Hendersonville, and had no application that would benefit the library.

Hendersonville's finance committee met several months ago and asked that I follow up about these funds. The committee members still await the county's response to our request. I hope that the library board can provide a response before the end of this year.

I look forward to receiving a response that includes the funds mentioned above.

Sincerely,

Jamie Clary  
Mayor of Hendersonville, Tennessee



## CITY OF HENDERSONVILLE

JAMIE CLARY  
MAYOR

OFFICE 615/822-1000  
FAX 615/590-4608

David Lawing  
355 N. Belvedere Dr., Room 302  
Gallatin, TN 37066

Dear Mr. Lawing:

I appreciate the services that Sumner County provides to Hendersonville residents and always look for ways that the City can partner with the County for the benefit of our residents.

As you know, in 2024 Shirly Phipps, a long-time Hendersonville resident, passed away. Through her last will and testament, she left a generous gift of \$321,164.21 to the Hendersonville library. The will states, "I leave ten percent (10%) of my estate to the HENDERSONVILLE PUBLIC (MARTIN CURTIS) LIBRARY in Hendersonville, Tennessee" (caps original). Mrs. Phipps' executors issued checks to Sumner County in the amount of \$321,164.21.

I am unsure why only one owner received funds from the bequest. As 50 percent owner, the City of Hendersonville should have received 50 percent of the bequest. Following that error, I inquired about this bequest but have received no responses. My previous letter stated to members of the library board, "As a 50 percent owner of the library, the City of Hendersonville looks forward to discussing the use of these funds and how they can benefit the patrons of the library in Hendersonville." To my knowledge nobody from the City of Hendersonville has been invited to discussions regarding the use of the bequest.

At this time, I respectfully request the County transfer 50 percent of the bequest to the City of Hendersonville. That would be \$160,582.10.

Documents and discussion are very clear that the City and County share library ownership evenly. However, the only action directing use of the funds came from a county resolution to accept the entirety of the bequest. That is troubling in that the decision did not include the other owner, the City of Hendersonville, and had no application that would benefit the library.

I look forward to receiving a response that includes the funds mentioned above.

Sincerely,

Jamie Clary  
Mayor of Hendersonville, Tennessee

cc:

Mayor John Isbell  
Joanna Daniels  
Matt Shoaf