

RESOLUTION NO. 2008-24

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO DESIGNATE THAT ALL SALES TAX PROCEEDS COLLECTED BY THE TOWN OF SIGNAL MOUNTAIN AFTER JUNE 30, 2007 SHALL BE CREDITED TO THE TOWN'S GENERAL FUND.

WHEREAS, the Town of Signal Mountain began restricting the one-half (1/2) cent sales tax proceeds collected in the Town of Signal Mountain to a fund designated for the High School since the referendum was approved effective August, 1999; and

WHEREAS, a countywide referendum passed imposing a one-half (1/2) cent sales tax in the unincorporated county during 2004 which now requires distribution of sales tax revenues in accordance with T.C.A. § 67-6-712 and allows a city or town, by contract, to provide for distribution of the one-half (1/2) of the one-half (1/2) cent sales tax in such manner as may be designated by the Town; and

WHEREAS, MTAS Legal Counsel Melissa Ashburn has now opined that since Hamilton County has now imposed its own ½ cent sales tax for businesses in the Town in 2004 by a countywide referendum, the Town is no longer obligated to use these funds only for High School purposes because the County referendum essentially nullified the 1999 ordinance passed by the Town;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Signal Mountain, Tennessee that the Town Manager is authorized to designate that all sales tax proceeds collected by the Town of Signal Mountain after June 30, 2007 shall be credited to the

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Town's General Fund.

Paul M. Keelrat
MAYOR

2/28/08
DATE

Mark Johnson
RECORDER

2/28/08
DATE

PAN/kac