

RESOLUTION _____

A RESOLUTION SUPPORTING THE PROPOSED INCREASE IN LOCAL SALES TAX

Whereas, on December, 11, 2006, the City of Tullahoma adopted Ordinance No. 1343, An Ordinance to Raise the Sales and Use Tax in the City of Tullahoma to 2.75% and to Request a Referendum of the People to Approve the Ordinance; and

Whereas, on January 9, 2007, the Coffee County Commission approved Resolution No. 2007-06, A Resolution Levying an Additional Local Sales Tax For the Purpose of Funding School Construction and Renovation; and

Whereas, The City of Tullahoma has aging facilities and structures with identified critical capital needs; and

Whereas, the sinking fund previously established and recognized by charter, to escrow sales tax for the purpose of paying the principal and interest on bonds obtained for school capital improvements is overextended; and

Whereas, the City of Tullahoma currently runs an annual operating deficit of \$1,600,000; and

Whereas, on November 27, 2006, the City of Tullahoma addressed the city property tax burden on property tax owners and senior citizens in Tullahoma through the adoption of Resolution No. 1325, A Resolution to Reduce the Tax Burden on Property Owners in the City of Tullahoma, Tennessee, which is reliant upon passage of the proposed sales tax increase by referendum; and

Whereas, local sales tax collections are required to be apportioned to the appropriate municipalities and school districts as dictated by state law; and

Whereas, Coffee County Resolution No. 2007-06 contains no requirement or agreement, and the City of Tullahoma acknowledges no requirement or agreement, (stated, implied, or inferred) that the governing body of the City of Tullahoma or Tullahoma City Schools cede authority to any other governing body or agency, the distribution authority or use of any revenue generated and allowed by law to be distributed to the City of Tullahoma and/or Tullahoma City Schools.

NOW THEREFORE BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Tullahoma, Tennessee that:

Section 1. It will welcome the decision of the voters and will use the proceeds of the sales tax increase from 9% to 9.75% for the direct benefit of the City of Tullahoma, Tennessee, and

Section 2. It pledges that any revenues generated by the additional local sales taxes would be specifically dedicated first to reduce annual operating budget deficits, secondly, to address the capital needs of Tullahoma and city schools, and finally, to provide limited property tax relief as allowed by pending State legislation to senior citizens and other property owners in Tullahoma, and

Section 3. That all resolutions in conflict herewith, and all provisions in prior resolutions of the City of Tullahoma, in conflict herewith are hereby repealed in their entirety, and replaced, to the extent of any conflicts.

BE IT FURTHER RESOLVED that this resolution shall be in full force and take affect from and after its passage, the public welfare requiring it this _____ day of _____, 2007.

CITY OF TULLAHOMA, TENNESSEE

MAYOR

ATTEST:

CITY RECORDER