

**Finance & Administration Committee Meeting**  
**July 20, 2021**  
**4:00 p.m.**

1. Summary of Outstanding Debt – Mayor Hanson
2. Street Lighting Discussion – Director David Gray
3. American Recovery Act – Chamber Director Laurin Fletcher
4. Sale of Property (133 East Pleasant) Update – Mayor Hanson
5. TCRS Discussion – Recorder-Treasurer Dunn
6. Discussion on Code Chapters – Attorney Witherington, Director Fisher
7. Building Code – Director Fisher
8. Lease for Headstart – Mayor Hanson

# CITY OF COVINGTON, TENNESSEE



## Summary of Outstanding Debt

For Fiscal Year Beginning July 1, 2021  
*As of July 30, 2021*

Prepared By:



**CUMBERLAND SECURITIES**

SINCE 1931

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\* May not include all outstanding notes and leases

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### Risk Disclosures:

Fixed Rate Bonds		
Material Risk Consideration	Description of Risk	Potential Consequences
Issuer Default Risk	Possibility that the Issuer defaults under the authorizing documents	<ul style="list-style-type: none"><li>• Range of available remedies may be brought against Issuer (e.g. forcing issuer to raise taxes or rates)</li><li>• Credit ratings negatively impacted</li><li>• Access to capital markets impaired</li><li>• Possibility of receivership or bankruptcy for certain issuers</li></ul>
Redemption Risk	The ability to redeem the bonds prior to maturity may be limited	<ul style="list-style-type: none"><li>• Inability to refinance at lower interest rates</li></ul>
Refinancing Risk	Possibility that the bonds cannot be refinanced	<ul style="list-style-type: none"><li>• Inability to refinance at lower interest rates</li></ul>
Reinvestment Risk	Possibility that the Issuer may be unable to invest unspent proceeds at or near the interest rate on the bonds	<ul style="list-style-type: none"><li>• Negative arbitrage resulting in a higher cost of funds</li></ul>
Tax Compliance Risk	For tax-exempt bonds, possibility that failure to comply with tax-related covenants results in the bonds becoming taxable obligations	<ul style="list-style-type: none"><li>• Increase in debt service costs retroactively to date of issuance</li><li>• Possible mandatory redemption of bonds affected</li><li>• Risk of IRS Audit</li><li>• Difficulty in refinancing the bonds</li><li>• Access to tax-exempt market impacted</li><li>• Difficulty in issuing future tax-exempt debt</li></ul>

Variable Rate Demand Bonds ("VRDB") / Floating Rate Notes ("FRN") / Bank Index Loan ("Index") / "Put Loan" (e.g. Fixed Rate for Five (5) Years, then Rate Resets to New Rate)		
Material Risk Consideration	Description of Risk (Type of Debt Risk Applicable to)	Potential Consequences
Interest Rate Risk	Possibility that the interest rate may increase on an interest reset date (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"><li>• Increase in debt service cost (up to maximum rate)</li><li>• Lower debt service coverage</li><li>• Lower cash reserves</li></ul>
Index Risk	Possibility that the method of determining the index (LIBOR or SIFMA) could change. Indices may be affected by factors unrelated to FRN's/Index Loan or the tax-exempt market (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"><li>• Increase in debt service costs</li><li>• Lower debt service coverage</li><li>• Lower cash reserves</li><li>• Provision should be made for alternate mechanism to determine rate</li></ul>
Issuer Default Risk	Possibility that the Issuer defaults under the authorizing documents (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"><li>• Range of available remedies may be brought against Issuer (e.g., forcing Issuer to raise taxes or revenues)</li><li>• Credit ratings negatively impacted</li><li>• Default could impact remarketing which could cause increase in debt service costs</li><li>• Access to capital markets impaired</li></ul>
Issuer Ratings Downgrade Risk	Possibility that a downgrade of the issuer's rating(s) may result in optional tenders or an increase in fees payable to the bank providing the liquidity facility (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"><li>• Ratings change could impact remarketing which could cause an increase in debt service cost</li><li>• Higher liquidity facility fees resulting in higher cost of funds</li></ul>
Liquidity Risk	Possibility that VRDB's cannot be successfully remarketing, resulting in Bank Bonds (VRDB)	<ul style="list-style-type: none"><li>• Increase in debt service costs due to higher bank bond rate and accelerated principle repayment</li><li>• May be required to refinance or term out the VRDO's</li><li>• Inability to refinance or possibly higher interest rates</li></ul>
Liquidity Provider Default Risk	Possibility that the bank providing the liquidity facility supporting the VRDO's defaults in its obligations under the liquidity facility (VRDB)	<ul style="list-style-type: none"><li>• Issuer required to repay principal and accrued interest if Issuer is not able to refinance</li><li>• Increase in debt service costs</li></ul>
Liquidity Provider Ratings Downgrade	Possibility that a downgrade of the liquidity provider's rating(s) may result in optional tenders (VRDB)	<ul style="list-style-type: none"><li>• Ratings change could impact remarketing which could cause an increase in debt service cost</li></ul>
Refinancing Risk	Possibility that the FRN, Index or Put Loan cannot be remarketed or refinanced (FRN, Index, Put Loans)	<ul style="list-style-type: none"><li>• Hard Put: must repay principal and accrued interest or Event of Default</li><li>• Soft Put: higher interest rate on debt and higher debt service costs up to maximum rate</li><li>• Increase in debt service costs upon any refinancing</li><li>• Inability to refinance or possibly higher interest rates</li></ul>
Regulatory Risk	Possibility that prospective regulatory requirements increase cost of obtaining and maintaining the liquidity facility (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"><li>• Increase in debt service costs</li><li>• Higher liquidity facility fees resulting in higher cost of funds</li></ul>
Reinvestment Risk	Possibility that the Issuer may be unable to invest unspent proceeds at or near the interest rate on the bonds (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"><li>• Negative arbitrage resulting in higher cost of funds</li></ul>
Remarketing Risk	Possibility that the remarketing agent does not perform its duties in a satisfactory manner or may resign or cease its remarketing efforts (VRDB)	<ul style="list-style-type: none"><li>• Higher interest rates</li><li>• Difficulty remarketing the VRDO's</li><li>• May require appointment of a successor remarketing agent</li></ul>
Renewal Risk	Possibility that the facility or loan will not be extended for a successive commitment period or not be replaced at a reasonable cost (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"><li>• Issuer required to repay principal and accrued interest on tender date if issuer is not able to refinance</li><li>• Increase in debt service costs</li></ul>
Tax Compliance Risk	For tax exempt bonds, possibility that failure to comply with tax related covenants result in the bonds becoming taxable obligations (VRDB, FRN, Index, Put Loans)	<ul style="list-style-type: none"><li>• Increase in debt service costs retroactively to date of issuance</li><li>• Possible mandatory redemption of bonds affected</li><li>• Risk of IRS audit</li><li>• Difficulty in refinancing the bonds</li><li>• Access to tax exempt market impacted</li><li>• Difficulty in issuing future tax-exempt debt</li></ul>

## City of Covington, Tennessee

### Summary of Debt

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SINCE 1911

\* May not include all outstanding notes and leases. Assumes all Electric System debt is retired August 9, 2021



## DEBT SERVICE

### City of Covington, Tennessee \$485,000 General Obligation Refunding Bonds, Series 2020

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/30/2021			3,403.00	3,403.00	
06/30/2022	161,600.00	2.050%	3,403.00	165,003.00	168,406.00
12/30/2022			1,746.60	1,746.60	
06/30/2023	170,400.00	2.050%	1,746.60	172,146.60	173,893.20
	332,000.00		10,299.20	342,299.20	

### Date Structure

Date	05/21/2020
First Coupon Date	12/01/2020



## DEBT SERVICE

### City of Covington, Tennessee \$1,200,000 Note Payable - Lawsuit Settlement

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/30/2021			7,999.98	7,999.98	
06/30/2022	133,333.00	2.000%	7,999.98	141,332.98	149,332.96
12/30/2022			6,666.65	6,666.65	
06/30/2023	133,333.00	2.000%	6,666.65	139,999.65	146,666.30
12/30/2023			5,333.32	5,333.32	
06/30/2024	133,333.00	2.000%	5,333.32	138,666.32	143,999.64
12/30/2024			3,999.99	3,999.99	
06/30/2025	133,333.00	2.000%	3,999.99	137,332.99	141,332.98
12/30/2025			2,666.66	2,666.66	
06/30/2026	133,333.00	2.000%	2,666.66	135,999.66	138,666.32
12/30/2026			1,333.33	1,333.33	
06/30/2027	133,333.00	2.000%	1,333.33	134,666.33	135,999.66
	799,998.00		55,999.86	855,997.86	

### Date Structure

Date	03/01/2018
First Coupon Date	12/01/2018



## DEBT SERVICE

### City of Covington, Tennessee Capital Lease Obligation - Sweeper

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/30/2021			537.01	537.01	
06/30/2022	37,685.00	2.850%	537.01	38,222.01	38,759.02
	37,685.00		1,074.02	38,759.02	

### Date Structure

Date	06/01/2017
First Coupon Date	12/01/2017



## DEBT SERVICE

### City of Covington, Tennessee Capital Lease Obligation - SUV

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/30/2021			431.35	431.35	
06/30/2022	11,982.00	7.200%	431.35	12,413.35	12,844.70
	11,982.00		862.70	12,844.70	

### Date Structure

Date	06/01/2018
First Coupon Date	12/01/2018





## DEBT SERVICE

### City of Covington, Tennessee Capital Lease Obligation - Truck

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/30/2021			179.16	179.16	
06/30/2022	5,972.00	6.000%	179.16	6,151.16	6,330.32
	5,972.00		358.32	6,330.32	

### Date Structure

Date	06/01/2018
First Coupon Date	12/01/2018



## DEBT SERVICE

### City of Covington, Tennessee Capital Lease Obligation - Truck

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/30/2021			220.17	220.17	
06/30/2022	7,339.00	6.000%	220.17	7,559.17	7,779.34
	7,339.00		440.34	7,779.34	

### Date Structure

Date	06/01/2018
First Coupon Date	12/01/2018



## DEBT SERVICE

### City of Covington, Tennessee Capital Lease Obligation - Field Machine

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/30/2021			191.45	191.45	
06/30/2022	4,518.00	5.000%	191.45	4,709.45	4,900.90
12/30/2022			78.50	78.50	
06/30/2023	3,140.00	5.000%	78.50	3,218.50	3,297.00
	7,658.00		539.90	8,197.90	

### Date Structure

Date	06/01/2020
First Coupon Date	12/01/2020



## DEBT SERVICE

### City of Covington, Tennessee Capital Lease Obligation - Police Vehicles

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/30/2021			1,091.40	1,091.40	
06/30/2022	15,762.00	6.700%	1,091.40	16,853.40	17,944.80
12/30/2022			563.37	563.37	
06/30/2023	16,817.00	6.700%	563.37	17,380.37	17,943.74
	32,579.00		3,309.54	35,888.54	

### Date Structure

Date	06/01/2020
First Coupon Date	12/01/2020

## DEBT SERVICE

### City of Covington, Tennessee General Obligation Note - Police Tasers

Date	Principal	Total P+I	Fiscal Total
12/30/2021			
06/30/2022	7,650.00	7,650.00	7,650.00
12/30/2022			
06/30/2023	7,650.00	7,650.00	7,650.00
	15,300.00	15,300.00	

### Date Structure

Date	06/01/2020
First Coupon Date	12/01/2020



## DEBT SERVICE

### City of Covington, Tennessee General Obligation Note - Police Cameras

Date	Principal	Total P+I	Fiscal Total
12/30/2021			
06/30/2022	11,766.00	11,766.00	11,766.00
12/30/2022			
06/30/2023	11,766.00	11,766.00	11,766.00
	23,532.00	23,532.00	

### Date Structure

Date	06/01/2020
First Coupon Date	12/01/2020



## DEBT SERVICE

**City of Covington, Tennessee**  
**General Obligation Interfund Loan, Capital Outlay Note, Series 2014**  
**Payable to Gas Utility Fund by the General Fund**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/30/2021			604.86	604.86	
06/30/2022	30,243.00	2.000%	604.86	30,847.86	31,452.72
12/30/2022			302.43	302.43	
06/30/2023	30,243.00	2.000%	302.43	30,545.43	30,847.86
	60,486.00		1,814.58	62,300.58	

### Date Structure

Date	06/01/2017
First Coupon Date	12/01/2017



## DEBT SERVICE

**City of Covington, Tennessee**  
**\$4,595,000 General Obligation Refunding Bonds, Series 2021**  
**(\$120,000 City Portion)**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/01/2021			806.67	806.67	
06/01/2022	15,000.00	2.000%	1,200.00	16,200.00	17,006.67
12/01/2022			1,050.00	1,050.00	
06/01/2023	15,000.00	2.000%	1,050.00	16,050.00	17,100.00
12/01/2023			900.00	900.00	
06/01/2024	15,000.00	2.000%	900.00	15,900.00	16,800.00
12/01/2024			750.00	750.00	
06/01/2025	15,000.00	2.000%	750.00	15,750.00	16,500.00
12/01/2025			600.00	600.00	
06/01/2026	15,000.00	2.000%	600.00	15,600.00	16,200.00
12/01/2026			450.00	450.00	
06/01/2027	15,000.00	2.000%	450.00	15,450.00	15,900.00
12/01/2027			300.00	300.00	
06/01/2028	15,000.00	2.000%	300.00	15,300.00	15,600.00
12/01/2028			150.00	150.00	
06/01/2029	15,000.00	2.000%	150.00	15,150.00	15,300.00
	120,000.00		10,406.67	130,406.67	

### Date Structure

Date	07/30/2021
First Coupon Date	12/01/2021



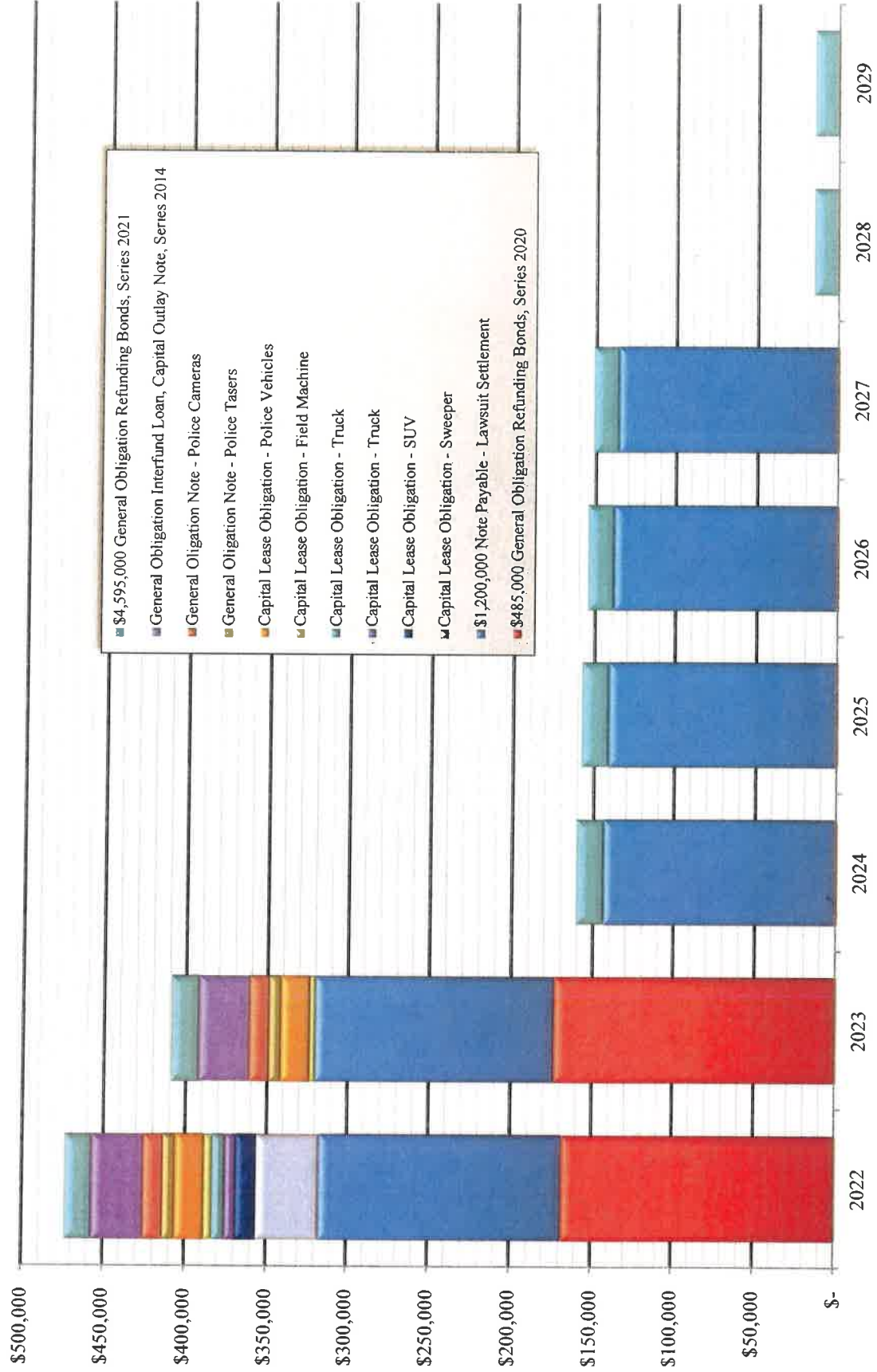
**AGGREGATE DEBT SERVICE**
**City of Covington, Tennessee**  
**Total Combined Outstanding Debt Service - General Fund**

Date	Principal	Interest	Total P+I
06/30/2022	442,850.00	31,323.43	474,173.43
06/30/2023	388,349.00	20,815.10	409,164.10
06/30/2024	148,333.00	12,466.64	160,799.64
06/30/2025	148,333.00	9,499.98	157,832.98
06/30/2026	148,333.00	6,533.32	154,866.32
06/30/2027	148,333.00	3,566.66	151,899.66
06/30/2028	15,000.00	600.00	15,600.00
06/30/2029	15,000.00	300.00	15,300.00
	1,454,531.00	85,105.13	1,539,636.13

**Par Amounts Of Selected Issues**

\$485,000 General Obligation Refunding Bonds, Series 2020	332,000.00
\$1,200,000 Note Payable - Lawsuit Settlement	799,998.00
Capital Lease Obligation - Sweeper	37,685.00
Capital Lease Obligation - SUV	11,982.00
Capital Lease Obligation - Truck	5,972.00
Capital Lease Obligation - Truck	7,339.00
Capital Lease Obligation - Field Machine	7,658.00
Capital Lease Obligation - Police Vehicles	32,579.00
General Obligation Note - Police Tasers	15,300.00
General Obligation Note - Police Cameras	23,532.00
General Obligation Interfund Loan, Capital Outlay Note, Series 2014	60,486.00
\$4,595,000 General Obligation Refunding Bonds, Series 2021	120,000.00
<b>TOTAL</b>	<b>1,454,531.00</b>

# City of Covington, Tennessee Total Combined Outstanding Debt Service General Fund



# City of Covington, Tennessee

## Fixed to Variable Ratios

General Fund Debt Outstanding = \$1,454,531





## DEBT SERVICE

### City of Covington, Tennessee Capital Lease - Automated Meters Estimated Water System Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/01/2021					
06/01/2022	547,179.00	2.650%	60,352.19	607,531.19	607,531.19
12/01/2022					
06/01/2023	561,708.00	2.650%	45,851.94	607,559.94	607,559.94
12/01/2023					
06/01/2024	576,621.00	2.650%	30,966.68	607,587.68	607,587.68
12/01/2024					
06/01/2025	591,933.00	2.650%	15,686.22	607,619.22	607,619.22
	2,277,441.00		152,857.03	2,430,298.03	

### Date Structure

Date	06/01/2020
First Coupon Date	06/01/2021



## DEBT SERVICE

**City of Covington, Tennessee**  
**\$4,595,000 General Obligation Refunding Bonds, Series 2021**  
**(\$885,000 Water Portion)**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/01/2021			5,757.58	5,757.58	
06/01/2022	40,000.00	2.000%	8,565.00	48,565.00	54,322.58
12/01/2022			8,165.00	8,165.00	
06/01/2023	40,000.00	2.000%	8,165.00	48,165.00	56,330.00
12/01/2023			7,765.00	7,765.00	
06/01/2024	40,000.00	2.000%	7,765.00	47,765.00	55,530.00
12/01/2024			7,365.00	7,365.00	
06/01/2025	40,000.00	2.000%	7,365.00	47,365.00	54,730.00
12/01/2025			6,965.00	6,965.00	
06/01/2026	40,000.00	2.000%	6,965.00	46,965.00	53,930.00
12/01/2026			6,565.00	6,565.00	
06/01/2027	45,000.00	2.000%	6,565.00	51,565.00	58,130.00
12/01/2027			6,115.00	6,115.00	
06/01/2028	45,000.00	2.000%	6,115.00	51,115.00	57,230.00
12/01/2028			5,665.00	5,665.00	
06/01/2029	45,000.00	2.000%	5,665.00	50,665.00	56,330.00
12/01/2029			5,215.00	5,215.00	
06/01/2030	45,000.00	2.000%	5,215.00	50,215.00	55,430.00
12/01/2030			4,765.00	4,765.00	
06/01/2031	45,000.00	2.000%	4,765.00	49,765.00	54,530.00
12/01/2031			4,315.00	4,315.00	
06/01/2032	45,000.00	1.400%	4,315.00	49,315.00	53,630.00
12/01/2032			4,000.00	4,000.00	
06/01/2033	50,000.00	1.400%	4,000.00	54,000.00	58,000.00
12/01/2033			3,650.00	3,650.00	
06/01/2034	50,000.00	2.000%	3,650.00	53,650.00	57,300.00
12/01/2034			3,150.00	3,150.00	
06/01/2035	50,000.00	2.000%	3,150.00	53,150.00	56,300.00
12/01/2035			2,650.00	2,650.00	
06/01/2036	50,000.00	2.000%	2,650.00	52,650.00	55,300.00
12/01/2036			2,150.00	2,150.00	
06/01/2037	50,000.00	2.000%	2,150.00	52,150.00	54,300.00
12/01/2037			1,650.00	1,650.00	
06/01/2038	55,000.00	2.000%	1,650.00	56,650.00	58,300.00
12/01/2038			1,100.00	1,100.00	
06/01/2039	55,000.00	2.000%	1,100.00	56,100.00	57,200.00
12/01/2039			550.00	550.00	
06/01/2040	55,000.00	2.000%	550.00	55,550.00	56,100.00
	885,000.00		177,922.58	1,062,922.58	

### Date Structure

Date	07/30/2021
First Coupon Date	12/01/2021

**AGGREGATE DEBT SERVICE**

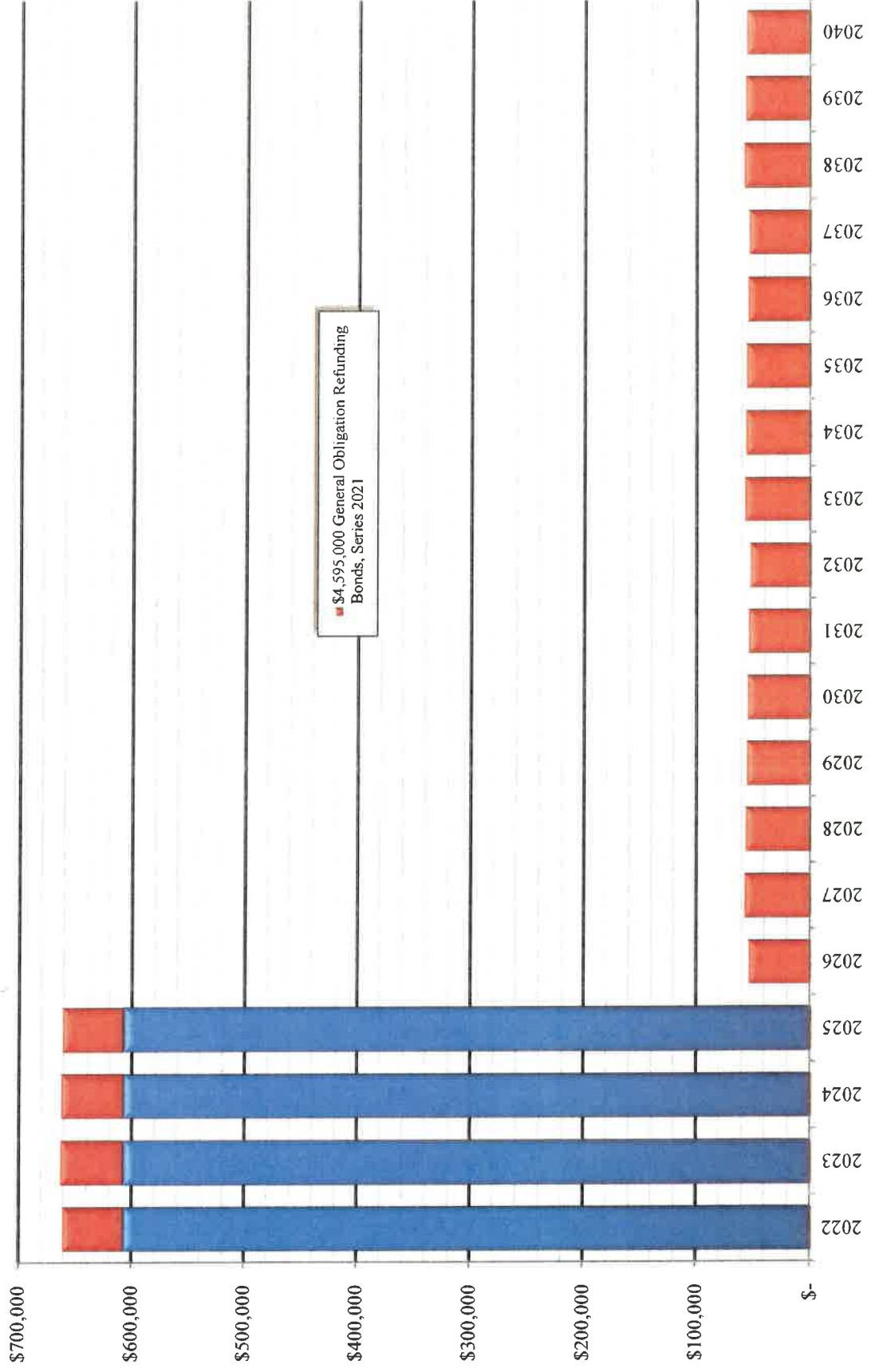
**City of Covington, Tennessee  
Total Combined Outstanding Debt Service - Water System**

Date	Principal	Interest	Total P+I
06/30/2022	587,179.00	74,674.77	661,853.77
06/30/2023	601,708.00	62,181.94	663,889.94
06/30/2024	616,621.00	46,496.68	663,117.68
06/30/2025	631,933.00	30,416.22	662,349.22
06/30/2026	40,000.00	13,930.00	53,930.00
06/30/2027	45,000.00	13,130.00	58,130.00
06/30/2028	45,000.00	12,230.00	57,230.00
06/30/2029	45,000.00	11,330.00	56,330.00
06/30/2030	45,000.00	10,430.00	55,430.00
06/30/2031	45,000.00	9,530.00	54,530.00
06/30/2032	45,000.00	8,630.00	53,630.00
06/30/2033	50,000.00	8,000.00	58,000.00
06/30/2034	50,000.00	7,300.00	57,300.00
06/30/2035	50,000.00	6,300.00	56,300.00
06/30/2036	50,000.00	5,300.00	55,300.00
06/30/2037	50,000.00	4,300.00	54,300.00
06/30/2038	55,000.00	3,300.00	58,300.00
06/30/2039	55,000.00	2,200.00	57,200.00
06/30/2040	55,000.00	1,100.00	56,100.00
	3,162,441.00	330,779.61	3,493,220.61

**Par Amounts Of Selected Issues**

Capital Lease - Automated Meters	2,277,441.00
\$4,595,000 General Obligation Refunding Bonds, Series 2021	885,000.00
<b>TOTAL</b>	<b>3,162,441.00</b>

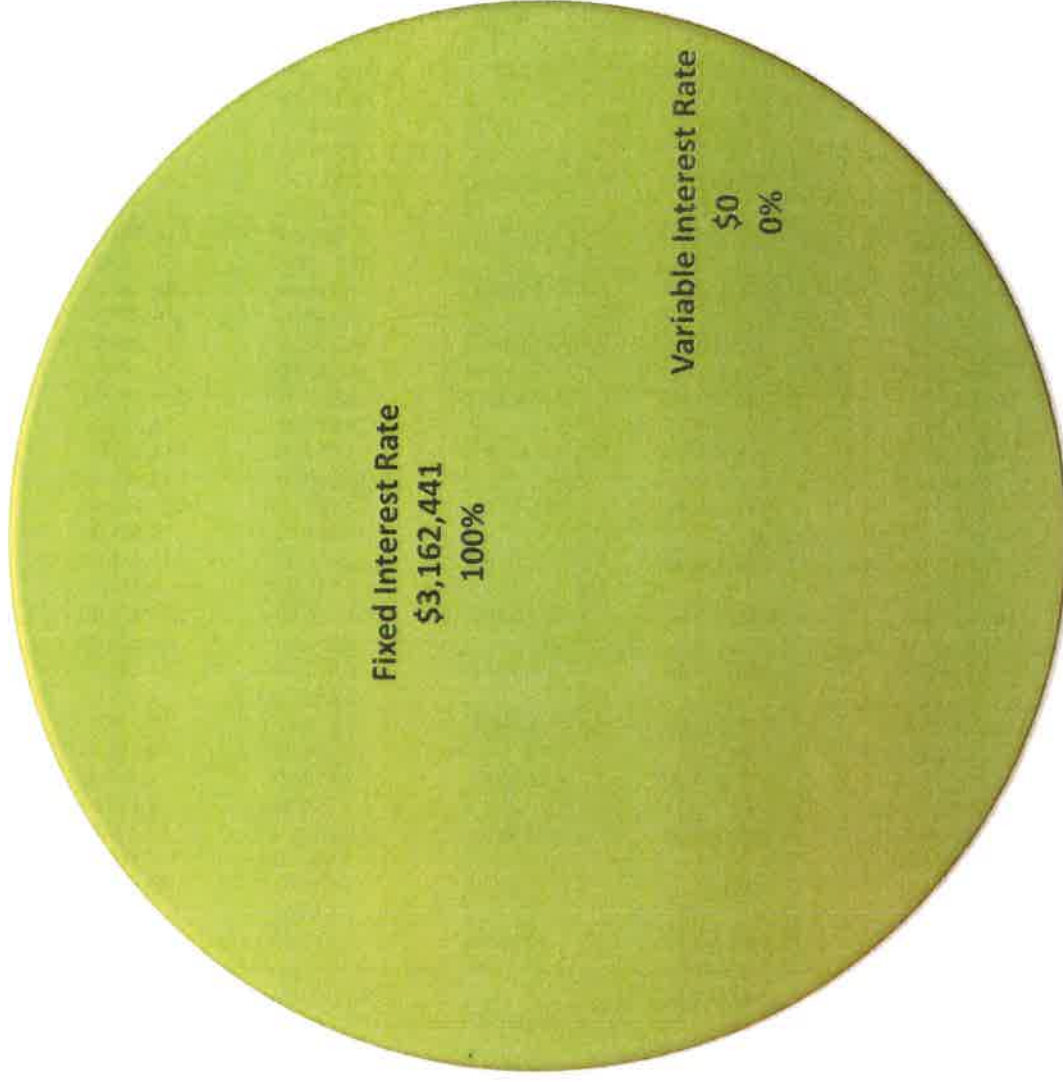
# City of Covington, Tennessee Total Combined Outstanding Debt Service Water System



## City of Covington, Tennessee

### Fixed to Variable Ratios

Water System Debt Outstanding = \$3,162,441







## DEBT SERVICE

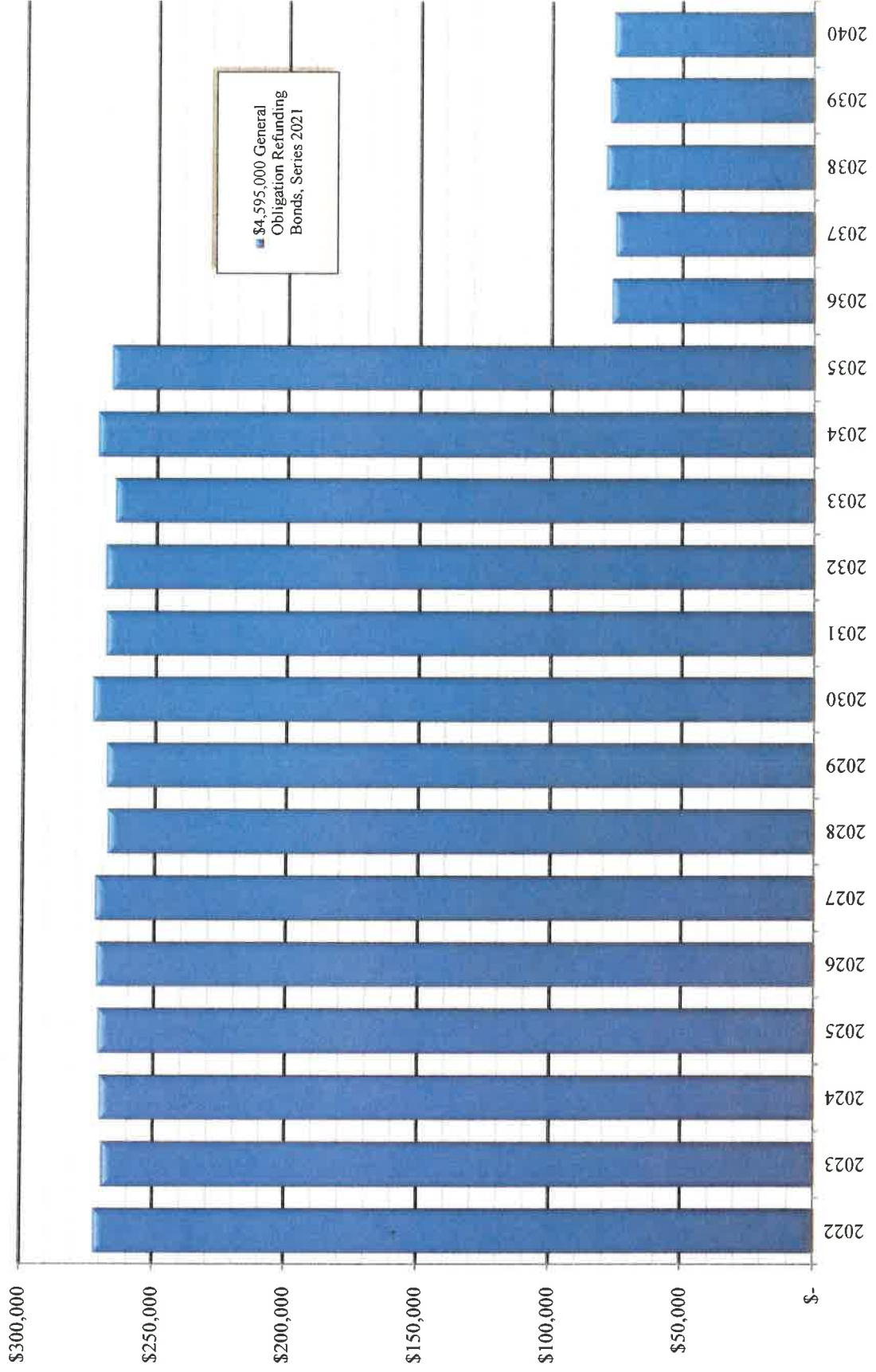
**City of Covington, Tennessee**  
**\$4,595,000 General Obligation Refunding Bonds, Series 2021**  
**(\$3,590,000 Sewer Portion)**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/01/2021			23,144.61	23,144.61	
06/01/2022	215,000.00	2.000%	34,430.00	249,430.00	272,574.61
12/01/2022			32,280.00	32,280.00	
06/01/2023	205,000.00	2.000%	32,280.00	237,280.00	269,560.00
12/01/2023			30,230.00	30,230.00	
06/01/2024	210,000.00	2.000%	30,230.00	240,230.00	270,460.00
12/01/2024			28,130.00	28,130.00	
06/01/2025	215,000.00	2.000%	28,130.00	243,130.00	271,260.00
12/01/2025			25,980.00	25,980.00	
06/01/2026	220,000.00	2.000%	25,980.00	245,980.00	271,960.00
12/01/2026			23,780.00	23,780.00	
06/01/2027	225,000.00	2.000%	23,780.00	248,780.00	272,560.00
12/01/2027			21,530.00	21,530.00	
06/01/2028	225,000.00	2.000%	21,530.00	246,530.00	268,060.00
12/01/2028			19,280.00	19,280.00	
06/01/2029	230,000.00	2.000%	19,280.00	249,280.00	268,560.00
12/01/2029			16,980.00	16,980.00	
06/01/2030	240,000.00	2.000%	16,980.00	256,980.00	273,960.00
12/01/2030			14,580.00	14,580.00	
06/01/2031	240,000.00	2.000%	14,580.00	254,580.00	269,160.00
12/01/2031			12,180.00	12,180.00	
06/01/2032	245,000.00	1.400%	12,180.00	257,180.00	269,360.00
12/01/2032			10,465.00	10,465.00	
06/01/2033	245,000.00	1.400%	10,465.00	255,465.00	265,930.00
12/01/2033			8,750.00	8,750.00	
06/01/2034	255,000.00	2.000%	8,750.00	263,750.00	272,500.00
12/01/2034			6,200.00	6,200.00	
06/01/2035	255,000.00	2.000%	6,200.00	261,200.00	267,400.00
12/01/2035			3,650.00	3,650.00	
06/01/2036	70,000.00	2.000%	3,650.00	73,650.00	77,300.00
12/01/2036			2,950.00	2,950.00	
06/01/2037	70,000.00	2.000%	2,950.00	72,950.00	75,900.00
12/01/2037			2,250.00	2,250.00	
06/01/2038	75,000.00	2.000%	2,250.00	77,250.00	79,500.00
12/01/2038			1,500.00	1,500.00	
06/01/2039	75,000.00	2.000%	1,500.00	76,500.00	78,000.00
12/01/2039			750.00	750.00	
06/01/2040	75,000.00	2.000%	750.00	75,750.00	76,500.00
	3,590,000.00		580,504.61	4,170,504.61	

### Date Structure

Date 07/30/2021  
First Coupon Date 12/01/2021

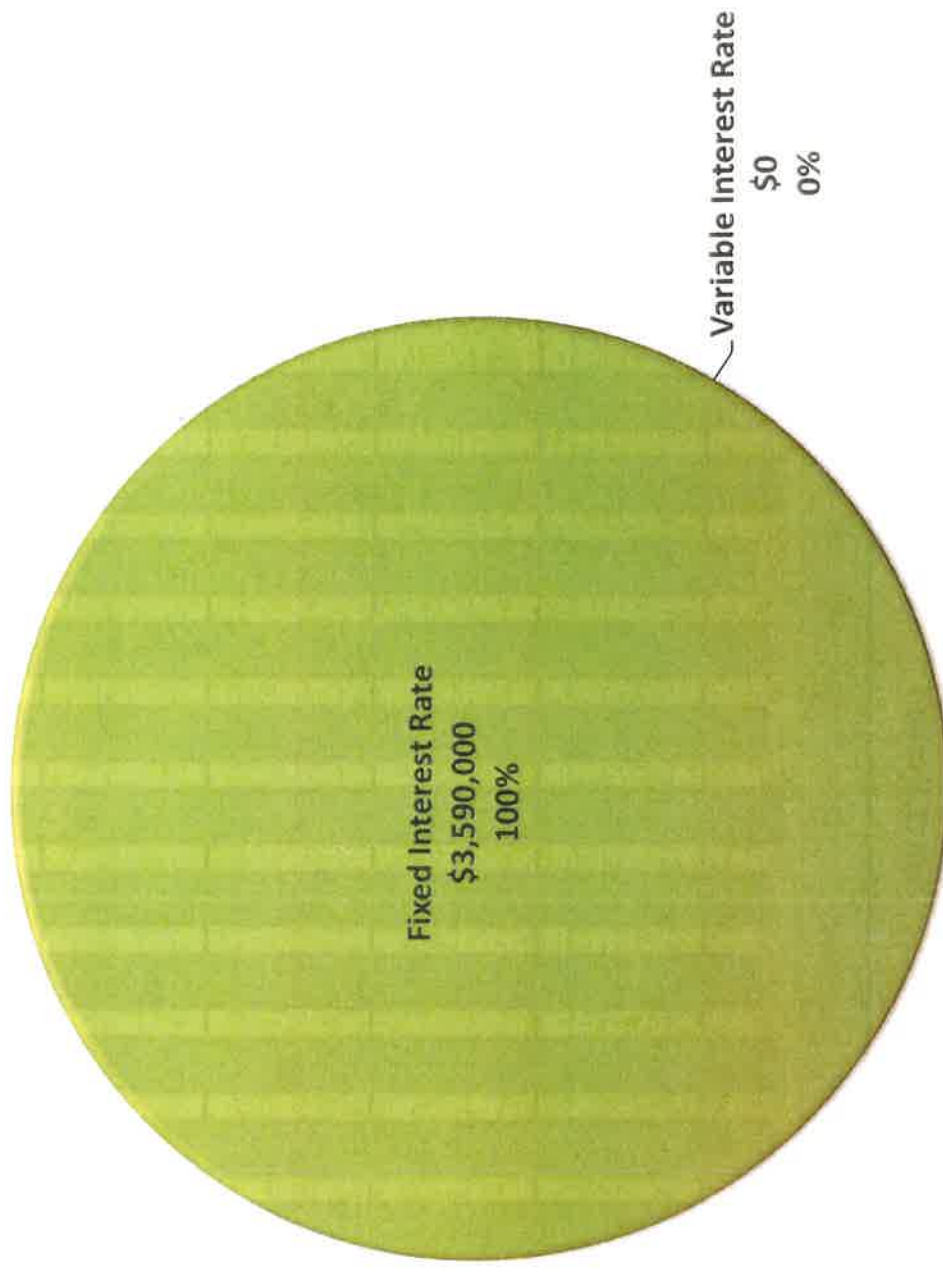
# City of Covington, Tennessee Total Combined Outstanding Debt Service Sewer System



## City of Covington, Tennessee

### Fixed to Variable Ratios

Sewer System Debt Outstanding = \$3,590,000



## DEBT SERVICE

**City of Covington, Tennessee  
Bio Mass Gasification Bonds  
Backed by City's General Obligation Credit  
Budget Rates**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/01/2021			29,662.50	29,662.50	
06/01/2022	81,000.00	3.500%	29,662.50	110,662.50	140,325.00
12/01/2022			28,245.00	28,245.00	
06/01/2023	84,000.00	3.500%	28,245.00	112,245.00	140,490.00
12/01/2023			26,775.00	26,775.00	
06/01/2024	87,000.00	3.500%	26,775.00	113,775.00	140,550.00
12/01/2024			25,252.50	25,252.50	
06/01/2025	90,000.00	3.500%	25,252.50	115,252.50	140,505.00
12/01/2025			23,677.50	23,677.50	
06/01/2026	93,000.00	3.500%	23,677.50	116,677.50	140,355.00
12/01/2026			22,050.00	22,050.00	
06/01/2027	96,000.00	3.500%	22,050.00	118,050.00	140,100.00
12/01/2027			20,370.00	20,370.00	
06/01/2028	99,000.00	3.500%	20,370.00	119,370.00	139,740.00
12/01/2028			18,637.50	18,637.50	
06/01/2029	103,000.00	3.500%	18,637.50	121,637.50	140,275.00
12/01/2029			16,835.00	16,835.00	
06/01/2030	106,000.00	3.500%	16,835.00	122,835.00	139,670.00
12/01/2030			14,980.00	14,980.00	
06/01/2031	110,000.00	3.500%	14,980.00	124,980.00	139,960.00
12/01/2031			13,055.00	13,055.00	
06/01/2032	114,000.00	3.500%	13,055.00	127,055.00	140,110.00
12/01/2032			11,060.00	11,060.00	
06/01/2033	118,000.00	3.500%	11,060.00	129,060.00	140,120.00
12/01/2033			8,995.00	8,995.00	
06/01/2034	122,000.00	3.500%	8,995.00	130,995.00	139,990.00
12/01/2034			6,860.00	6,860.00	
06/01/2035	126,000.00	3.500%	6,860.00	132,860.00	139,720.00
12/01/2035			4,655.00	4,655.00	
06/01/2036	131,000.00	3.500%	4,655.00	135,655.00	140,310.00
12/01/2036			2,362.50	2,362.50	
06/01/2037	135,000.00	3.500%	2,362.50	137,362.50	139,725.00
	1,695,000.00		546,945.00	2,241,945.00	

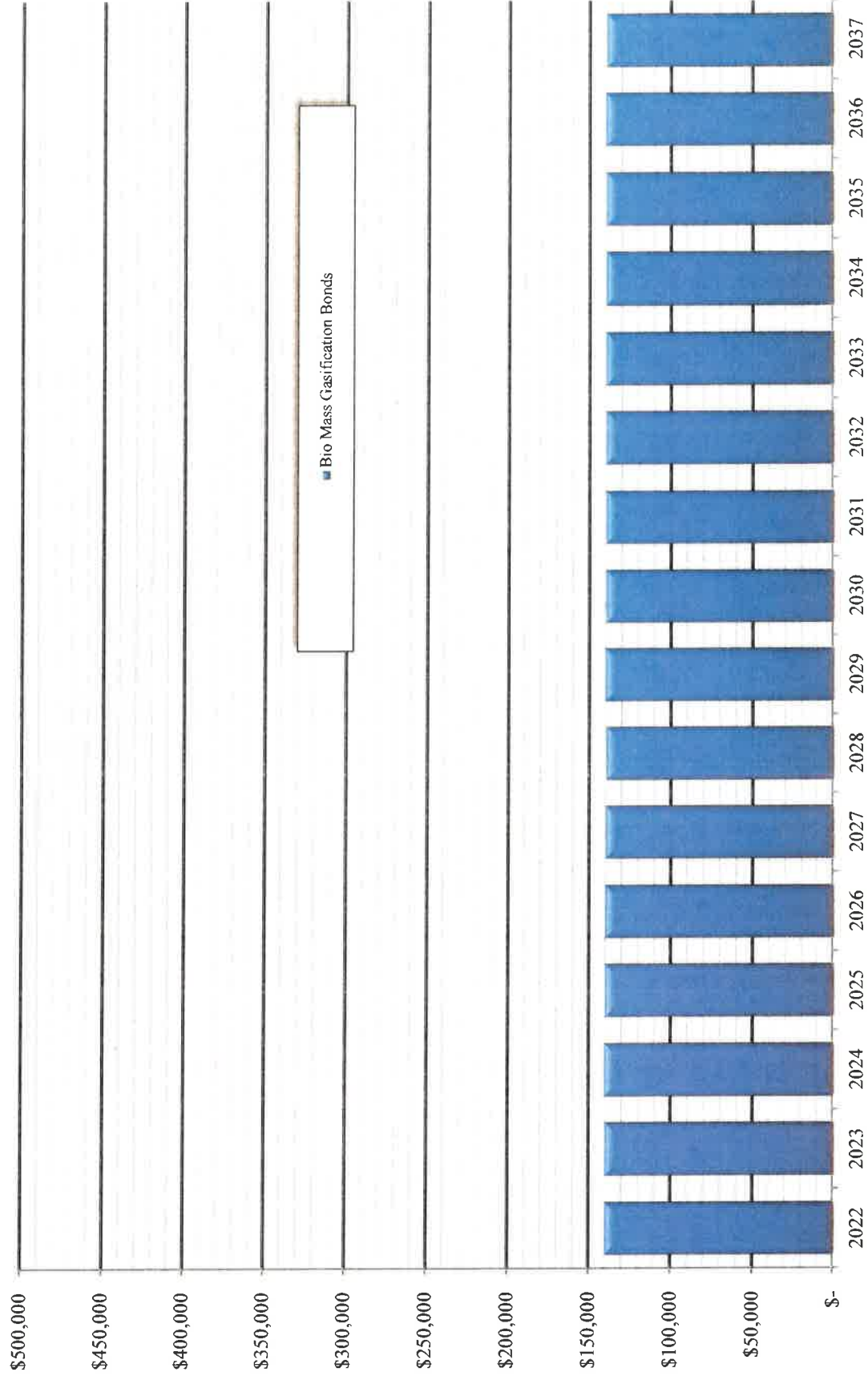
### Date Structure

Date 06/01/2014  
First Coupon Date 12/01/2014

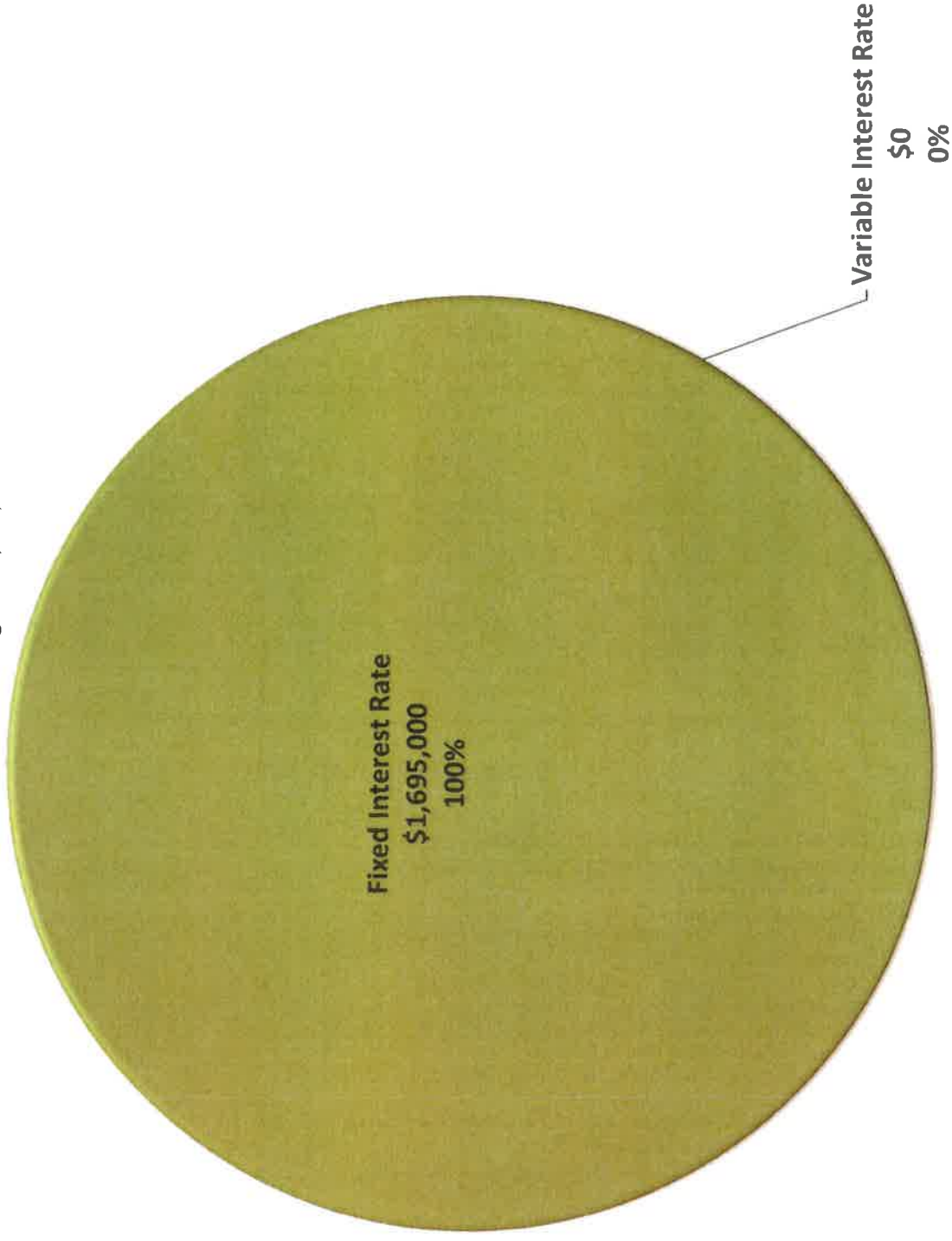
### Yield Statistics

Average Coupon 3.50000000%  
Weighted Average Maturity 13.492  
True Interest Cost (TIC) 3.50000000%

# City of Covington, Tennessee Total Combined Outstanding Debt Service Bio Mass System



**City of Covington, Tennessee**  
**Fixed to Variable Ratios**  
Bio Mass System Debt Outstanding = \$1,695,000





## AGGREGATE DEBT SERVICE

### City of Covington, Tennessee Total Combined Outstanding Debt Service - All Funds

Date	Principal	Interest	Total P+I
06/30/2022	1,326,029.00	222,897.81	1,548,926.81
06/30/2023	1,279,057.00	204,047.04	1,483,104.04
06/30/2024	1,061,954.00	172,973.32	1,234,927.32
06/30/2025	1,085,266.00	146,681.20	1,231,947.20
06/30/2026	501,333.00	119,778.32	621,111.32
06/30/2027	514,333.00	108,356.66	622,689.66
06/30/2028	384,000.00	96,630.00	480,630.00
06/30/2029	393,000.00	87,465.00	480,465.00
06/30/2030	391,000.00	78,060.00	469,060.00
06/30/2031	395,000.00	68,650.00	463,650.00
06/30/2032	404,000.00	59,100.00	463,100.00
06/30/2033	413,000.00	51,050.00	464,050.00
06/30/2034	427,000.00	42,790.00	469,790.00
06/30/2035	431,000.00	32,420.00	463,420.00
06/30/2036	251,000.00	21,910.00	272,910.00
06/30/2037	255,000.00	14,925.00	269,925.00
06/30/2038	130,000.00	7,800.00	137,800.00
06/30/2039	130,000.00	5,200.00	135,200.00
06/30/2040	130,000.00	2,600.00	132,600.00
	9,901,972.00	1,543,334.35	11,445,306.35

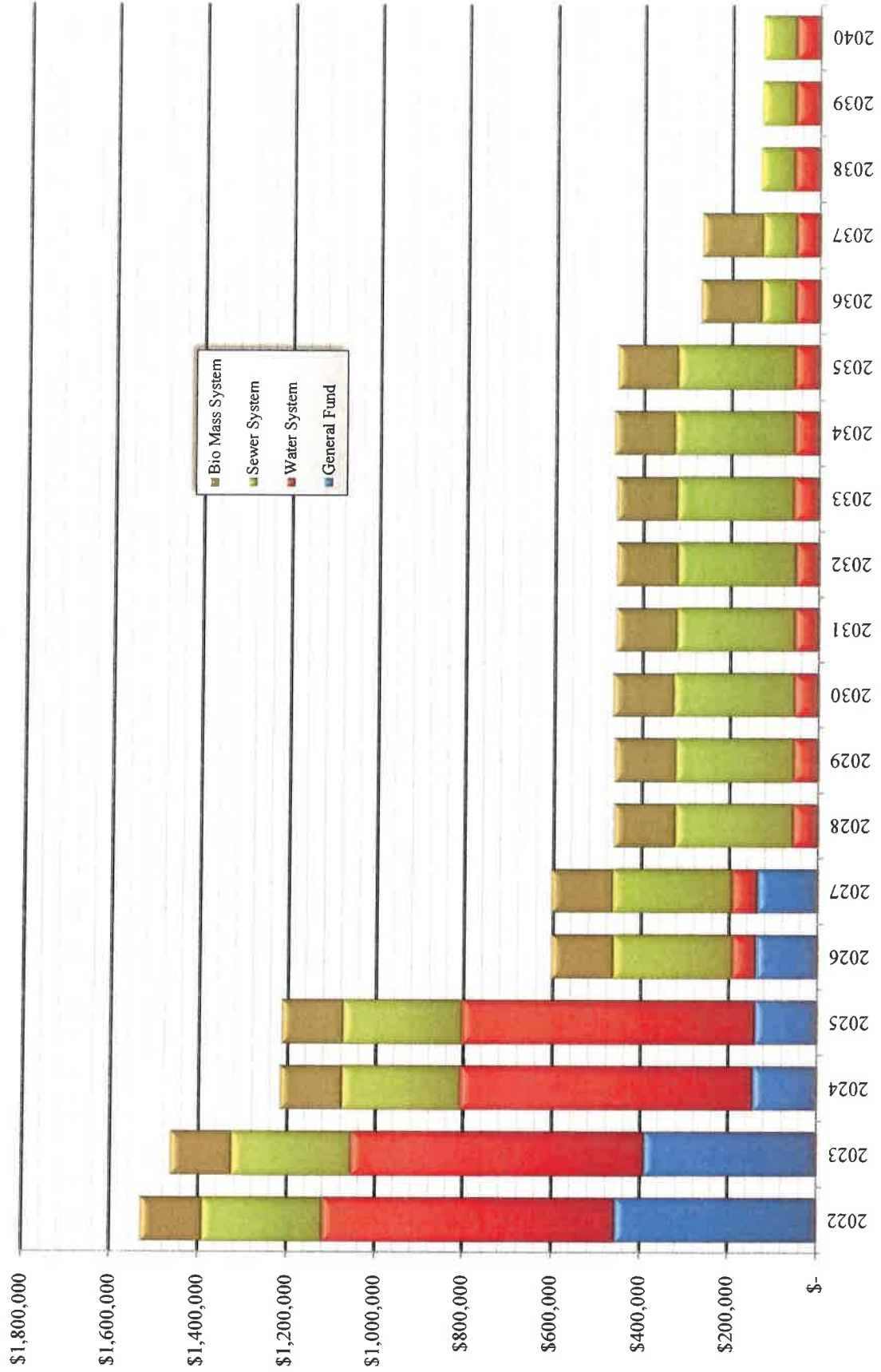
### Par Amounts Of Selected Issues

\$1,200,000 Note Payable - Lawsuit Settlement	799,998.00
Capital Lease Obligation - Sweeper	37,685.00
Capital Lease Obligation - Truck	5,972.00
Capital Lease Obligation - Truck	7,339.00
\$485,200 General Obligation Refunding Bonds, Series 2020	332,000.00
Capital Lease Obligation - SUV	11,982.00
Capital Lease Obligation - Field Machine	7,658.00
Capital Lease Obligation - Police Vehicles	32,579.00
General Obligation Note - Police Tasers	15,300.00
General Obligation Note - Police Cameras	23,532.00
General Obligation Interfund Loan, Capital Outlay Note, Series 2014	60,486.00
Bio Mass Gasification Bonds	1,695,000.00
\$4,595,000 General Obligation Refunding Bonds, Series 2021	120,000.00
Capital Lease - Automated Meters	2,277,441.00
\$4,595,000 General Obligation Refunding Bonds, Series 2021	885,000.00
\$4,595,000 General Obligation Refunding Bonds, Series 2021	3,590,000.00
TOTAL	9,901,972.00

# City of Covington, Tennessee

## Total Combined Outstanding Debt Service

### All Funds

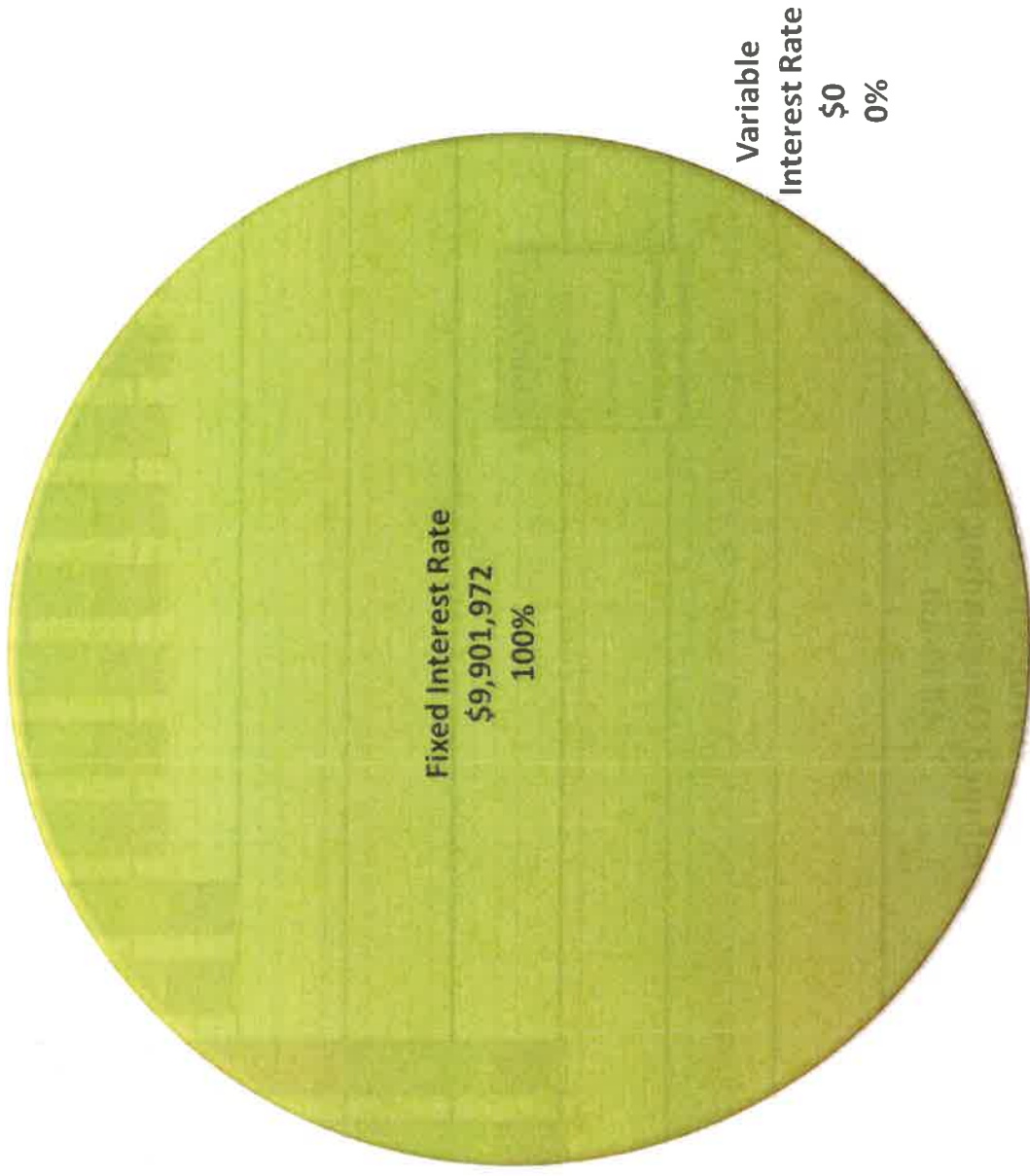




## City of Covington, Tennessee

### Fixed to Variable Ratios

All Funds Outstanding = \$9,901,972



Memorandum: One-Time Irrevocable Elections in Governmental Qualified Plans

To: Tina Dunn and Tiny Rose

From: Frank Stockdale Carney

Date: July 6, 2021

Summary:

Following up on TCRS' response that Hybrid employees cannot have a right to elect to remain in the Hybrid Plan, I have looked into the IRS Code and Regulations on what limitations there are on one-time irrevocable elections in pension systems. Because there are no employee contributions in the current Hybrid System and the proposed Legacy Plan design includes a mandatory employee contribution, TCRS is correct that the employees cannot be given the right to elect which System they want. So if Covington wants to adopt the TCRS Legacy Plan with mandatory employee contributions in lieu of the current Hybrid Plan, the City would have to adopt the Legacy Plan for all Hybrid Plan employees; otherwise, all employee contributions would become taxable wages to the electing employees.

Discussion and Details:

Two recent IRS Private Letter Rulings limit the right of employee elections to employer plans that have employee contributions. The PLRs support TCRS's comment that Covington can move employees from the Hybrid Plan to the Legacy Plan, but cannot give employees any right to elect between the two plans.

As we've discussed before, the Internal Revenue Code does not permit a government to have a "cash or deferred arrangement" like a 401(k) plan where an employee can elect to reduce h/her taxable income by deferring a percentage of that salary to a qualified retirement plan. IRS defines a "cash or deferred arrangement" as any direct or indirect election (or modification of an earlier election) by an employee to have the employer either: (1) provide an amount to the employee in the form of cash that is not currently available, or (2) contribute an amount to a qualified retirement plan. As you'll see below, if an employee can elect not to have employee contributions made to the Hybrid Plan or elect to increase employee contributions by electing to participate in the Legacy Plan in lieu of the Hybrid Plan, the IRS deems that election a "cash or deferred arrangement."

While Internal Revenue Code §401(k)-1(3)(v) does permit an employee to make a one-time irrevocable election to enter an employer plan, it does not permit the employee contributions to be treated as pre-tax contributions unless either (1) the employee's election is first made when the employee becomes eligible for any defined benefit plan of the same employer, or (2) the employee's election does not result in any employee contributions in excess of the employee contributions the employee is already making to the current employer plan in which the employee participates.

Because the current Hybrid Plan in which employees participate has no employee contributions and because the proposed Legacy Plan design will have employee contributions, employees do not have the right to make an election between the two plans. Such an election, even on a one-time

irrevocable basis, would result in the employee contributions in the Legacy Plan being includable in the taxable wages of the participants. An employee's election to move from the Hybrid Plan where there are no employee contributions to the Legacy Plan where there are employee contributions would be viewed by the IRS as an impermissible cash or deferred election.

In two recent Private Letter Rulings the IRS has clarified that a one-time irrevocable election must either (1) be made when the employee first becomes eligible to participate in the employer's plan or any other plan of the employer, or (2) does not result in an increase in any employee contributions to the plan. It is this second requirement which is the bar to Covington employees in the Hybrid Plan having any election rights to switch from the Hybrid Plan to the Legacy Plan if the City wants to treat the mandatory employee contributions as pre-tax. Per our discussions, employees currently participating in the Hybrid Plan make no employee contributions to that plan while the plan design for the new Legacy Plan is to require an employee contribution of 6.5%. If the Legacy Plan is adopted with a mandatory 6.5% employee contribution, or any employee contribution in excess of the employee contribution currently being made to the Hybrid Plan, then all employees in the Hybrid Plan must move to the Legacy Plan in order for employee contributions to be pre-tax. An employee cannot have a right to elect to remain in the Hybrid Plan.

The two recent IRS clarifications are in PLR 202020019 and PLR 20202006. In PLR 202020019 the government maintained a Plan A defined benefit plan and a Plan B defined benefit plan. There were two different employee contribution percentages in each Plan A and B based on the employee's date of hire. The government adopted a Hybrid Plan. The employee contribution percentage in the Hybrid Plan remained by same for some members but different for other members. The IRS ruled that a one-time irrevocable election by members was only permitted if, and only to the extent that, the employee contributions remained the same in the old system and the new Hybrid Plan. To the extent any employee contributions in the new Hybrid Plan exceeded the contributions in the old systems, a one-time irrevocable election was an impermissible cash or deferred election and the excess employee contributions would not be pre-tax.

In short PLR 202020019 provides "the mandatory employees contributions required to be made by current members of System A or B who elect to participate in the hybrid cash balance plan in lieu of participating in the defined benefit tiers of System A and System B, and which are picked-up by the participating employer [as pre-tax contributions], shall continue to be treated as employer contributions pursuant to a valid pick-up under §414(h)(2), **provided that the mandatory, pre-tax employee contributions to the hybrid cash balance plan are exactly the same as the employee contributions to the defined benefit tier of System A or System B. . . .** (emphasis added).

In PLR 202020006 IRS also stated "Any election by employees that causes a difference in the amount of employee contribution required to be made by the employee results in a cash or deferred arrangement under §401(k). A governmental plan is generally prohibited from creating such an arrangement pursuant to §1.401(k)-1(e)(4), and the creation of a cash or deferred arrangement invalidates the pick-up of the employee contributions."

### Conclusion

If the City adopts the Legacy Plan for current Hybrid Plan participant, the Hybrid Plan participants cannot be given the right to elect to remain in the Hybrid Plan or move to the Legacy Plan. Such an election would cause the employee contributions to constitute taxable income to the employees and be included in the employees' wages for tax purposes.

## TITLE 8

ALCOHOLIC BEVERAGES<sup>1</sup>

## CHAPTER

1. INTOXICATING LIQUORS.
2. BEER.

## CHAPTER 1

INTOXICATING LIQUORS

## SECTION

- 8-101. Regulations applicable.
- 8-102. Terms defined.
- 8-103. Manufacturing prohibited.
- 8-104. Engaging in wholesale business prohibited.
- 8-105. Application for and issuance of retailer's license; license fee; licensee must be qualified voter.
- 8-106. No license to be issued for premises too close to a church, etc.; licenses not transferable to other premises; zoning restrictions.
- 8-107. No limitation on number of retail licenses.
- 8-108. Bonds of license.
- 8-109. Restrictions on license holders and employees.
- 8-110. Display of license.
- 8-111. Transfer of license restricted.
- 8-112. Expiration of licenses; renewal.
- 8-113. New license after revocation.
- 8-114. Federal license, effect of.
- 8-115. Inspection fee.
- 8-116. Regulations for purchase and sale of intoxicating liquors.
- 8-117. Use of canvassers or solicitors by retailers prohibited.
- 8-118. Regulation of retail sales.
- 8-119. Possession on streets, etc., restricted.
- 8-120. Chapter not applicable to beer.
- 8-121. Definition of "alcoholic beverages."
- 8-122. Consumption of alcoholic beverages on premises.
- 8-123. Privilege tax on retail sale of alcoholic beverages for consumption on the premises.

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<sup>1</sup>State law reference

Tennessee Code Annotated, title 57.

8-124. Annual privilege tax to be paid to the recorder/treasurer.

8-125. Violations.

**8-101. Regulations applicable.** (1) Pursuant to Tennessee Code Annotated, title 57, as amended, and a referendum held pursuant thereto in the City of Covington, Tennessee, on the 1<sup>st</sup> day of August, 1968, this chapter is enacted.

(2) It shall be unlawful to engage in the business of selling, storing, transporting, or distributing, or to purchase or possess alcoholic beverages within the corporate limits of the City of Covington, Tennessee, except in accordance with the provisions of Tennessee Code Annotated, title 57, chapter 1, and the rules and regulations promulgated thereunder and as provided in this chapter. (1971 Code, § 2-101)

**8-102. Terms defined.** Whenever used herein unless the context requires otherwise:

(1) "Alcoholic beverages" as used in this chapter, unless the context indicates otherwise, means and includes alcohol, spirits, liquor, wine, and every liquid containing alcohol, spirits, liquor, wine and capable of being consumed by a human being, other than patented medicine beer or wine, where the latter contains an alcoholic content of five percent (5%) by weight, or less.

(2) "Gallon or "gallons" wherever used herein, shall be construed to mean a wine gallon or wine gallons of one hundred and twenty-eight (128) ounces. The word "quart," whenever used herein, will be construed to mean one-fourth (1/4) of a wine gallon. The word "pint," whenever used herein, shall be construed to mean one-eighth (1/8) of a wine gallon.

(3) "License" means the license issued as provided herein and "licensee" means any person to whom such license has been issued.

(4) "Manufacturer" means and includes a distiller, vintner and rectifier. "Manufacture" means and includes distilling, rectifying and operating a winery.

(5) "Retailer" means any person who sells at retail any beverage for the sale of which a license is required under the provisions herein.

(6) "Retail sale" or "sale at retail" means a sale to a consumer or to any person for any purpose other than for resale.

(7) "Wholesaler" means any person who sells at wholesale any beverage for the sale of which a license is required under the provisions of Tennessee Code Annotated, §§ 57-3-101 to 57-3-110.

(8) "Wholesale sale" or "sale at wholesale" means a sale to any person for purposes of resale.

(9) "Wine" means the product of the normal alcoholic fermentation of the juice of fresh, sound, ripe grapes, with the usual cellar treatment and necessary additions to correct defects due to climatic, saccharine and seasonal conditions, including champagne, sparkling and fortified wine of an alcoholic

content not to exceed twenty-one percent (21%) by volume. No other product shall be called "wine" unless designated by appropriate prefixes descriptive of the fruit or other product from which the same was predominantly produced, or an artificial or imitation wine.

(10) Words importing the masculine gender shall include the feminine and the neuter, and the singular shall include the plural.

(11) The term "federal license" as used herein shall not mean tax receipt or permit. (1971 Code, § 2-102, as amended by Ord. #1508, April 2003)

**8-103. Manufacturing prohibited.** The manufacture of alcoholic beverages is prohibited within the corporate limits of the City of Covington. (1971 Code, § 2-103)

**8-104. Engaging in wholesale business prohibited.** No person, firm, or corporation shall engage in the business of selling alcoholic beverages at wholesale within the corporate limits of the City of Covington. (1971 Code, § 2-104)

**8-105. Application for and issuance of retailer's license; license fee; licensee must be qualified voter.** A license for the retail sale of alcoholic beverages may be issued as herein provided. Any person or persons desiring to sell alcoholic beverages to patrons or customers, in sealed packages only, and not for consumption on the premises, shall make application to the city recorder for a retailer's license. The application shall be in writing on forms prescribed and furnished by the city recorder. Subject to the issuance of a retail license by the Commissioner of Revenue, State of Tennessee, a majority of the board of mayor and aldermen may issue such retailer's license. Such retailer's license shall not be issued unless and until the applicant therefor shall pay the city recorder a license fee of two hundred and fifty dollars (\$250.00) and no license shall be issued except to individuals who are and have been for at least one (1) year legally qualified voters of the City of Covington. (1971 Code, § 2-105)

**8-106. No license to be issued for premises too close to a church, etc.; licenses not transferable to other premises; zoning restrictions.** No license shall be granted for the operation of a retail store for the sale of alcoholic beverages when, in the opinion of the board of mayor and aldermen, expressed by a majority thereof, the carrying on of such business at the premises covered by the application for a license would be in too close proximity to a church, school, or public institution, or otherwise inimical to the public interest. A retailer's license issued under this chapter shall not be valid except at the premises recited in the application. No license shall be granted for the operation of a retail store except in areas zoned for B-1, B-2, B-3, and M-1. (1971 Code, § 2-106)

**8-107. No limitation on number of retail licenses.** No limitation as to number of retail licenses is established by this chapter. (1971 Code, § 2-107)

**8-108. Bonds of licensees.** Bonds required herein shall be executed by a surety company duly authorized and qualified to do business in the State of Tennessee. Bonds of retailers shall be one thousand dollars (\$1,000.00) and shall be conditioned that the principal thereof shall pay any fine which may be assessed against the principal. (1971 Code, § 2-108)

**8-109. Restrictions on license holders and employees.** (1) The license fee for every license hereunder shall be payable by the person making application for such license and to whom it is issued and no other person shall pay for any license issued under this chapter.

(2) No retailer's license shall be issued to a person who is a holder of a public office, either appointive or elective, or who is a public employee, either national, state, city, or county. It shall be unlawful for any such person to have an interest in such retail business, directly or indirectly, either proprietary or by means of any loan, mortgage, or lien, or to participate in the profits of any such business.

(3) No retailer shall be a person who has been convicted of a felony involving moral turpitude within ten (10) years prior to the time he or the concern with which he is connected shall receive a license; provided, however, that this provision shall not apply to any person who has been so convicted, but whose rights of citizenship have been restored or judgment of infamy has been removed by a court of competent jurisdiction; and in the case of any such conviction occurring after a license has been issued and received, the said license shall immediately be revoked, if such convicted felon be an individual licensee, and if not, the partnership, corporation, or association with which he is connected shall immediately discharge him.

(4) No license shall under any condition be issued to any person who within ten (10) years preceding application for such license or permit shall have been convicted of any offense under the laws of the State of Tennessee or of any other state or of the United States prohibiting or regulating the selling, possessing, transporting, storing, manufacturing, or otherwise handling intoxicating liquors or who has, during said period, been engaged in business alone or with others, in violation of any of said laws or rules and regulations promulgated pursuant thereto.

(5) No manufacturer, brewer, or wholesaler shall have any interest in the business or building containing licensed premises of any other person having a license hereunder, or in the fixtures of any such person.

(6) It shall be unlawful for any person to have ownership in, or participate, either directly or indirectly, in the profits of any retail business licensed under Tennessee Code Annotated, §§ 57-2-103 to 57-3-105, unless his interest in said business and the nature, extent, and character thereof shall



appear on the application; or if the interest is acquired after the issuance of a license, unless it shall be fully disclosed to the board of mayor and aldermen and approved by it. Where such interest is owned by such person on or before the application for any license, the burden shall be upon such person to see that this section is fully complied with, whether he, himself, signs or prepares the application, or whether the same is prepared by another; or if said interest is acquired after the issuance of the license, the burden of said disclosure of the acquisition of such interest shall be upon both the seller and the purchaser.

(7) No person shall be employed in the sale of alcoholic beverages except a citizen of the United States.

(8) No retailer, or any employee thereof, engaged in the sale of alcoholic beverages shall be a person under the age of twenty-one (21) years, and it shall be unlawful for any retailer to employ any person under twenty-one (21) years of age for the physical storage, sale, or distribution of alcoholic beverages, or to permit any such person under said age on his place of business to engage in the storage, sale, or distribution of alcoholic beverages.

(9) No retailer shall employ in the storage, sale, or distribution of alcoholic beverages, any person who, within ten (10) years prior to the date of his employment, shall have been convicted of a felony involving moral turpitude, and in case an employee should be convicted he shall immediately be discharged; provided, however, that this provision shall not apply to any person who has been so convicted, but whose rights of citizenship have been restored or judgment of infamy has been removed by a court of competent jurisdiction.

(10) The issuance of a license does not vest a property right in the licensee, but is a privilege subject to revocation or suspension under this chapter.

(11) Misrepresentation of a material fact or concealment of a material fact required to be shown in the application for a license shall be a violation of this chapter.

(12) No retailer shall hold, have any interest in, or be the owner of a beer permit of any type issued under the ordinances of the City of Covington. (1971 Code, § 2-109)

**8-110. Display of license.** Persons granted a license to carry on any business or undertaking contemplated herein shall, before being qualified to do business, display and post, and keep displayed and posted, in the most conspicuous place in their premises, such license. (1971 Code, § 2-110)

**8-111. Transfer of licenses restricted.** The holder of a license may not sell, assign, or transfer such license to any other person, and said license shall be good and valid only for the calendar year in which the same was issued. Provided, however, that licensees who are serving in the military forces of the United States in time of war may appoint an agent to operate under the license of the licensee during the absence of the licensee. In such instances, the license

shall continue to be carried and renewed in the name of the owner. The agent of the licensee shall conform to all the requirements of a licensee. No person who is ineligible to obtain a license shall be eligible to serve as the agent of a licensee under this section. (1971 Code, § 2-111)

8-112. Expiration of licenses; renewal. Licenses issued under this chapter shall expire at the end of each calendar year but, subject to the provisions of this chapter, may be renewed each calendar year by payment of the above-mentioned license fee, and the proportionate part of the license fee prescribed therefor shall be paid in advance at the time application for renewal shall be made. (1971 Code, § 2-112)

8-113. New license after revocation. Where a license is revoked, no new license shall be issued to permit the sale of alcoholic beverages on the same premises until after the expiration of one (1) year from the date said revocation becomes final and effective. (1971 Code, § 2-113)

8-114. Federal license, effect of. The possession of a federal license to sell alcoholic beverages, without the corresponding requisite state license, shall in all cases be prima facie evidence that the holder of such federal license is selling alcoholic beverages in violation of the terms of this chapter. (1971 Code, § 2-114)

8-115. Inspection fee. There is hereby imposed an inspection fee of five percent (5%) of all gross sales of alcoholic beverages sold by wholesalers to the retailers selling alcoholic beverages in the City of Covington. The inspection fee shall be collected by the wholesaler from the retailer following notice given the wholesaler by the City of Covington that an inspection fee has been imposed by ordinance upon the retailers located within the City of Covington. The inspection fee shall be collected by the wholesaler at the time of the sale or at the time the retailer makes payment for the delivery of the alcoholic beverages. Each wholesaler making sales to retailers located within the City of Covington shall furnish the city a report monthly, which report shall contain a list of the alcoholic beverages sold to each retailer located within the city, the wholesale price of the alcoholic sold to each retailer, the amount of fees due, and such other information as may be required by the city. The monthly report shall be furnished the city not later than the twentieth (20<sup>th</sup>) of the month following which the sales were made. The inspection fees collected by the wholesaler from the retailers located within the city shall be paid to the said city at the time the monthly report is made. Wholesalers collecting and remitting the above inspection fee to the city shall be entitled to reimbursement for this collection service, a sum equal to five percent (5%) of the total amount of inspection fees collected and remitted, such reimbursement to be deducted and shown on the monthly report to said city. Failure to collect or timely report and/or pay the

inspection fee collected shall result in a penalty of ten percent (10%) of the fee due which shall be payable to the city. Said inspection fee shall be used by the city for only educational, community, and recreational purposes. (1971 Code, § 2-115, as amended by Ord. #1203, March 1987, and Ord. #1651, Sept. 2013)

**8-116. Regulations for purchase and sale of intoxicating liquors.**

(1) It shall be unlawful for any person in the City of Covington to buy any alcoholic beverages herein defined from any person who does not hold the appropriate license under this chapter authorizing the sale of said beverages to him.

(2) No retailer shall purchase any alcoholic beverages from anyone other than a licensed wholesaler, nor shall any wholesaler sell any alcoholic beverages to anyone other than a licensed retailer.

(3) No licensee shall sell intoxicating liquors at retail in connection with any other business or in the same store where any other business is carried on.

(4) No retail store shall be located except on the ground floor and it shall have only one (1) main entrance opening on a public street and such place of business shall have no other entrance for use by the public except as hereinafter provided. When a retail store is located on the corner of two (2) public streets, such retail store may maintain a door opening on each of the public streets. Provided, however, that any sales room adjoining the lobby of a hotel or other public building may maintain an additional door into such lobby so long as same shall be open to the public, and provided further, that every retail store shall be provided with whatever entrances and exits may be required by existing or future municipal ordinances. If the retail store has a rear entrance or an entrance onto an alleyway, such entrance may be used to receive shipments of intoxicating beverages from the wholesaler, but such entrance may not be used by the public for any purpose whatsoever.

(5) No holder of a license for the sale of alcoholic beverages for retail shall sell, deliver, or cause, permit, or procure to be sold or delivered, any alcoholic beverages on credit.

(6) No alcoholic beverages shall be sold for consumption on the premises of the retailer or seller.

(7) The sales of all alcoholic beverages by a retailer shall be made within the licensed premises; provided, that deliveries of alcoholic beverages sold within the premises may be made by the retailer to a vehicle of the purchaser parked on the lot or lots upon which said licensed premises are situated or at the curb immediately adjacent to the lot or lots upon which said licensed premises are situated, and not elsewhere.

(8) To the fullest extent, consistent with the nature of the establishment, full, free, and unobstructed vision shall be afforded from the street and public highway to the interior of the place of sale or dispensing of alcoholic beverages where sold or dispensed.

(9) No form of entertainment, including pin ball machines, music machines, or similar devices, shall be permitted to operate upon any premises from which alcoholic beverages are sold.

(10) No advertising by licensee, signs, displays, posters, banners, or designs intended to advertise any alcoholic beverages is permitted within the corporate limits except those that are in compliance with the general sign regulations of the City of Covington, Tennessee or any regulations mandated by the State of Tennessee or its regulatory agencies. (1971 Code, § 2-116, as amended by Ord. #1567, March 2007)

**8-117. Use of canvassers or solicitors by retailers prohibited.** No holder of a license issued shall employ any canvasser or solicitor for the purpose of receiving an order from a consumer for any alcoholic beverages at the residence or place of business of such consumer nor shall any such licensee receive or accept any such order which shall have been solicited or received at the residence or place of business of such consumer. This section shall not be construed so as to prohibit the solicitation by a state licensed wholesaler of an order from any licensed retailer at the licensed premises. (1971 Code, § 2-117)

**8-118. Regulation of retail sales.** (1) No retailer shall directly or indirectly operate more than one (1) place of business for the sale of alcoholic beverages, and the word "indirectly" shall include and mean any kind of interest in another place of business by way of stock ownership, loan, partner's interest, or otherwise.

(2) No retailer shall sell, lend, or give away any alcoholic beverages to any person who is drunk nor to any person accompanied by a person who is drunk.

(3) No retailer shall sell, lend, or give away any alcoholic beverages to a person under twenty-one (21) years of age.

(4) No retailer shall sell, lend, or give away any alcoholic beverages between 11:00 P.M. on Saturday and 8:00 A.M. on Monday of each week, and between 11:00 P.M. and 8:00 A.M. Monday through Saturday.

(5) No retailer of alcoholic beverages shall keep or permit to be kept upon the licensed premises any alcoholic beverages in any unsealed bottles or other unsealed containers. (1971 Code, § 2-118, modified)

**8-119. Possession on streets, etc., restricted.** Visible possession of alcoholic beverages in an unsealed container upon any public street, or upon any public parking lot, or within any governmental building shall be a violation of this chapter. (1971 Code, § 2-119)

**8-120. Chapter not applicable to beer.** No provision of this chapter shall be considered or construed as in any way modifying, changing, or restricting the rules and regulations governing the sale, storage, transportation,

etc., or tax upon beer or other liquids with an alcoholic content of five percent (5%) or less. (1971 Code, § 2-120)

**8-121. Consumption of alcoholic beverages on premises.** Tennessee Code Annotated, title 57, chapter 4, inclusive, is hereby adopted so as to be applicable to all sales of alcoholic beverages for on premise consumption which are regulated by said code when such sales are conducted within the corporate limits of Covington, Tennessee. It's the intent of the board of mayor and aldermen that the said Tennessee Code Annotated, title 57, chapter 4, inclusive, shall be effective in Covington, Tennessee, the same as if said code sections were copied herein verbatim. (Ord. #1508, April 2003, modified)

**8-122. Privilege tax on retail sale of alcoholic beverages for consumption on the premises.** Pursuant to the authority contained in Tennessee Code Annotated, § 57-4-301, there is hereby levied a privilege tax (in the same amounts levied by Tennessee Code Annotated, § 57-4-301, for the City of Covington, Tennessee General Fund to be paid annually as provided in this chapter) upon any person, firm, corporation, joint stock company, syndicate, or association engaging in the business of selling at retail in the City of Covington, Tennessee, alcoholic beverages for consumption on the premises where sold. (Ord. #1508, April 2003)

**8-123. Annual privilege tax to be paid to the recorder/treasurer.** Any person, firm corporation, joint stock company, syndicate, or association exercising the privilege of selling alcoholic beverages for consumption on the premises in the City of Covington, Tennessee, shall remit annually to the recorder/treasurer the appropriate tax described in § 8-122. Such payments shall be remitted not less than thirty (30) days following the end of each twelve (12) month period from the original date of the license. Upon the transfer of ownership of such business or the discontinuance of such business, said tax shall be filed within thirty (30) days following such event. Any person, firm, corporation, joint stock company, syndicate, or association failing to make payment of the appropriate tax when due shall be subject to the penalty provided by law. (Ord. #1508, April 2003)

**8-124. Violations.** Any violation of the term of this chapter shall be punishable under the general penalty clause for this code of ordinances. (1971 Code, § 2-121)

## Chapter 2

### BEER<sup>1</sup>

#### SECTION

- 8-201. Beer board established.
- 8-202. Meetings of the beer board.
- 8-203. Record of beer board proceeding to be kept.
- 8-204. Requirements for beer board quorum and action.
- 8-205. Powers and duties of the beer board.
- 8-206. Definitions
- 8-207. Permit required for engaging in beer business.
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- 8-210. Classes of permits.
- 8-211. Limitation upon issuance of beer permits.
- 8-212. Conditions.
- 8-213. Minimum mandatory training requirements.
- 8-214. Legal hours of sale.
- 8-215. Suspension and revocation of beer permits.
- 8-216. Civil penalty on lieu of suspension.
- 8-217. Effect of board action.
- 8-218. Brown Bagging and /or BYOB.

8-201. **Beer Board established.** There is hereby established a Beer Board to be composed of the Board of Mayor and Aldermen. The Mayor shall be the chairman of the Beer Board and shall be entitled to vote on all matters coming before the Beer Board. (Ord. #1514, May 2003)

8-202. **Meetings of the Beer Board.** All meetings of the Beer Board shall be open to the public. The Board shall hold regular meetings in City Hall at such times as it shall prescribe. When there is business to come before the Beer Board, a special meeting may be called by the chairman provided he gives a reasonable notice thereof to each member. The Board may adjourn a meeting at any time to another time and place. (Ord. #1514, May 2003)

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<sup>1</sup>Municipal code references

Alcohol: title 11, chapter 1.

Tax provisions: title 5.

8-203. **Record of Beer Board proceedings to be kept.** The Recorder/Treasurer shall make a record of the proceedings of all meetings of the Beer Board. The record shall be a public record and shall contain at least the following: The date of each meeting; the names of the Board members present and absent; the names of the members introducing and seconding motions and resolutions, etc. before the Board; a copy of each such motion or resolution presented; the vote of each member thereon; and the provisions of each beer permit issued by the Beer Board. (Ord. #1514, May 2003)

8-204. **Requirements for Beer Board quorum and action.** The attendance of at least a majority of the members of the Beer Board shall be required to constitute a quorum for the purpose of transacting business. Matters before the Board shall be decided by a majority of the members present if a quorum is constituted. Any member present but not voting shall be deemed to have cast a "nay" vote. (Ord. #1514, May 2003)

8-205. **Powers and duties of the Beer Board.**<sup>1</sup> The Beer Board shall have the power and it is hereby directed to regulate the selling, storing for sale, distributing for sale, and manufacturing of beer within the City of Covington in accordance with the provisions of this chapter. (Ord. #1514, May 2003)

8-206. **Definitions.** For purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed by this section:

(1) "Agent" means any person who is a partner, member or otherwise involved in the permittee's business, any employee of the permittee, or the spouse, parent(s), step-parent(s), grandparent(s), sibling(s), step-sibling(s), child(ren), step-child(ren), or grandchild(ren) of the permittee.

(2) "Beer" means and includes all beers, ales, and other malt liquors or any other beverages having an alcohol content of not more than eight percent (8%) by weight, except wine as defined in T.C.A. § 57-3-101

(3) "Business" shall be defined as it is in Tennessee Code Annotated § 67-4-704 in the term "business" means any activity engaged in by a person, individual, firm, 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 or caused to be engaged in by a person, individual, firm, 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 with the object of gain, benefit or advantage, whether direct or indirect. For purposes of this section the term "business" shall also be defined as any person, individual, firm, 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 that holds a valid business license.

(4) "BYOB" means "bring your own bottle" but also mean a person bringing their own beer or other alcoholic beverage into a business or any place for consumption.

(5) "Caterer" means a business engaged in offering food and beverage service for a fee at various locations, which (a) operates a permanent catering hall on an exclusive basis; (b) has a complete and adequate commercial kitchen facility; and (c) is licensed as a caterer by the Tennessee Department of Health.

(6) "Church" means a building or property where a congregation regularly meets at least one day per week for religious worship.

(7) "Clerk" means any person working in a capacity to sell beer directly to consumers for off-premises consumption.

(8) "Beer Board" means that administrative body organized and empowered under the authority of Tennessee Code Annotated, Title 57, Chapter 5.

(9) "Minor" with respect to purchasing, consuming or possessing beer means any person who has not attained the age of twenty-one (21) years.

(10) "Moral Turpitude" includes but is not limited to the crimes of premeditated homicide, all sex related crimes, selling of any schedule and/or controlled substances illegally, fraud, and theft. For purposes of this definition, identification of Schedule substances are as defined by Tennessee Code Annotated sections 39-17-406, 39-17-410, 39-17-412, 39-17-414, 39-17-416 respectively.

(11) "Park" means a piece of property either owned or maintained by the City of Covington where persons regularly gather for recreational purposes or as spectators.

(12) "Permit" means any permit issued pursuant to this Title.

(13) "Permittee" means any person to whom any permit has been issued pursuant to this title.

(14) "Premises" means any building, portion of a building, or property that I utilized for a particular enterprise.

(15) "Resident" means any person who at present is living within the City of Covington corporate limits with the intent that his permanent home shall be within such city.

(16) "Responsible vendor" means a person, corporation or other entity that has been issued a permit to sell beer for off-premises consumption and has received certification by the Tennessee Alcoholic Beverage Commission under the "Tennessee Responsible Vendor Act of 2006," Tennessee Code Annotated § 57-5-606, et seq.

(17) "Retailer" means any person licensed by the Beer Board who sells beer for consumption and not for resale.

(18) "Off-Premises permit" means a permit issued by the Beer Board to a retailer engaged in the sale of beer which is not to be consumed by the purchaser upon the premises of such permittee.

(19) "On-Premises permit" means a permit issued by the Beer Board to a retailer engaged in the sale of beer which is to be consumed by the purchaser only upon the premises of such permittee.

(20) "School" means any institution, including kindergarten, where regular classes are conducted under the supervision of a teacher, or instructor, including schools or colleges where specialized subjects are taught to students of all ages. Such term shall include vocational, medical, law, art, cosmetology, and other institutions where similar subjects are taught; provided however, mortuary colleges shall not be included in such term.



(21) "Sell" means and includes taking or receiving an order for, keeping or exposing for sale, delivering for value, keeping for intent to sell and trafficking in beer.

(22) "Valid Identification" means (a) a valid driver's license issued by the State of Tennessee or any other state of the United States, (b) United States Active Military identification, (c) a valid passport, (d) valid identification card showing a recent photograph issued by any agency of the state or country for the purpose of identification. (Ord. #1514, May 2003 and Ord. #1165, April 2015)

8-207. **Permit required for engaging in beer business.**<sup>2</sup> It shall be unlawful for any person to sell, store for sale, distribute for sale, or manufacture beer without first making application to and obtaining a permit from the Beer Board. The application shall be made on such form as the Beer Board shall prescribe and/or furnish, and pursuant to Tennessee Code Annotated, § 57-5-104(a), shall be accompanied by a non-refundable application fee of two hundred and fifty dollars (\$250.00). Each applicant must be a person of good moral character and he must certify that he has read and is familiar with the provisions of this chapter. (Ord. #1514, May 2003)

8-208. **Privilege tax.** There is hereby imposed on the business of selling, distributing, storing or manufacturing beer an annual privilege tax of one hundred dollars (\$100), pursuant to Tennessee Code Annotated § 57-5-104(b)(1).

(1) Any person, firm, corporation, joint stock company, syndicate or association engage in the sale, distribution, storage or manufacture of beer shall remit to tax each successive January 1 to the City of Covington, Tennessee.

(2) The Beer Board shall mail written notice to each permit holder of the payment date of the annual privilege tax at least thirty (30) days prior to January 1<sup>st</sup> of each year. Notice shall be mailed to the address specified by the permit holder on its permit application. If a permit holder does not pay the tax by January 31<sup>st</sup> or within thirty days after written notice of the tax was mailed, whichever is later, then the Beer Board shall notify the permit holder by certified mail that the tax payment is past due. If the permit holder does not pay the tax within ten (10) days after receiving notice of its delinquency by certified mail, then the permit may be suspended, revoked or the permit holder may be given a civil penalty subject to the procedures set forth in Tennessee Code Annotated § 57-5-108 and sections 8-214, 8-215, and 8-216 of this title.

(3) The City of Covington may use the tax funds for any public purpose.

(4) At the time a new permit is issued to any business subject to this tax, the permit holder shall be required to pay the privilege tax on a prorated basis for each month or portion thereof remaining until the next payment date. (Ord. #1514, May 2003 and Ord. #1665, April 2015)

8-209. **Beer permits shall be restrictive.** All Beer permits shall be restrictive as to the type of beer business authorized under them. Separate permits shall be required for selling at retail, storing, distributing, and manufacturing. It shall be unlawful for any beer permit holder to engage in any type of phase of the beer business not expressly authorized by his permit. It shall likewise be unlawful for him not to comply with any and all express restrictions or conditions which may be written into his permit by the Beer Board. (Ord. #1514, May 2003)

8-210. Classes of permits. Permits issued by the beer board shall consist of five (5) types:

(1) Manufacturing. A manufacturer's permit to a manufacturer of beer for the manufacture, possession, storage, sale, giveaway, distribution, and transportation of the product of each manufacturer, not to be consumed by the producer upon or near the premises of such manufacturer.

(2) Class 1 on premises permit. A Class 1 on premises permit shall be issued for the consumption of beer only on the premises. To qualify for a Class 1 on premises permit, an establishment must, in addition to meeting the other regulations and restrictions in this chapter.

(a) Must obtain and maintain a valid Food Establishment Permit from the State of Tennessee;

(b) Be able to seat a minimum of thirty (30), including children, in booths and at tables, in addition to any other seating it may have;

(c) Keep and maintain the premises in a clean and sanitary condition, and obtain the Tennessee Department of Health and Environment, Division of Food and General Sanitation, or its designee, or other proper state and local authority, all necessary permits as required for restaurants in the State of Tennessee;

(d) File with the City of Covington on a monthly basis a copy of the sales tax return due to the State of Tennessee; and

(e) Provide a state sales tax number and federal employee's identification number to the City of Covington.

(f) Provide to the Covington Police Department prior to commencement of employment, the name, address, date of birth, and copy of valid identification of each and every employee for the purposes of ascertaining whether said employee has a criminal record.

In addition, the monthly beer sales of any establishment that holds a Class 1 on premises permit shall not exceed forty (40%) of the gross sales of the establishment. Any such establishment that for two (2) consecutive months has beer sales exceeding forty percent (40%) of its gross sales, shall have its beer permit revoked. It shall be the responsibility of each applicant to provide the City of Covington appropriate distinctions of the amount of beer and food sold. Said information shall be provided to the City of Covington on a monthly basis on such forms and according to such procedures as the City of Covington may dictate. The city may, in its discretion, require each applicant to provide such additional information as the City of Covington deems necessary in order to make appropriate distinctions of the amount of beer and food sold. Failure to provide such information shall constitute a violation of this chapter and may result in a revocation or suspension of the permit.

(3) Class 2 on premises permit. Other establishments making application for a permit to sell or give away beer for consumption on the premises, which did not qualify, or do not wish to apply for a Class 1 on premises permit, but which otherwise meet all other regulations and restrictions in this chapter, shall apply for a Class 2 on premises permit. To qualify for a Class 2 on premises permit, an establishment must, in addition to meeting the other regulations and restrictions in this chapter:

(a) Allow no one under the age of twenty-one (21) years to be in or about the premises where beer is being sold or given away;

(b) Require all customers to have valid identification on their person;

(c) Provide to the Covington Police Department prior to commencement of employment, the name, address, date of birth, and copy of valid identification of each and every employee for the purpose of ascertaining whether said employee has a criminal record;

(d) Provide and maintain separate sanitary toilet facilities for men and women, and keep and maintain the premises in a clean and sanitary condition;

(e) Allow no assaults, fighting, damaging of property and breaches of peace occurring on or in the premises where beer is sold or given away;

(f) Provide a state sales tax number and federal employee's identification number to the City of Covington;

(g) In the event food is served, shall obtain from the Tennessee Department of Health and Environment, Division of Food and General Sanitation, or its designee, or other state or local authority, all necessary permits as required for sale of food; and

(h) Have all seating in the interior of the building under a permanent roof. No beer shall be allowed outside the building for sale, giveaway, or consumption.

(4) **Off premises permit.** An Off Premises permit shall be issued for the consumption of beer only off the premises. To qualify for an Off Premises permit, an establishment must, in addition to meeting the other regulations and restrictions in this chapter:

(a) Be a grocery store or a convenience type market;

(b) In either case, be primarily engaged in the sale of grocery and personal, home care and cleaning articles, but may also sell gasoline; and

(c) Provide a state sales tax number and federal employee's identification number to the City of Covington.

(d) An establishment that holds an Off Premises permit shall not allow the sale or giveaway of beer through any type of drive-through window.

(e) No beer shall be allowed outside the building of an Off Premises permit holder for sale, giveaway, or consumption. The permittee with an Off Premises beer permit shall not allow the consumption of beer anywhere on the premises of the permittee.

(5) **Temporary permits.** In addition to the permanent permits provided for in this section, the Beer Board shall have the authority to issue temporary permits to bona fide charitable, nonprofit or political organizations upon the same terms and conditions governing permanent permits, including limitations on the hours of sale. Temporary permits shall be issued as one (1) of two (2) types:

(a) **A Single Event Permit.** A single event permit shall be valid for a maximum period of 3 days, with the actual number of days to be determined by the Beer Board.

(b) **A Multiple Event Permit.** A multiple event permit may be issued for a fixed number of events during a calendar year, not to exceed six events per calendar year. The exact dates, time and location of

each individual event must be approved by the Beer Board at the time of the issuance of the permit. If exact dates are not known at the time of permit issuance, subsequent approval at a future Beer Board meeting must be obtained prior to the event.

(c) Temporary permits do not permit the seller to sell beer anywhere within the city limits of their choosing, but are specific to the location wherein the event is being held. If the seller is found to be selling beer anywhere other than the location where the event is being held that is specified on the permit it will be considered a violation of their permit.

(d) No organization possessing a temporary permit shall purchase, for sale or distribution, beer from any source not properly licensed provided by State law.

(e) Failure of a temporary permittee to abide by the conditions of the permit and all laws of the State of Tennessee and the City of Covington will result in a denial of a temporary permit for the sale of beer for a period of one year

(f) For purposes of this section:

(ii) Bona fide charitable or nonprofit organization means any entity which has been recognized as exempt from federal taxes under §501 (c) of the Internal Revenue Code (26 U.S.C. §501(c)) or any organization having been existence for at least two (2) consecutive years which expends at least sixty (60%) of its gross revenue exclusively for religious, education or charitable purposes;

(ii) Bona fide political organization means any political campaign committee as defined in Tennessee Code Annotated §2-10-102 or any political party as defined in Tennessee Code Annotated §2-13-101.

(g) The application for a temporary permit shall set forth the following information:

(i) The name, address, and telephone number of the chairperson of the charitable, nonprofit, or political organization seeking a temporary permit;

(ii) The name, address and telephone number of the person responsible for beer sales under the permit;

(iii) The date, time, and location when the event will be held;

(iv) If the event requested to be covered by the temporary permit will be held on land not owned by the applicant, a written statement of approval from the landowner must accompany the application; and

(v) The hours which beer sales will be conducted during the event.

(6) **Events not subject to permit; notice required.** Any event which is catered and the caterer has a valid Tennessee Alcoholic Beverage Commission (TABC) license to serve alcohol is not required to obtain a temporary permit. For the safety and welfare of the citizens of the City of Covington, the Beer Board requires prior notice of each event which is catered and not required to obtain a permit. Event coordinators shall furnish to the City of Covington Code Compliance Officer and the City of Covington Police Chief a copy of the form submitted to the TABC no later than five (5) business days prior to the event. (Ord. #1514, May 2003 and Ord. #1665, April 2015)

8-211. **Limitation upon issuance of beer permits.** No Class 2 on premises permit shall be issued to an applicant whose location:

(1) Is within two hundred fifty feet (250') from any hospital, church, school, public park or public playground or other place of public gathering and would cause congestion of traffic or interfere with hospitals, schools, churches, or other places of public gathering, or would otherwise interfere with the public health, safety, and morals of the citizens; and

(2) The distances shall be measured in a straight line from the nearest point of the building of the Class 2 beer permit applicant to the nearest point of the property line of the hospital, church, school, public park or public playground or other place of public gathering. In the event the Class 2 applicant's business location is located in a building which is partitioned into separate business facilities, such as in a strip center or mall, the distances shall be measured in a straight line from the nearest point of the portion of the partitioned building occupied by the Class 2 beer permit applicant to the nearest point of the property line of the hospital, church, school or other place of public gathering. (Ord, #1566, Jan. 2007)

8-212. **Conditions.** The following are conditions for issuance of a permit under this chapter:

(1) In case of a partnership, a partner shall be the applicant, and, in case of a corporation, any officer or the local manager of the proposed location shall be the applicant. The license shall be issued in the name of the partnership or the corporation, as the case may be. In the case of a corporation, where the local manager is the applicant, the corporation shall report any change in that position.

(2) The applicant shall designate the location of the premises where beer shall be sold or given away and shall name the owner of the premises as well as the lessee thereof.

(3) The applicant shall not sell or give away beer at any place except the premises designated in the petition, except that an applicant may have a permit for more than one (1) location within the City of Covington, so long as a separate permit is issued for each location by the beer board.

(4) The applicant shall make no sales or give away of beer except upon the terms and conditions of the permit issued.

(5) The applicant shall designate in the application whether his application is for beer to be sold or given away for consumption on the premises or consumption off the premises. The application shall not be made for both consumption on and off the premises designated in the application.

(6) No sale or give away of beer shall be made to persons under the age of twenty-one (21) years and no such person shall be allowed to loiter about the area where beer is being sold or given away; however, any person eighteen (18) years of age or older may transport, possess, sell or dispense beer in the course of such person's employment in Class 1 on premises establishments and off premises establishments.

(7) The applicant shall allow no gambling upon the premises, not allow any devices defined as gambling devices by state statute upon the premises designated for sale or giveaway of beer.

(8) Neither the applicant nor any person employed by him shall have been convicted of any violation of any liquor laws, any crime involving moral turpitude, or any felony within the last ten (10) years prior to filing the application.

(9) Neither the owner or any employee of the applicant shall drink intoxicating beverages during hours of operation.

(10) Only the person receiving the beer permit shall act as manager of any establishment granted the right to sell or give away beer within the City of Covington, however, the manager shall designate, in writing with a copy to the City of Covington, an alternative person who shall be in charge of the establishment when he is absent from the premises.

(11) No beer shall be sold or given away to drunk or disorderly persons.

(12) In all On Premises locations, there must be sufficient lighting for customers to adequately read a menu, if applicable, and for employees to properly inspect the age and identification card of customers without aid of additional illumination.

(13) The permittee shall maintain an orderly establishment and not be in violation of any health, building or fire department regulations or ordinances of the City of Covington.

(14) The Beer Board, Police Department, Fire Department, and City of Covington Code Compliance Department has the full power and authority to enter, inspect, and investigate any business operated pursuant to any permits issued by the Beer Board, and has full authority to call upon any member of the police and health departments for assistance in the enforcement of the State laws, City ordinances, and rules and regulations of the Beer Board pertaining to the sale or giveaway of beer.

(15) No beer may be sold or given away except at places where such sale or giveaway will not cause congestion of traffic or interference with hospitals, schools, churches or other places of public gathering, or otherwise interfere with public health, safety and morals. (Ord #1514, May 2003, modified and Ord. #1665, April 2015)

**8-213. Minimum mandatory training requirements.**

(1) Unless a beer permit holder is a certified Responsible Vendor pursuant to T.C.A. § 57-5-601 *et seq.*, all persons, businesses or organizations holding a beer permit issued by the Beer Board of the City of Covington shall not allow any employee to sell or serve beer unless that employee has attended and completed a server training program approved by the Tennessee Alcoholic Beverage Commission.

(2) All employees of beer permit holders must keep and maintain their server permit training in accordance with state law.

(3) New employees of beer permit holders will have thirty (30) days from the date of hire to complete a certified server training program.

(4) Documentation proving compliance with these training requirements shall be maintained on the premises of the beer permit holder and shall be available for inspection by proper authorities at all times.

(5) The City of Covington shall cause a copy of this Ordinance with a list of certified and approved training programs from the Tennessee Alcoholic Beverage Commission to be provided to all beer permit holders within thirty (30) days of passage, and all new applicants shall be provided a copy at the time of application.

(6) Beer permittees who also hold a valid Tennessee Alcoholic Beverage Commission license shall be exempt from the training requirements of this ordinance as they are bound by state training requirements.

(7) The City of Covington shall cause a copy of this Ordinance to be mailed to all beer permit holders within thirty (30) days of passage and all new applicants shall be provided a copy of the Ordinance at the time of application.

(8) If any provision of this Ordinance shall be invalidated by a court of law the remaining sections shall remain valid, effective and enforceable.

(9) This Ordinance shall take effect ninety (90) days from the date of passage of this Ordinance.

#### **Exhibit 1**

A permittee whose agent sells or distributes beer to a minor shall be guilty of an offense and shall be punished by the City of Covington Beer Board as follows:

(1) For a first offense:

(a) a permittee whose employee(s) has received certification from the Alcoholic Beverage Commission pursuant to the Tennessee Responsible Vendor Act of 2006 shall be fined not less than five hundred (\$500.00) dollars nor more than one thousand (\$1,000.00) dollars in lieu of suspension; or,

(b) a permittee whose employee(s) has not received certification from the Alcoholic Beverage Commission shall be fined not less than five hundred (\$500.00) dollars nor more than two thousand, five hundred (\$2,500.00) dollars in lieu of suspension.

(2) For a second offense:

(a) a permittee whose employee(s) has received certification from the Alcoholic Beverage Commission pursuant to the Tennessee Responsible Vendor Act of 2006 shall be fined one thousand (\$1,000.00) in lieu of suspension; or,

(b) a permittee whose employee(s) has not received certification from the Alcoholic Beverage Commission shall be fined not less than one thousand (1,000.00) dollars nor more than two thousand, five hundred (\$2,500.00) dollars in lieu of suspension.

(3) A permittee who is guilty of an offense shall not be considered a repeat or multiple offender and subject to the enhanced penalties described in this section if twenty-four (24) or more months have elapsed between the date of the present offense and the date of any preceding violations.

(4) All fines shall be paid within seven (7) calendar days of assessment or permit will be suspended on the 8<sup>th</sup> day.

8-214. **Legal hours of sale.** Except as otherwise provided by state law:

(1) It shall be unlawful for any off-premises permit holder to make or allow any sale or giveaway of beer between the hours of 1:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 1:00 A.M. on Sunday and 12:00 noon on Sunday.

(2) It shall be unlawful for any Class 1 permit holder to make or allow any sale or giveaway of beer between the hours of 2:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 2:00 A.M. on Sunday and 11:00 A.M. on Sunday.

(3) It shall be unlawful for any Class 2 permit holder to make or allow any sale or giveaway of beer between the hours of 1:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 1:00 A.M. on Sunday and 6:00 A.M. the following Monday.

(4) All Class 1 permit holders must have their place of business cleared of all customers by 2:00 A.M. and Class 2 permit holders must have their place of business cleared of all customers by 1:30 A.M.

(5) It shall be unlawful for any temporary permit holder to make or allow any sale or giveaway of beer between the hours of 12:00 A.M. and 12:00 P.M. (Ord. #1638, Nov. 2012 and Ord. #1665, April 2015)

8-215. **Suspension and revocation of beer permits.** "The Beer Board shall have the power to suspend or revoke any beer permit issued under the provisions of this chapter when the holder thereof is guilty of making a false statement(s) or misrepresentation(s) on his application. The Beer Board shall also have the power to suspend or revoke any beer permit issued in accordance with the provisions of Tennessee Code Annotated § 57-5-108. No beer permit shall be suspended or revoked until a public hearing is held by the board after reasonable notice to all the known parties in interest. Suspension or revocation proceedings may be initiated by the Police Chief, Fire Chief, Building Official, or by any member of the Beer Board." (Ord. 1165, April 2015)

8-216. **Penalties.** The Beer Board shall impose the following penalties if, after a public hearing, it finds that a beer permit holder has violated any conditions of said permit.

(1) If the permit holder and the clerk that commits any offense, including making or permitting to be made any sales or giveaway of beer to a minor, have both complied with Tennessee Code Annotated § 57-5-606 then the Beer Board shall impose a civil penalty in lieu of suspension of one thousand dollars (\$1,000) for each offense.

(2) If the permit holder and/or the clerk that commits any offense is not a "Responsible Vendor" or has failed to comply with Tennessee Code Annotated § 57-5-606, then the penalties shall be as follows:

- a. For a 1<sup>st</sup> offense, a \$2,500 civil penalty in lieu of a 30-day suspension for each offense.
- b. For a 2<sup>nd</sup> offense, a 60-day suspension of the beer permit.
- c. For a 3<sup>rd</sup> offense, revocation of the beer permit.

(3) To determine the number of violations in order to assess a penalty under this part, the Beer Board shall look back 24-months from the date of the current violation for any previous violations.

(4) Nothing in this part prohibits the Beer Board from considering especially mitigating or aggravating factors of any offense or violation and assessing a different penalty. However, if the Beer Board assesses a different penalty due to especially mitigating or aggravating factors, said factors shall be specifically stated.

(5) If a civil penalty is offered in lieu of suspension, the permit holder shall have seven (7) business days within which to pay the civil penalty before the suspension shall be deemed withdrawn.



8-217. **Effect of board action.** The action of the Beer Board in all such hearings shall be final, subject only to review by the court. When a permit is revoked, no new permit shall be issued hereunder for the sale or giveaway of beer to the same permit holder or any agents of the permit holder at the same location as the Beer Board may determine until the expiration of one (1) year from the date said revocation becomes final. When a permit is suspended, no new permit shall be issued hereunder for the sale or giveaway of beer at the same location or to the same permit holder until the period of suspension is over. (Ord. #1514, May 2003 and Ord. 1665, April 2015)

8-218. **Brown Bagging and /or BYOB.** This section shall make the unregulated and unlicensed possession and consumption of beer and alcoholic beverages in a business in the City of Covington between the hours of 1:00 A.M. and 6:00 A.M. unlawful.

(1) Between the hours of 1:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 1:00 A.M. on Sunday and 12:00 noon on Sunday it is unlawful for any person to consume beer or an alcoholic beverage not lawfully sold by the business on the premises of any business open for business during these hours in the City.

(2) Between the hours of 1:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 1:00 A.M. on Sunday and 12:00 noon on Sunday it is unlawful for any person to possess an open container of beer or an alcoholic beverage not lawfully sold by the business on the premises of any business open for business during these hours in the City.

(3) Between the hours of 1:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 1:00 A.M. on Sunday and 12:00 noon on Sunday it is unlawful for any owner of a business open for business during these hours in the city to knowingly or intentionally permit any person to possess an open container of beer or an alcoholic beverage not lawfully sold by the business or to consume beer or an alcoholic beverage not lawfully sold by the business on the premises of said business. For the purposes of this section, notice to an agent or employee of a business shall constitute notice to the owner of the business.

(4) Between the hours of 1:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 1:00 A.M. on Sunday and 12:00 noon on Sunday the open display by any person on the premises of a business open for business during these hours of any open container of beer or an alcoholic beverage marked as if for resale and lawfully sold by the business, shall be evidence of a violation of subsection (3) above.

(5) Any owner of a business open between the hours of 1:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 1:00 A.M. on Sunday and 12:00 noon on Sunday, having notice, either actual or constructive, prior to 1:00 A.M. that beer and/or alcoholic beverages not lawfully sold by the business are being consumed on the premises shall at 1:00 A.M. or within a reasonable time thereafter give notice reasonably calculated to inform all persons on the premises that the consumption of beer or alcoholic beverages or the possession of an open container of beer or an alcoholic beverage on the premises is prohibited by this section. Failure of the owner of a business to give notice pursuant to this section, personally or through an agent or employee, shall be unlawful and shall constitute a separate violation of this section. However, such failure shall not provide a defense to prosecution of any person under any other subsections herein.

(6) This section does not prohibit the sale of beer or alcoholic beverages by any business that possesses a valid beer permit or alcoholic beverage license during such hours authorized by the laws of the State and the Ordinances of the City, nor does this section prohibit any other conduct permitted under the laws of the State or the Ordinances of the City. This section does not prohibit the owner of a business who resides on the premises of the business from consuming beer or alcoholic beverages at any time on the premises or from possession of an open container of beer or alcoholic beverages at any time on the premises. This section does not prohibit the consumption of beer or alcoholic beverages by any person within the confines of the person's individual room in any hotel within the City.

(7) The provisions of this section are severable. If any provision of this section or its application to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this section which can be given effect without the invalid provisions or application. (Ord. #1665, April 2015)

## CHAPTER 3

WINE IN RETAIL FOOD STORES

## SECTION

8-301. Inspection fee on retail food store wine licensees. 8-302.  
Application for certificate.

8-301. Inspection fee on retail food store wine licensees. Pursuant to the authority contained in *Tennessee Code Annotated*, § 57-3-501 *et seq.*, there is hereby imposed an inspection fee on retail food store wine licensees. The inspection fee shall be five percent (5%) of the wholesale price of alcoholic beverages as defined in *Tennessee Code Annotated*, § 57-3-101(a)(1)(A) supplied by a wholesaler to a retail food store wine licensee.

8-302. Application for certificate. Before any certificate, as required by *Tennessee Code Annotated*, § 57-3-806, shall be signed by the mayor, or by any aldermen, a request in writing shall be filed with the recorder giving the following information:

- (1) Name, age and address of the applicant.
- (2) Number of years residence at applicant's address.
- (3) Whether or not the applicant has been convicted of a felony in the past ten (10) years.
- (4) The location of the proposed store for the sale of alcoholic beverages.
- (5) The name and address of the owner of the store.
- (6) If the applicant is a partnership, the name, age and address of each partner. If the applicant is a corporation, the name, age and address of the executive officers, or those who will be in control of the package store. The information in the application shall be verified by the oath of the applicant. If the applicant is a partnership or a corporation, the application

shall be verified by the oath of each partner, or by the president of the corporation.

## TITLE 9

BUSINESS, PEDDLERS, SOLICITORS, ETC.<sup>1</sup>

## CHAPTER

1. MISCELLANEOUS.
2. PEDDLERS, ETC.
3. CHARITABLE SOLICITORS.
4. TAXICABS.
5. POOL ROOMS.
6. CABLE TELEVISION.
7. SEXUALLY ORIENTED BUSINESSES.

## CHAPTER 1

MISCELLANEOUS

## SECTION

- 9-101. Selling merchandise, etc., from sidewalks.  
9-102. "Going out of business" sales.  
9-103. Carnivals and tent shows, etc.

**9-101. Selling merchandise, etc., from sidewalks.<sup>2</sup> (1) Prohibition.**

It shall be unlawful for any person, firm, corporation, company, merchant, church, club, or charitable institution to use or occupy any portion of any public street, alley, sidewalk, or right of way for the purpose of vending, storing, selling, or displaying any goods, wares, merchandise or produce anywhere within the city except as herein set forth.

(2) **Exception.** A person, firm, corporation, company, merchant, church, club, or charitable institution may vend, store, sell or display goods, wares, merchandise or produce on the public sidewalks of the city within three feet (3') of a building owned or leased by such person, firm, corporation, company, merchant, church, club, or charitable institution. A non owner or

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<sup>1</sup>Municipal code references

Building, plumbing and residential regulations: title 12.

Junkyards: title 13.

Liquor and beer regulations: title 8.

Noise reductions: title 11.

Zoning: title 14.

<sup>2</sup>Municipal code reference

Streets and sidewalks, etc.; title 16.

lessee of a building may obtain permission from the owner or lessee to so vend, store, sell or display within the permitted area.

(3) Regulations. No street or alley shall be blocked by any merchandise offered for sale hereunder. On sidewalks a four foot (4') passageway for pedestrians shall be left open, and merchandise shall be securely and adequately placed so that it will not endanger passersby or fall or extrude into any street or alley. Such sales shall not be operated in any manner which would cause a nuisance or create a fire hazard.

(4) Inspections. The chief of police, the chief of the fire department, or the codes enforcement officer shall make or cause to be made sufficient inspections to insure the compliance with the provisions of this section and other applicable provisions of the city ordinances by the personnel conducting such sales.

(5) Penalty. Any person, firm, company, or corporation violating any provision of this section shall be fined not less than five dollars (\$5.00) nor more than fifty dollars (\$50.00) for each offense; and a separate offense shall be deemed committed on each day during or on which a violation occurs or continues.

(6) Exemption. This section shall not apply to a license issued for "peddlers, etc." as set forth in § 9-201 of the municipal code or to postal boxes placed by the United States Postal Service. (Ord. #1422, Sept. 1997)

**9-102. "Going out of business" sales.** It shall be unlawful for any person to falsely represent a sale as being a "going out of business" sale. A "going out of business" sale, "bankrupt sale," "loss of lease sale," or any other sale made in anticipation of the termination of a business at its present location. When any person, after advertising a "going out of business" sale, adds to his stock or fails to go out of business within ninety (90) days he shall prima facie be deemed to have violated this section. (1971 Code, § 5-102)

**9-103. Carnivals and tent shows, etc.** All carnivals, tent shows, and like attractions showing within the City of Covington shall provide ample parking space on the premises upon which it is showing, or upon adjacent private property, for its patrons. Also, proper and adequate toilet facilities connected to sanitary sewers, if the same are available, shall be provided for the use and convenience of the employees and patrons of the activity. Such shows shall be operated not less than fifteen (15) blocks from the public square of the city and no games of chance will be permitted in connection therewith. No carnival, tent show, or like attraction shall be allowed to show in any residential section of the city without the express approval of the board of mayor and aldermen. This section shall not be applicable to any carnival, show, or like attraction showing or operating in connection with the county agricultural fair. (1971 Code, § 5-103)

## CHAPTER 2

PEDDLERS, ETC.<sup>1</sup>

## SECTION

- 9-201. Permit required.
- 9-202. Definitions and exemptions.
- 9-203. Selling in congested and/or restricted areas.
- 9-204. Application for permit.
- 9-205. Issuance or refusal of permit.
- 9-206. Appeal.
- 9-207. Bond.
- 9-208. Loud noises and speaking devices.
- 9-209. Use of streets.
- 9-210. Times.
- 9-211. Exhibition of permit.
- 9-212. Policemen to enforce.
- 9-213. Revocation or suspension of permit.
- 9-214. Reapplication.
- 9-215. Expiration and renewal of permit.
- 9-216. Advisory committee.
- 9-217. Sales tax number.
- 9-218. Penalty.

**9-201. Permit required.** It shall be unlawful for any peddler or transient merchant to ply his trade within the corporate limits without first applying for said permit by paying a one hundred fifty dollar (\$150.00) annual non-refundable fee and submitting a written application for a transient merchants permit. Said permit shall be checked by Covington Police Department and approval or disapproval be submitted to city recorder's office within five (5) working days. After that time prospective merchant will be required to pay minimum gross receipts business tax as required by State of Tennessee Gross Receipts Tax Act. No permit shall be used at any time by any person other than the one whom it is issued. (Ord. #1142, Oct. 1983)

**9-202. Definitions and exemptions.** (1) Definitions. For the purpose of this chapter a peddler or transient merchant is defined as any person, firm or corporation, whether as owner, agent consignee or employee, whether a resident of the city or not, who engages in a temporary, occasional business of selling and delivering goods, wares and merchandise at retail within said city, and who, in

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<sup>1</sup>Municipal code references  
Privilege taxes: title 5.

furtherance of such purpose hires, leases, uses or occupies any building structure, motor vehicle, tent, railroad box car, or boat, public room in hotels, motels, lodging houses, apartment, shops, or any street, alley, or other place within the city, for the exhibition and sale of such goods, wares and merchandise, either privately or at public auction provided that such definition shall not be construed to include any person, firm or corporation who, while occupying such temporary location, does not sell from stock, but exhibits samples only for the purpose of securing orders for future delivery only. Provided if that one who solicits orders and as a separate transaction makes deliveries to purchasers as a part of a scheme or design to evade the provisions of this chapter shall be deemed to be subject to the provisions of this chapter. The person, firm or corporation so engaged shall not be relieved from complying with the provisions of this chapter merely by reason of associating temporarily with any local dealer, trader, merchant, or auctioneer, or by conducting such transient business in connection with, as a part of, or in the name of any local dealer, trader, merchant or auctioneer.

(2) **Exemptions.** The terms of this chapter shall not be applicable to persons selling at wholesale to dealers, nor to newsboys, nor to bona fide merchants who merely deliver goods in the regular course of business, nor to bona fide charitable, religious, patriotic or philanthropic organizations. This chapter also specifically excludes locally grown farm produce and neighborhood garage sales. (Ord. #1142, Oct. 1983)

**9-203. Selling in congested and/or restricted areas.** No person, firm or corporation shall sell or offer for sale, peddle, or give away any fruits, vegetables, meat, fish, or other produce or merchandise, except sales and deliveries to merchants, in a congested area.

A "congested area" shall be considered the streets, alleys and sidewalks about the public square. (Ord. #1142, Oct. 1983)

**9-204. Application for permit.** Applicants for a permit under this chapter must file with the city recorder a sworn written application containing the following:

- (1) Name and physical description of applicant.
- (2) Complete permanent home address and local address of the applicant and, in the case of transient merchants, the local address from which proposed sales will be made.
- (3) A brief description of the nature of the business and the goods to be sold.
- (4) If employed, the name and address of the employer, together with credentials therefrom establishing the exact relationship.
- (5) The length of time for which the right to do business is desired.
- (6) The names of at least two (2) reputable local property owners who will certify as to the applicant's good moral reputation and business



responsibility, or in lieu of the names of references, such other available evidence as will enable an investigator to evaluate properly the applicant's moral reputation and business responsibility.

(7) A statement as to whether or not the applicant has been convicted of any crime or misdemeanor or for violating any municipal ordinance; the nature of the offense; and, the punishment or penalty assessed therefor.

(8) The last three (3) cities or towns, if that many, where applicant carried on business immediately preceding the date of application and, in the case of transient merchants, the addresses from which such business was conducted in those municipalities.

(9) At the time of filing the application, a fee of one hundred fifty dollars (\$150.00) shall be paid to the municipality to cover the cost of investigating the facts stated therein. (Ord. #1142, Oct. 1983)

**9-205. Issuance or refusal of permit.** (1) Each application shall be referred to the chief of police for investigation. The chief shall report his findings to the city recorder within seventy-two (72) hours.

(2) If as a result of such investigation the chief reports the applicant's moral reputation and/or business responsibility to be unsatisfactory the city recorder shall notify the applicant that his application is disapproved and that no permit will be issued.

(3) If, on the other hand, the chief's report indicates that the moral reputation and business responsibility of the applicant are satisfactory the city recorder shall issue a permit upon the payment of all applicable business taxes and the filing of the bond required by § 9-207. The city recorder shall keep a permanent record of all permits issued. (Ord. #1142, Oct. 1983)

**9-206. Appeal.** Any person aggrieved by the action of the chief of police and/or the city recorder in the denial of a permit shall have the right to appeal to the governing body. Such appeal shall be taken by filing with the mayor within fourteen (14) days after notice of the action complained of, a written statement setting forth fully the grounds for the appeal. The mayor shall set a time and place for a hearing on such appeal and notice of the time and place of such hearing shall be given to the appellant. The notice shall be in writing and shall be mailed, postage prepaid, to the applicant at his last known address at least five (5) days prior to the date set for hearing, or shall be delivered by a police officer in the same manner as a summons at least three (3) days prior to the date set for hearing. (Ord. #1142, Oct. 1983)

**9-207. Bond.** Every permittee shall file with the city recorder a surety bond running to the municipality in the amount of two thousand five hundred dollars (\$2,500.00). The bond shall be conditioned that the permittee shall comply fully with all the provisions of the ordinances of this municipality and the statutes of the state regulating peddlers, canvassers, solicitors, transient

merchants, itinerant merchants, or itinerant vendors, as the case may be, and shall guarantee to any citizen of the municipality that all money paid as a down payment will be accounted for and applied according to the representations of the permittee, and further guaranteeing to any citizen of the municipality doing business with said permittee that the property purchased will be delivered according to the representations of the permittee. Action on such bond may be brought by any person aggrieved and for whose benefit, among others, the bond is given, but the surety may, by paying, pursuant to order of the court, the face amount of the bond to the clerk of the court in which the suit is commenced, be relieved without costs of all further liability. (Ord. #1142, Oct. 1983)

**9-208. Loud noises and speaking devices.** No permittee, nor any person in his behalf, shall shout, cry out, blow a horn, ring a bell or use any sound amplifying device upon any of the sidewalks, streets, alleys, parks or other public places of the municipality or upon private premises where sound of sufficient volume is emitted or produced therefrom to be capable of being plainly heard upon the adjacent sidewalks, streets, alleys, parks, or other public places, for the purpose of attracting attention to any goods, wares or merchandise which such permittee proposes to sell. (Ord. #1142, Oct. 1983)

**9-209. Use of streets.** No permittee shall have any exclusive right to any location in the public streets, nor shall any be permitted a stationary location thereon, nor shall any be permitted to operate in a congested area where the operation might impede or inconvenience the public use of the streets. For the purpose of this chapter, the judgment of a police officer, exercised in good faith, shall be deemed conclusive as to whether the area is congested and the public impeded or inconvenienced. (Ord. #1142, Oct. 1983)

**9-210. Times.** No permittee shall be allowed to sell or solicit from one (1) hour before sundown until one hour after sunrise inclusive. (Ord. #1142, Oct. 1983)

**9-211. Exhibition of permit.** Permittees are required to exhibit their permits at the request of any policeman or citizen. (Ord. #1142, Oct. 1983)

**9-212. Policemen to enforce.** It shall be the duty of all policemen to see that the provisions of this chapter are enforced. (Ord. #1142, Oct. 1983)

**9-213. Revocation or suspension of permit.** (1) Permits issued under the provisions of this chapter may be revoked by the governing body after notice and hearing, for any of the following causes:

- (a) Fraud, misrepresentation, or incorrect statement contained in the application for permit, or made in the course of carrying on the

business of solicitor, canvasser, peddler, transient merchant, itinerant merchant, or itinerant vendor.

(b) Any violation of this chapter.

(c) Conviction of any crime or misdemeanor.

(d) Conducting the business of peddler, canvasser, solicitor, transient merchant, itinerant merchant, or itinerant vendor, as the case may be, in an unlawful manner or in such a manner as to constitute a breach of the peace or to constitute a menace to the health, safety, or general welfare of the public.

(2) Notice of the hearing for revocation of a permit shall be given by the city recorder in writing, setting forth specifically the grounds of complaint and the time and place of hearing. Such notice shall be mailed to the permittee at his last known address at least five (5) days prior to the date set for hearing, or it shall be delivered by a police officer in the same manner as a summons at least three (3) days prior to the date set for hearing.

(3) When reasonably necessary in the public interest the mayor may suspend a permit pending the revocation hearing. (Ord. #1142, Oct. 1983)

**9-214. Reapplication.** No permittee whose permit has been revoked shall make further application until a period of at least six (6) months has elapsed since the last revocation. (Ord. #1142, Oct. 1983)

**9-215. Expiration and renewal of permit.** Permits issued under the provisions of this chapter shall expire on the same date that the permittee's business tax expires and shall be renewed if the permittee applies for and obtains a new business tax within thirty (30) days thereafter. An application for a renewal shall be made substantially in the same form as an original application. (Ord. #1142, Oct. 1983)

**9-216. Advisory committee.** The mayor shall appoint two (2) local reputable businessmen to serve with him on a three (3) member committee in an advisory capacity in case of potential problems arising from issuance of any permits. (Ord. #1142, Oct. 1983)

**9-217. Sales tax number.** All applicants for transient merchant's permits shall hold a valid State of Tennessee sales tax number and shall affix same on the original application for transient merchant permit. (Ord. #1142, Oct. 1983)

**9-218. Penalty.** Any person or persons operating within the corporate limits of the City of Covington, Tennessee, without first meeting the requirements set forth in §§ 9-201 through 9-218, inclusive, shall be subject to penalties and fines as set forth by municipal ordinance. (Ord. #1142, Oct. 1983)

## CHAPTER 3

CHARITABLE SOLICITORS

## SECTION

- 9-301. Permit required.
- 9-302. Prerequisites for a permit.
- 9-303. Denial of a permit.
- 9-304. Exhibition of permit.

**9-301. Permit required.** No person shall solicit contributions or anything else of value for any real or alleged charitable or religious purpose without a permit from the city recorder authorizing such solicitation. Provided, however, that this section shall not apply to any locally established organization or church operated exclusively for charitable or religious purposes if the solicitations are conducted exclusively among the members thereof, voluntarily and without remuneration for making such solicitations, or if the solicitations are in the form of collections or contributions at the regular assemblies of any such established organization or church. (1971 Code, § 5-301)

**9-302. Prerequisites for a permit.** The recorder shall issue a permit authorizing charitable or religious solicitations when, after a reasonable investigation, he finds the following facts to exist:

(1) The applicant has a good character and reputation for honesty and integrity, or if the applicant is not an individual person, that every member, managing officer or agent of the applicant has a good character or reputation for honesty and integrity.

(2) The control and supervision of the solicitation will be under responsible and reliable persons.

(3) The applicant has not engaged in any fraudulent transaction or enterprise.

(4) The solicitation will not be a fraud on the public but will be for a bona fide charitable or religious purpose.

(5) The solicitation is prompted solely by a desire to finance the charitable cause described by the applicant. (1971 Code, § 5-302)

**9-303. Denial of a permit.** Any applicant for a permit to make charitable or religious solicitations may appeal to the governing body if he has not been granted a permit within fifteen (15) days after he makes application therefor. (1971 Code, § 5-303)

**9-304. Exhibition of permit.** Any solicitor required by this chapter to have a permit shall exhibit such permit at the request of any policeman or person solicited. (1971 Code, § 5-304)

## CHAPTER 4

### TAXICABS<sup>1</sup>

#### SECTION

- 9-401. Taxicab franchise and privilege license required.
- 9-402. Requirements as to application and hearing.
- 9-403. Liability insurance required.
- 9-404. Revocation or suspension of franchise.
- 9-405. Mechanical condition of vehicles.
- 9-406. Cleanliness of vehicles.
- 9-407. Inspection of vehicles.
- 9-408. License and permit required for drivers.
- 9-409. Qualifications for driver's permit.
- 9-410. Revocation or suspension of driver's permit.
- 9-411. Drivers not to solicit business.
- 9-412. Parking restricted.
- 9-413. Drivers to use direct routes.
- 9-414. Taxicabs not to be used for illegal purposes.
- 9-415. Miscellaneous prohibited conduct by drivers.
- 9-416. Transportation of more than one passenger at the same time.

**9-401. Taxicab franchise and privilege license required.** It shall be unlawful for any person to engage in the taxicab business unless he has first obtained a taxicab franchise from the municipality and has a currently effective privilege license. (1971 Code, § 5-401)

**9-402. Requirements as to application and hearing.** No person shall be eligible to apply for a taxicab franchise if he has a bad character or has been convicted of a felony within the last ten (10) years. Applications for taxicab franchises shall be made under oath and in writing to the chief of police. The application shall state the name and address of the applicant, the name and address of the proposed taxicab stand (which must be located off the public streets and alleys), the number of cabs the applicant desires to operate, the makes and models of said cabs, and such other pertinent information as the recorder may require. The application shall be accompanied by at least two (2) affidavits of reputable local citizens attesting to the good character and reputation of the applicant. The recorder will immediately refer the application to the chief of police who will, within ten (10) days after receipt of such application, make a thorough investigation of the applicant; determine if there

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<sup>1</sup>Municipal code reference  
Privilege taxes: title 5.

is a public need for additional taxicab service; return the application to the recorder; and make a recommendation to either grant or refuse a permit to the applicant. The recorder shall thereupon hold a public hearing at which time witnesses for and against the granting of the franchise shall be heard. In deciding whether or not to grant the permit the recorder shall consider the public need for additional service, the increased traffic congestion, parking space requirements, and whether or not the safe use of the streets by the public, both vehicular and pedestrian, will be preserved by the granting of such an additional taxicab permit. Those persons already operating taxicabs when this code is adopted shall not be required to make applications under this section but shall be required to comply with all of the other provisions hereof. (1971 Code, § 5-402)

**9-403. Liability insurance required.** No taxicab franchise shall be issued or continued in operation unless there is in full force and effect a liability insurance policy or bond for each vehicle authorized in an amount equal to that required by the state's financial responsibility law as set out in Tennessee Code Annotated, title 55, chapter 12. The insurance policy or bond required by this section shall contain a provision that it shall not be cancelled except after at least twenty (20) days' written notice is given by the insurer to both the insured and the recorder of the municipality. (1971 Code, § 5-403)

**9-404. Revocation or suspension of franchise.** The recorder, after a public hearing, may revoke or suspend any taxicab franchise for misrepresentations or false statements made in the application therefor or for traffic violations or violations of this chapter by the taxicab owner or any driver. (1971 Code, § 5-404)

**9-405. Mechanical condition of vehicles.** It shall be unlawful for any person to operate any taxicab in the city unless such taxicab is equipped with four (4) wheel brakes, front and rear lights, safe tires, horn, muffler, windshield wipers, and rear vision mirror, all of which shall conform to the requirements of state motor vehicle law. Each taxicab shall be equipped with a handle or latch or other opening device attached to each door of the passenger compartment so that such doors may be operated by the passenger from the inside of the taxicab without the intervention or assistance of the driver. The motor and all mechanical parts shall be kept in such condition or repair as may be reasonably necessary to provide for the safety of the public and the continuous satisfactory operation of the taxicab. (1971 Code, § 5-405)

**9-406. Cleanliness of vehicles.** All taxicabs operated in the municipality shall, at all times, be kept in a reasonably clean and sanitary condition. They shall be thoroughly swept and dusted at least once each day.

At least once every week they shall be thoroughly washed and the interior cleaned with a suitable antiseptic solution. (1971 Code, § 5-406)

**9-407. Inspection of vehicles.** All taxicabs shall be inspected at least semiannually by the chief of police to insure that they comply with the requirements of this chapter with respect to mechanical condition, cleanliness, etc. (1971 Code, § 5-407)

**9-408. License and permit required for drivers.** No person shall drive a taxicab unless he is in possession of a state special chauffeur's license and a taxicab driver's permit issued by the recorder. (1971 Code, § 5-408)

**9-409. Qualifications for driver's permit.** No person shall be issued a taxicab driver's permit unless he complies with the following to the satisfaction of the recorder:

- (1) Makes written application to the recorder.
- (2) Is at least eighteen (18) years of age and holds a state special chauffeur's license.
- (3) Undergoes an examination by a physician and is found to be of sound physique, with good eyesight and hearing and not subject to epilepsy, vertigo, heart trouble or any other infirmity of body or mind which might render him unfit for the safe operation of a public vehicle.
- (4) Is clean in dress and person and is not addicted to the use of intoxicating liquor or drugs.
- (5) Produces affidavits of good character from two (2) reputable citizens of the municipality who have known him personally and have observed his conduct for at least two (2) years next preceding the date of his application.
- (6) Has not been convicted of a felony, drunk driving, driving under the influence of an intoxicant or drug, or of frequent minor traffic offenses.
- (7) Is familiar with the state and local traffic laws. (1971 Code, § 5-409)

**9-410. Revocation or suspension of driver's permit.** The recorder, after a public hearing, may revoke or suspend any taxicab driver's permit for violation of traffic regulations, for violation of this chapter, or when the driver ceases to possess the qualifications as prescribed in § 9-409. (1971 Code, § 5-410)

**9-411. Drivers not to solicit business.** All taxicab drivers are expressly prohibited from indiscriminately soliciting passengers or from cruising upon the streets of the municipality for the purpose of obtaining patronage for their cabs. (1971 Code, § 5-411)

**9-412. Parking restricted.** It shall be unlawful to park any taxicab on any street except in such places as have been specifically designated and marked by the municipality for the use of taxicabs. It is provided, however, that taxicabs may stop upon any street for the purpose of picking up or discharging passengers if such stops are made in such manner as not to unreasonably interfere with or obstruct other traffic and provided the passenger loading or discharging is promptly accomplished. (1971 Code, § 5-412)

**9-413. Drivers to use direct routes.** Taxicab drivers shall always deliver their passengers to their destinations by the most direct available route. (1971 Code, § 5-413)

**9-414. Taxicabs not to be used for illegal purposes.** No taxicab shall be used for or in the commission of any illegal act, business, or purpose. (1971 Code, § 5-414)

**9-415. Miscellaneous prohibited conduct by drivers.** It shall be unlawful for any taxicab driver, while on duty, to be under the influence of, or to drink any intoxicating beverage or beer; to use profane or obscene language; to shout or call to prospective passengers; to unnecessarily blow the automobile horn; or to otherwise disturb the peace, quiet and tranquility of the municipality in any way. (1971 Code, § 5-415)

**9-416. Transportation of more than one passenger at the same time.** No person shall be admitted to a taxicab already occupied by a passenger without the consent of such other passenger. (1971 Code, § 5-416)



## CHAPTER 5

POOL ROOMS<sup>1</sup>

## SECTION

- 9-501. Hours of operation regulated.  
9-502. Minors to be kept out; exception.  
9-503. Gambling etc., not to be allowed.

**9-501. Hours of operation regulated.** It shall be unlawful for any person to open, maintain, conduct, or operate any place where pool tables or billiard tables are kept for public use or hire at any time on Sunday or between the hours of 11:00 P.M. and 6:00 A.M. on other days. (1971 Code, § 5-501)

**9-502. Minors to be kept out; exception.** It shall be unlawful for any person engaged regularly, or otherwise, in keeping billiard, bagatelle, or pool rooms or tables, their employees, agents, servants, or other persons for them, knowingly to permit any person under the age of eighteen (18) years to play on said tables at any game of billiards, bagatelle, pool, or other games requiring the use of cue and balls, without first having obtained the written consent of the father and mother of such minor, if living; if the father is dead, then the mother, guardian, or other person having legal control of such minor; or if the minor be in attendance as a student at some literary institution, then the written consent of the principal or person in charge of such school; provided that this section shall not apply to the use of billiards, bagatelle, and pool tables in private residences. (1971 Code, § 5-502)

**9-503. Gambling, etc., not to be allowed.** It shall be unlawful for any person operating, conducting, or maintaining any place where pool tables or billiard tables are kept for public use or hire to permit any gambling or other unlawful or immoral conduct on such premises. (1971 Code, § 5-503)

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<sup>1</sup>Municipal code reference  
Privilege taxes: title 5.

## CHAPTER 6

CABLE TELEVISION

## SECTION

9-601. To be furnished under franchise.

**9-601. To be furnished under franchise.** Cable television service shall be furnished to the City of Covington and its inhabitants under franchise as the board of mayor and aldermen shall grant. The rights, powers, duties and obligations of the City of Covington and its inhabitants and the grantee of the franchise shall be clearly stated in the franchise agreement which shall be binding upon the parties concerned.<sup>1</sup>

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<sup>1</sup>For complete details relating to the cable television franchise agreement see Ord. #1444 dated January 12, 1999 in the office of the city recorder.

See also Ord. #1229 dated August 23, 1999 for a transfer authorization of the franchise.

## CHAPTER 7

SEXUALLY ORIENTED BUSINESSES

## SECTION

- 9-701. Purpose and intent.
- 9-702. Definitions.
- 9-703. Establishment and classification of businesses regulated.
- 9-704. Measurement of distance.
- 9-705. Location of sexually oriented businesses.
- 9-706. Regulations governing existing sexually oriented businesses.
- 9-707. Injunction.
- 9-708. Sexually oriented business permit; purpose and intent.
- 9-709. Permit required.
- 9-710. Investigation and application.
- 9-711. Issuance of permit.
- 9-712. Annual permit fee.
- 9-713. Inspection.
- 9-714. Expiration of permit.
- 9-715. Suspension of permit.
- 9-716. Revocation of permit.
- 9-717. Judicial review of permit denial, suspension or revocation.
- 9-718. Transfer of permit.
- 9-719. Sexually oriented business employee license.
- 9-720. Regulations pertaining to exhibition of sexually explicit films or videos in video booths.
- 9-721. Prohibitions regarding minors and sexually oriented businesses.
- 9-722. Advertising and lighting regulations.
- 9-723. Hours of operation.
- 9-724. Nudity at sexually oriented businesses prohibited.
- 9-725. Regulations pertaining to live entertainment.
- 9-726. Additional criminal prohibitions for the operation of a sexually oriented business without a valid permit.
- 9-727. Exemptions.
- 9-728. Criminal penalties and additional legal, equitable, and injunctive relief.
- 9-729. Immunity from prosecution.
- 9-730. Prohibition of distribution of sexual devices.
- 9-731. Severability.
- 9-732. Conflicting ordinance repealed.

9-701. Purpose and intent. It is the purpose and intent of this chapter to regulate sexually oriented businesses to promote the health, safety, morals, and general welfare of the citizens of the city and to establish reasonable and uniform regulations to prevent any deleterious location and concentration of

sexually oriented businesses within the city, thereby reducing or eliminating the adverse secondary effects from such sexually oriented businesses. The provisions of this chapter have neither the purpose nor effect of imposing a limitation or restriction on the content of any communicative materials, including sexually oriented materials. Similarly, it is not the intent nor effect of this chapter to restrict or deny access by adults to sexually oriented materials protected by the First Amendment, or to deny access by the distributors and exhibitors of sexually oriented entertainment to their intended market. Neither is it the intent nor effect of the chapter to condone or legitimize the distribution of obscene materials. (Ord. #1525, March 2004)

**9-702. Definitions.** For the purposes of this chapter, certain terms and words are defined as follows:

(1) "Sexually oriented businesses" are those businesses defined as follows:

(a) "Adult arcade" means an establishment where, for any form of consideration, one (1) or more still or motion picture projectors, slide projectors, or similar machines, or other image producing machines, for viewing by five (5) or fewer persons each, are regularly used to show films, motion pictures, video cassettes, slides, or other photographic reproductions which are characterized by the depiction or description of "specified sexual activities" or "specified anatomical areas."

(b) "Adult bookstore," "adult novelty store" or "adult video store" means a commercial establishment which has any of its stock-in-trade or derives any of its revenues or devotes any of its interior business or advertising to the sale, rental for any form of consideration, of any one (1) or more of the following:

(i) Books, magazines, periodicals or other printed matter, or photographs, films, motion pictures, video cassettes, slides, or other visual representations which are characterized by the depiction or description of "specified sexual activities" or "specified anatomical areas."

(c) "Adult cabaret" means a nightclub, bar, restaurant "bottle club" or similar commercial establishment, whether or not alcoholic beverages are served which regularly features:

(i) Persons who appear nude or in a state of nudity;  
(ii) Live performances which are characterized by the exposure of "specified anatomical areas" or by "specified sexual activities;" or

(iii) Films, motion pictures, video cassettes, slides, or other photographic reproductions which are characterized by the depiction or description of "specified sexual activities" or "specified anatomical areas."

(d) "Adult motel" means a motel, hotel or similar commercial establishment which:

(i) Offers public accommodations, for any form of consideration, which provides patrons with closed-circuit television transmissions, films, motion pictures, video cassettes, slides or other photographic reproductions which are characterized by the depiction or description of "specified sexual activities" or "specified anatomical areas" and which advertises the availability of this sexually oriented type of material by means of a sign visible from the public right-of-way, or by means of any off-premises advertising including but not limited to, newspapers, magazines, pamphlets or leaflets, radio or television; or

(ii) Offers a sleeping room for rent for a period of time less than ten (10) hours; or

(iii) Allows a tenant or occupant to sub-rent the sleeping room for a time period of less than ten (10) hours.

(e) "Adult motion picture theater" means a commercial establishment where films, motion pictures, video cassettes, slides or similar photographic reproductions which are characterized by the depiction or description of "specified sexual activities" or "specified anatomical areas" are regularly shown for any form of consideration.

(f) "Adult theater" means a theater, concert hall, auditorium, or similar commercial establishment which, for any form of consideration, regularly features persons who appear in a state of nudity or live performances which are characterized by exposure of "specified anatomical areas" or by "specified sexual activities."

(g) "Escort" means a person who, for any form of consideration, agrees or offers to act as a companion, guide, or date for another person, or who agrees or offers to privately model lingerie or to privately perform a striptease for another person.

(h) "Escort agency" means a person or business association who furnishes, offers to furnish, or advertises to furnish escorts as one of its primary business purposes for a fee, tip, or other consideration.

(i) "Massage parlor" means any place where, for any form of consideration or gratuity, massage, alcohol rub, administration of fomentations, electric or magnetic treatments, or any other treatment manipulation of the human body which occurs as a part of or in connection with "specified sexual activities," or where any person providing such treatment, manipulation, or service related thereto, exposes his or her "specified anatomical areas." The definition of sexually oriented businesses shall not include the practice of massage in any licensed hospital, nor by a licensed hospital, nor by a licensed physician, surgeon, chiropractor or osteopath, nor by any nurse or technician working under the supervision of a licensed physician, surgeon,

chiropractor or osteopath, nor by trainers for any amateur, semiprofessional or professional athlete or athletic team or school athletic program.

(j) "Nude model studio" means any place where a person, who regularly appears in a state of nudity, is provided for money or any form of consideration to be observed, sketched, drawn, painted, sculptured, photographed, or similarly depicted by other persons.

(k) "Sexual encounter establishment" means a business or commercial establishment, that as one of its primary business purposes, offers for any form of consideration, a place where two (2) or more persons may congregate, associate, or consort for the purpose of "specified sexual activities" or the exposure of "specified anatomical areas" or activities when one (1) or more of the persons is in a state of nudity. The definition of sexually oriented businesses shall not include an establishment where a medical practitioner, psychologist, psychiatrist, or similar professional person licensed by the state engages in medically approved and recognized sexual therapy.

(2) "Employee" means a person who works or performs in and/or for a sexually oriented business, regardless of whether or not said person is paid a salary, wage or other compensation by the operator of said business.

(3) "Establishment" means and includes any of the following:

(a) The opening or commencement of any such business as a new business;

(b) The conversion of an existing business, whether or not a sexually oriented business, to any of the sexually oriented businesses defined in this chapter;

(c) The addition of any of the sexually oriented businesses defined in this chapter to any other existing sexually oriented business.

(4) "Nudity" or "state of nudity" means:

(a) The appearance of human bare buttock, anus, male genitals, female genitals, or the areola or nipple of the female breast; or

(b) A state of dress which fails to opaquely and fully cover human buttocks, anus, male or female genitals, pubic region or areola or nipple of the female breast.

(5) "Operator" means and includes the owner, permit holder, custodian, manager, operator or person in charge of any permitted or licensed premises.

(6) "Permitted" or "licensed premises" means any premises that requires a license and/or permit and that is classified as a sexually oriented business.

(7) "Permittee" and/or "licensee" means a person in whose name a permit and/or license to operate a sexually oriented business has been issued, as well as the individual listed as an applicant on the application for a permit and/or license.

(8) "Person" means an individual, proprietorship, partnership, corporation, association, or other legal entity.

(9) "Public building" means any building owned, leased or held by the United States, the state, the county, the city, any special district, school district, or any other agency or political subdivision of the state or the United States, which building is used for governmental purposes.

(10) "Public park" or "recreation area" means public land which has been designated for park or recreational activities including but not limited to a park, playground, nature trails, swimming pool, reservoir, athletic field, basketball or tennis courts, pedestrian/bicycle paths, open space, wilderness areas, or similar public land within the city which is under the control, operation, or management of the city park and recreation authorities.

(11) "Religious institution" means any church, synagogue, mosque, temple or building which is used primarily for religious worship and related religious activities.

(12) "Residential district or use" means a single family, duplex, cityhouse, multiple family, or mobile park or subdivision and campgrounds defined in the Covington Zoning Ordinances.

(13) "School" means any public or private educational facility including but not limited to child day care facilities, nursery schools, preschools, kindergartens, elementary schools, primary schools, intermediate schools, junior high schools, middle schools, high schools, vocational schools, secondary schools, continuation schools, special education schools, junior colleges, and universities. School includes the school grounds, but does not include the facilities used primarily for another purpose and only incidentally as a school.

(14) "Semi-nude" means a state of dress in which clothing covers no more than the genitals, pubic region, and areola of the female breast, as well as portions of the body covered by supporting straps or devices.

(15) "Sexually oriented business" means an adult arcade, adult bookstore, adult novelty shop, adult video store, adult cabaret, adult motel, adult motion picture theater, adult theater, massage parlor, sexual encounter establishment, escort agency or nude model studio.

(16) "Specified anatomical areas," as used in this chapter means and includes any of the following:

(a) Less than completely and opaquely covered human genitals, pubic region, buttocks, anus, or female breasts below a point immediately above the top of the areola; or

(b) Human male genitals in a discernibly turgid state, even if completely and opaquely covered.

(17) "Specified sexual activities" as used in this chapter, means and includes any of the following:

(a) The fondling or other intentional touching of human genitals, pubic region, buttocks, anus, or female breasts;

(b) Sex acts, normal or perverted, actual or simulated, including intercourse, oral copulation, or sodomy;

(c) Masturbation, actual or simulated; or

(d) Human genitals in a state of sexual stimulation, arousal or tumescence;

(e) Excretory functions as part of or in connection with any of the activities set forth in subsections (a) through (d) of this subsection.

(18) "Substantial enlargement of a sexually oriented business" means increase in the floor areas occupied by the business by more than fifteen percent (15%) as the floor areas exist on date ordinance becomes effective.

(19) "Transfer of ownership or control of a sexually oriented business" means and includes any of the following:

(a) The sale, lease or sublease of the business;

(b) The transfer of securities which constitute a controlling interest in the business, whether by sale, exchange or similar means;

(c) The establishment of a trust, gift or other similar legal device which transfers ownership or control of the business, except for transfer by request or other operation of law upon the death of a person possessing the ownership or control. (Ord. #1525, March 2004)

#### **9-703. Establishment and classification of businesses regulated.**

The establishment of a sexually oriented business shall be permitted only in the areas available as established by the following restrictions and shall be subject to the following restrictions. No person shall cause or permit the establishment of any of the following sexually oriented businesses, as defined above, within two thousand feet (2,000') of another such business or within two thousand feet (2,000') of any religious institution, school, boys' club, girls' club, or similar existing youth organization, or public park or public building, or within two thousand feet (2,000') of any property zoned for residential use or used for residential purposes and are classified as follows:

- (1) Adult arcade;
- (2) Adult bookstore, adult novelty store, or adult video store;
- (3) Adult cabaret;
- (4) Adult motel;
- (5) Adult motion picture theater;
- (6) Adult theater;
- (7) Massage parlor;
- (8) Sexual encounter establishment;
- (9) Escort agency; or
- (10) Nude model studio. (Ord. #1525, March 2004)

**9-704. Measurement of distance.** As regarding § 9-703, distance between any two (2) sexually oriented businesses shall be measured in a straight line, without regard to intervening structures, from the closest exterior



structural wall of each business. The distance between any sexually oriented business and any religious institution, public or private elementary or secondary school, boys club, girls club, or similar existing youth organization, or public park or public building or any properties zoned for residential use or used for residential purposes shall also be measured in a straight line, without regard to intervening structures or objects from the nearest point of the property line of the premises where the sexually oriented business is conducted, to the nearest point of the property line of the premises of a religious institution, public or private elementary or secondary school, boys club, girls club, or similar existing youth organization, or public park or public building or any properties zoned for residential use or used for residential purposes. (Ord. #1525, March 2004)

**9-705. Location of sexually oriented businesses.** The City of Covington's Zoning Ordinance requires that sexually oriented businesses shall be permitted only as provided in § 9-703 in which such use is permissible only under specified conditions and only within such districts where sexually oriented businesses are specifically listed as permissible. Permits for sexually oriented businesses shall be required and governed by the procedures and policies specified in § 9-708 of this chapter. In addition, any sexually oriented business shall be subject to the following restrictions:

(1) A person commits a misdemeanor, if he operates or causes to be operated a sexually oriented business except as provided in § 9-703.

(2) A person commits a misdemeanor if he operates or causes to be operated a sexually oriented business within two thousand feet (2,000') of:

- (a) Any religious institution;
- (b) Any school;
- (c) The boundary of any residential district;
- (d) A public park adjacent to any residential district;
- (e) A property line of a lot devoted to residential use; or
- (f) A boys club, girls club, or similar existing youth organization.

(3) A person commits a misdemeanor if he operates or causes to be operated a sexually oriented business within two thousand feet (2,000') of another such business, which will include, any adult arcade, adult book store, adult video store, adult cabaret, adult motel, adult motion picture theater, adult theater, massage parlor or any sexual encounter establishment.

(4) A person commits a misdemeanor if he causes or permits the operation, establishment, or maintenance of more than one (1) sexually oriented business within the same building.

(5) It is a defense to prosecution under this section if a person appearing in a state of nudity did so in a modeling class operated:

- (a) By a proprietary school, licensed by the State of Tennessee; a college, junior college, or university supported entirely or partly by taxation;

(b) By a private college or university which maintains and operates educational programs in which credits are transferable to a college, junior college, or university supported entirely or partly by taxation; or

(c) In a structure:

(i) Which has no sign visible from the exterior of the structure and no other advertising that indicates a nude person is available for viewing; and

(ii) Where, in order to participate in a class a student must enroll at least three (3) days in advance of the class; and

(iii) Where no more than one (1) nude model is on the premises at any one (1) time. (Ord. #1525, March 2004)

**9-706. Regulations governing existing sexually oriented businesses.** (1) A sexually oriented business lawfully operating as a conforming use is not rendered a non-conforming use by the location, subsequent to the grant or renewal of a sexually oriented business permit and/or license, of a church, public or private elementary or secondary school, public park, public building, residential district, or residential lot within two thousand feet (2,000') of the sexually oriented business. This provision applies only to the renewal of a valid permit and/or license and does not apply when an application for a permit and/or license is submitted after a permit.

(2) Any establishment subject to the provision of this section shall apply for the permit provided for by § 9-710 within thirty (30) days of the effective date of the ordinance comprising this chapter. Any establishment, existing prior to the effective date of this chapter, shall comply with the regulations pertaining to §§ 9-720, 9-722, and 9-730, within sixty (60) days of the effective date of this chapter, and all other applicable permit regulations within thirty (30) days of the effective date of the ordinance comprising this chapter. (Ord. #1525, March 2004)

**9-707. Injunction.** A person who operates or causes to be operated a sexually oriented business without having a valid permit due to location restrictions is subject to a suit for injunction as well as prosecution for the criminal violation. Such violation shall be punishable by a fine of up to five hundred dollars (\$500.00) for each calendar day of the violation, and if an injunction must be sought, attorney's fees and costs will be assessed at the discretion of the court against the sexually oriented business. (Ord. #1525, March 2004)

**9-708. Sexually oriented business permit; purpose and intent.** It is the purpose of this chapter to regulate sexually oriented businesses to promote the health, safety, morals and general welfare of the citizens of the city, and to establish reasonable and uniform regulations to prevent deleterious

effects of sexually oriented businesses within the city. The provisions of this chapter have neither the purpose nor effect of imposing a limitation or restriction on the content of any communicative materials, including sexually oriented materials. Similarly, it is not the intent nor effect of this chapter to restrict or deny access by adults to sexually oriented materials protected by the First Amendment, or to deny access by the distributors and exhibitors of sexually oriented entertainment to their intended market. Neither is it the intent or effect of this chapter to in any way condone or legitimize the distribution of obscene or harmful to minors' material. (Ord. #1525, March 2004)

**9-709. Permit required.** (1) No sexually oriented business shall be permitted to operate without a valid sexually oriented business permit issued by the city for the particular type of business. It shall be unlawful and a person commits a misdemeanor if he/she operates or causes to be operated a sexually oriented business without said permit.

(2) The Mayor of the City of Covington and the board of mayor and aldermen is responsible for granting, denying, revoking, renewing, suspending, and canceling sexually oriented business permits for proposed or existing sexually oriented businesses. The mayor of the City of Covington or his/her designee is also responsible for ascertaining whether a proposed sexually oriented business for which a permit is being applied for complies with all location requirements of §§ 9-703, 9-705, and 9-706 of this chapter, all applicable zoning laws and/or regulations now in effect or as amended or enacted subsequent to the effective date of this chapter in the city and the city comprehensive plan.

(3) The Covington Police Department is responsible for providing information on whether an applicant has been convicted of a specified criminal act during the time period set forth.

(4) The city's code enforcement office is responsible for inspecting a proposed, permitted or non-permitted sexually oriented business in order to ascertain whether it is in compliance with applicable statutes and ordinances.

(5) An application for a permit must be made on a form provided by the city. Any person desiring to operate a sexually oriented business shall file with the city an original and two (2) copies of a sworn permit application on the standard application form supplied by the city or designee.

(6) The completed application shall contain the following information and shall be accompanied by the following documents:

(a) If the applicant is:

(i) An individual, the individual shall state his/her legal name and any aliases and submit satisfactory proof that he/she is eighteen (18) years of age.

(ii) A partnership, the partnership shall state its complete name, and the name of all partners, whether the

partnership is general or limited, and a copy of the partnership agreement, if any;

(iii) A corporation, the corporation shall state its complete name, the date of its incorporation, evidence that the corporation is in good standing under the laws of Tennessee the names of city officers, directors and principal stockholders, and the name of the registered corporate agent and the address of the registered office for service of process.

(b) If the applicant intends to operate the sexually oriented business under a name other than that of the applicant; he must state:

(i) The sexually oriented business' fictitious name; and

(ii) Submit the required Tennessee registration documents.

(c) Whether the applicant or any of the other individuals listed pursuant to § 9-709 of this chapter has, within the two (2) or five (5) year period as specified in § 9-711 immediately preceding the date of the application, been convicted of a specified criminal act, and if so, the specified criminal act involved, the date of conviction and the place of conviction.

(d) Whether the applicant or any of the other individuals pursuant to § 9-709 and/or licenses of this chapter has had a previous permit under ordinance or other similar sexually oriented business ordinances from another city or county denied, suspended or revoked, including the name and location of the sexually oriented business for which the permit was denied, suspended or revoked, as well as the date of the denial, suspension or revocation, and whether the applicant or any other individuals listed pursuant to § 9-709 has been a partner in a partnership or an officer, director or principal stockholder of a corporation that is permitted under this chapter whose permit has previously been denied, suspended or revoked, including the name and location of the sexually oriented business for which the permit was denied, suspended or revoked as well as the date of denial, suspension or revocation.

(e) Whether the applicant or any other individual listed pursuant to § 9-709 held any other permits and/or licenses under this chapter or other similar sexually oriented business ordinance from another city or county and, if so, the names and locations of such other permitted businesses.

(f) The single classification of permit for which the applicant is filing.

(g) The location of the proposed sexually oriented business, including a legal description of the property, street, address and telephone number(s), if any.

(h) The applicant's mailing addresses and residential address.

(i) A recent photograph of the applicant(s).

(j) The applicant's driver's permit number, social security number, and/or his/her state or federally issued tax identification number.

(k) A sketch or diagram showing the configuration of the premises, including a statement of total floor space occupied by the business. The sketch or diagram need not be professionally prepared, but it must be drawn to a designated scale or drawn with marked dimensions of the interior of the premises to an accuracy of plus or minus six inches (6").

(l) A current certificate and straight-line drawing prepared within thirty (30) days prior to application by a Tennessee registered land surveyor depicting the property lines and the structures containing any established existing uses regulated by this chapter within two thousand feet (2,000') of the property to be certified; the property lines of any established religious institution/synagogue, school, or public park and recreation area within two thousand feet (2,000') of the property to be certified; and the property lines of any residentially zoned area or residential property within two thousand feet (2,000') of the property to be certified. For purposes of this section, a use shall be considered existing or established if it is in existence at the time an applicant is submitted.

(m) If a person who wishes to operate a sexually oriented business is an individual, he/she must sign the application for a permit as applicant. If a person who wishes to operate a sexually oriented business is other than an individual, each individual who has a ten percent (10%) or greater interest in the business must sign the application for a permit as applicant. If a corporation is listed as owner of a sexually oriented business or as the entity which wishes to operate such a business, each individual having a ten percent (10%) or greater interest in the corporation must sign the application for a permit as applicant.

(n) If a person wishes to operate a sexually oriented business which shall exhibit on the premises films, video cassettes, or other video reproductions which depict specified sexual activities or specified anatomical areas, then said person shall comply with the application requirements stated in § 9-720.

(7) Applicants for a permit under this section shall have a continuing duty to promptly supplement application information required by this section in the event that said information changes in any way from what is stated on the application. The failure to comply with said continuing duty within thirty (30) days from the date of such change, by supplementing the application on file with the Mayor of the City of Covington or his/her designee, shall be grounds for suspension of a permit.

(8) In the event that the Mayor of the City of Covington or his/her designee determines or learns at any time that the applicant has improperly completed the application for a proposed sexually oriented business, he/she shall promptly notify the applicant of such fact and allow the applicant ten (10) days to properly complete the application. (The time period for granting or denying a permit shall be stayed during the period in which the applicant is allowed an opportunity to properly complete the application.)

(9) The applicant must be qualified according to the provisions of this chapter and the premises must be inspected and found to be in compliance with health, fire and building codes and laws.

(10) The applicant shall be required to pay a non-refundable application fee of one hundred dollars (\$100.00) at the time of filing an application under this section of this chapter.

(11) Prior to obtaining any permit or license to operate any sexually oriented business defined in this chapter, and as part of any application for a permit under this section, the applicant shall obtain from the city or its designee a certification that the proposed location of such business complies with the location requirements of §§ 9-705 and 9-706 of this chapter.

(12) The fact that a person possesses other types of state or city permits and/or licenses does not exempt him/her from the requirement of obtaining a sexually oriented business permit.

(13) By applying for a permit under this chapter, the applicant shall be deemed to have consented to the provisions of this chapter and to the exercise by the Mayor of the City of Covington or his/her designee, the Covington Police Department and all other city agencies charged with enforcing the laws, ordinances and codes applicable in the city of their respective responsibilities under this chapter.

(14) The applicant shall be required to provide the city with the names of any and all employees who are required to be licensed pursuant to § 9-719 of this chapter. This shall be a continuing requirement even after a permit is granted or renewed. (Ord. #1525, March 2004)

**9-710. Investigation and application.** (1) Upon receipt of an application properly filed with the city and upon payment of the nonrefundable application fee, the city or its designee, shall immediately stamp the application as received and shall immediately thereafter send photocopies of the application to the Covington Police Department and any other city agencies responsible for enforcement of health, fire and building codes and laws. Each department or agency shall promptly conduct an investigation of the applicant, application and the proposed sexually oriented business in accordance with its responsibilities under law and as set forth in this chapter. Said investigation shall be completed within twenty (20) days of receipt of the application by the city or its designee. At the conclusion of its investigation, each department or agency shall indicate on the photocopy of the application its approval or disapproval of the

application, date it, sign it, and, in the event it is disapproved, state the reasons therefor. The Covington Police Department shall only be required to certify the NCIC records request check mentioned in § 9-711. The Covington Police Department shall not be required to approve or disapprove applications.

(2) A department or agency shall disapprove an application if it finds that the proposed sexually oriented business will be in violation of any provision of any statute, code, ordinance, regulation or other law in effect in the city. After its indication of approval or disapproval, each department or agency shall immediately return the photocopy of the application to the city or its designee. (Ord. #1525, March 2004)

**9-711. Issuance of permit.** (1) The Mayor of the City of Covington or his/her designee, shall grant or deny an application for a permit within thirty (30) days from the date of its proper filing. Upon the expiration of the thirtieth (30th) day, unless the applicant requests and is granted a reasonable extension of time, the applicant shall be permitted to begin operating the business for which the permit is sought, unless and until the city or its designee, notifies the applicant of a denial of the application and states the reasons(s) for that denial.

(2) Grant of application for permit. (a) The Mayor of the City of Covington or his/her designee, shall grant the application unless one (1) or more of the criteria set forth in subsection (3) below is present.

(b) The permit, if granted, shall state on its face the name of the person or persons to whom it is granted, the expiration date, and the address of the sexually oriented business. The permit shall also indicate that the sexually oriented business whether permitted or not may be subject to prohibitions against public nudity and indecency pursuant to the United States Supreme Court decision in *Barnes v. Glen Theatre, Inc.*, 501 U.S. 560 (1991). The permit shall be posted in a conspicuous place at or near the entrance to the sexually oriented business so that it can be read easily at any time.

(3) Denial of application for permit. (a) The Mayor of the City of Covington or his/her designee, shall deny the application for any of the following reasons:

- (i) An applicant is under eighteen (18) years of age.
- (ii) An applicant or an applicant's spouse is overdue on his/her payment to the city of taxes, fees, fines, or penalties assessed against him/her or imposed upon him/her in relation to a sexually oriented business.
- (iii) An applicant is residing with a person who has been denied a permit by the city to operate a sexually oriented business within the preceding twelve (12) months, or residing with a person whose permit to operate a sexually oriented business has been revoked within the preceding twelve (12) months.

(iv) An applicant has failed to provide information required by this section or permit application for the issuance of the permit or has falsely answered a question or request for information on the application form.

(v) The premises to be used for the sexually oriented business is not declared safe by city or state officials.

(vi) The application or permit fees required by this chapter have not been paid.

(vii) An applicant of the proposed business is in violation of, or is not in compliance with, any of the provisions of this chapter including but not limited to the zoning location requirements for a sexually oriented business under §§ 9-703, 9-705 and 9-706.

(viii) The granting of the application would violate a statute, ordinance, or court order.

(ix) The applicant has a permit under this chapter which has been suspended or revoked.

(x) An applicant has been convicted of a "specified criminal" act for which:

(A) Since the date of conviction or the date of release from confinement, whichever is the later date, if the conviction is of a misdemeanor offense for the "specified criminal" acts which are sexual crimes against children, sexual abuse, rape or crimes connected with another sexually oriented business including but not limited to distribution of obscenity or material harmful to minors, prostitution, pandering, or tax violations;

(B) Less than five (5) years have elapsed since the date of conviction or the date of release from confinement, whichever is the later date, if the conviction is of a felony offense; for the "specified criminal" acts which are sexual crimes against children, sexual abuse, rape or crimes connected with another sexually oriented business including but not limited to distribution of obscenity or material harmful to minors, prostitution, pandering, or tax violations;

(C) Less than five (5) years have elapsed since the date of conviction or the date of release from confinement, whichever is the later date, if the convictions are of two (2) or more misdemeanor offenses for "specified criminal" acts which are sexual crimes against children sexual abuse, rape or crimes connected with another sexually oriented business including but not limited to distribution of obscenity or materials harmful to minors, prostitution, pandering or tax



violations; offenses occurring within any twenty-four (24) month period;

(D) The fact that a conviction is being appealed shall have no effect on disqualification of the applicant;

(E) An applicant who has been convicted of the above described "specified criminal acts" may qualify for a sexually oriented business permit only when the time period required above in § 9-711(3)(a)(x) has elapsed.

(ix) An applicant knowingly has in his or her employ, an employee who does not have a valid license as required in § 9-719 of this chapter.

(b) If the Mayor of the City of Covington or his/her designee, denies the application, he/she shall notify the applicant of the denial and state the reason(s) for the denial.

(c) If a person applies for a permit for a particular location within a period of twelve (12) months from the date of denial of a previous application for a permit at the location, and there has not been an intervening change in the circumstances which could reasonably be expected to lead to a different decision regarding the former reasons for denial, the application shall be denied. (Ord. #1525, March 2004)

**9-712. Annual permit fee.** The annual fee for a sexually oriented business permit is eight hundred fifty dollars (\$850.00). (Ord. #1525, March 2004)

**9-713. Inspection.** (1) An applicant or permittee shall permit representatives of the code enforcement office, the county health department, and the fire department to inspect the premises of a sexually oriented business for the purpose of insuring compliance with the law, at any time it is occupied or open for business.

(2) It shall be unlawful and a person who operates a sexually oriented business, regardless of whether or not a permit has been issued for said business under this chapter, or his/her agent or employee commits a misdemeanor if he/she refuses to permit such lawful inspection of the premises at any time that it is occupied or open for business. (Ord. #1525, March 2004)

**9-714. Expiration of permit.** (1) Each permit shall expire one (1) year from the date of issuance and may be renewed only by making application as provided in § 9-711 (for renewals, filing of original survey shall be sufficient) of this chapter. Application for renewal shall be made at least thirty (30) days before the expiration date, and when made less than thirty (30) days before the expiration date, the expiration of the permit will not be affected.

(2) When the Mayor of the City of Covington or his/her designee, denies renewal of the permit, applicant shall not be issued a permit under this

chapter for one (1) year from the date of denial. If, subsequent to denial, the city or its designee, finds that the basis for denial of the renewal of the permit has been corrected, the applicant shall be granted a permit if at least ninety (90) days have elapsed since the date denial become final. (Ord. #1525, March 2004)

**9-715. Suspension of permit.** (1) The Mayor of the City of Covington or his/her designee, shall suspend a permit for a period not to exceed thirty (30) days if he/she determines that a permittee, or an employee of a permittee, has:

(a) Violated or is not in compliance with any section of this chapter; or

(b) Been under the influence of alcoholic beverages while working in the sexually oriented business premises; or

(c) Refused to allow an inspection of sexually oriented business premises as authorized by this chapter; or

(d) Knowingly permitted gambling by any person on the sexually promoted business premises; or

(e) Operated the sexually oriented business in violation of a building, fire, health, or zoning statute, code, ordinance or regulation, whether federal, state or local, said determination being based on investigation by the division, department or agency charged with enforcing said rules or laws. In the event of such statute, code, ordinance or regulation violation, the city or its designee, shall promptly notify the permittee of the violation and shall allow the permittee a seven (7) day period in which to correct the violation. If the permittee fails to correct the violation before the expiration of the seven (7) day period, the city or its designee, shall forthwith suspend the permit and shall notify the permittee of the suspension.

(f) Engaged in permit transfer contrary to § 9-718 of this chapter. In the event that the city or its designee, suspends a permit on the ground that a permittee engaged in a permit transfer contrary to § 9-718 of this chapter, the Mayor of the City of Covington or his/her designee shall forthwith notify the permittee of the suspension. The suspension shall remain in effect until the applicable section of this chapter has been satisfied.

(g) Operated the sexually oriented business in violation of the hours of operation in § 9-723.

(h) Knowingly employs a person who does not have a valid license as required in § 9-719 of this chapter. (Ord. #1525, March 2004)

**9-716. Revocation of permit.** (1) The Mayor of the City of Covington or his/her designee shall revoke a permit if a cause of suspension in § 9-715 of this chapter occurs and the permit has been suspended within the preceding twelve (12) months.

(2) The Mayor of the City of Covington or his/her designee, shall revoke a permit upon determining that:

(a) A permittee gave false or misleading information in the material submitted during the application process that tended to enhance the applicant's opportunity for obtaining a permit; or

(b) A permittee or an employee has knowingly allowed possession, use or sale of controlled substances in or on the premises; or

(c) A permittee or an employee has knowingly allowed prostitution on the premises; or

(d) A permittee or an employee knowingly operated the sexually oriented business during a period of time when the permittee's permit was suspended; or

(e) A permittee has been convicted of a "specified criminal act" for which the time period required in § 9-711 of this chapter has not elapsed; or

(f) On two (2) or more occasions within a twelve (12) month period, a person or persons committed an offense, occurring in or on the permitted premises, constituting a specified criminal act for which a conviction has been obtained, and the person or persons were employees of the sexually oriented business at the time the offenses were committed. The fact that a conviction is being appealed shall have no effect on the revocation of the permit; or

(g) A permittee is convicted of tax violations for any taxes or fees related to a sexually oriented business; or

(h) A permittee has been operating more than one (1) sexually oriented business under a single roof except as provided in § 9-703(2).

(3) When the Mayor of the City of Covington or his/her designee, revokes a permit, the revocation shall continue for one (1) year and the permittee shall not be issued a sexually oriented business permit for one (1) year from the date revocation became effective. (Ord. #1525, March 2004)

**9-717. Judicial review of permit denial, suspension or revocation.**

After denial of an application, or denial of a renewal of an application, or suspension or revocation of a permit, the applicant or permittee may seek prompt review of such administrative action through the city council or special city review board if one is established by the city. If the denial, suspension or revocation is affirmed upon review, the administrative action shall be promptly reviewed by the court. (Ord. #1525, March 2004)

**9-718. Transfer of permit.** (1) A permittee shall not operate a sexually oriented business under the authority of a permit at any place other than the address designated in the application for permit.

(2) A permittee shall not transfer his/her permit to another person unless and until such other person satisfies the following requirements:

(a) Obtains an amendment to the permit from the Mayor of the City of Covington or his/her designee, which provides that he/she is now the permittee, which amendment may be obtained only if he/she has completed and properly filed an application with the Mayor of the City of Covington or his/her designee, setting forth the information called for under § 9-711 of this chapter in the application; and

(b) Pays a transfer fee of twenty percent (20%) of the annual permit fee set by this chapter.

(3) No permit may be transferred when the Mayor of the City of Covington or his/her designee has notified the permittee that suspension or revocation proceedings have been or will be brought against the permittee.

(4) A permittee shall not transfer his permit to another location.

(5) Any attempt to transfer a permit either directly or indirectly in violation of this section is hereby declared void and the permit shall be deemed revoked. (Ord. #1525, March 2004)

**9-719. Sexually oriented business employee license.** (1) Each individual to be employed in a sexually oriented business, as defined in § 9-702 of this chapter, who engages in the services rendered by a semi-nude model studio, escort or escort agency, sexual encounter establishment, massage parlor, or a live performer or entertainer shall be required to obtain a sexually oriented business employee license. Each applicant shall pay a permit fee of twenty-five dollars (\$25.00). Said fee is to cover reasonable administrative costs of the licensing application process.

(2) Before any applicant may be issued a sexually oriented business employee license, the applicant shall submit on a form to be provided by the Mayor of the City of Covington or his or her designee the following information:

(a) The applicant's name or any other names (including "stage" names) or aliases used by the individual;

(b) Age, date, and place of birth;

(c) Height, weight, hair and eye color;

(d) Present residence address and telephone number;

(e) Present business address and telephone number;

(f) State driver's license or identification number;

(g) Social security number; and

(h) Acceptable written proof that the individual is at least eighteen (18) years of age;

(i) Attached to the application form as provided above, a color photograph of the applicant clearly showing the applicant's face, and the applicant's fingerprints on a form provided by the Covington Police Department. Any fees for the photographs and fingerprints shall be paid by the applicant.

(j) A statement detailing the license or permit history of the applicant for the five (5) years immediately preceding the date of the

filing of the application, including whether such applicant previously operating or seeking to operate, in this or any other county, city, state, or country has ever had a license, permit, or authorization to do business denied, revoked, or suspended, or had any professional or vocational license or permit denied, revoked, or suspended. In the event of any such denial, revocation, or suspension, state the date, the name of the issuing or denying jurisdiction, and describe in full the reasons for the denial, revocation, or suspension. A copy of any order of denial, revocation, or suspension shall be attached to the application.

(k) Whether the applicant has been convicted of a "specified criminal" act as defined in § 9-711(3)(c)(x) of this chapter. This information shall include the date, place, nature of each conviction or plea of nolo contendere and identifying the convicting jurisdiction.

(l) The Mayor of the City of Covington or his or her designee shall refer the sexually oriented business employee license application to the Covington Police Department for an investigation to be made of such information as is contained on the application. The application process shall be completed within ten (10) days from the date the completed application is filed. After the investigation, the Mayor of the City of Covington or his or her designee shall issue a license unless the report from the sheriff's department finds that one (1) or more of the following findings is true:

(i) That the applicant has knowingly made any false, misleading, or fraudulent statement of a material fact in the application for a license, or in any report or record required to be filed with the sheriff's department or other department of the city;

(ii) That the applicant is under eighteen (18) years of age;

(iii) That the applicant has been convicted of a "specified criminal act" as defined in § 9-711(3)(c)(x) of this chapter;

(iv) That the sexually oriented business employee license is to be used for employment in a business prohibited by local or state law, statute, rule or regulation, or prohibited by particular provisions of this chapter;

(v) That the applicant has had a sexually oriented business employee license revoked by the city within two (2) years of the date of the current application.

(3) Renewal of license. (a) A license granted pursuant to this section shall be subject to annual renewal by the Mayor of the City of Covington or his or her designee upon the written application of the applicant and a finding by the Mayor of the City of Covington or his or her designee and the Covington Police Department that the applicant has not been convicted of any "specified criminal act" as defined in § 9-711(3)(x) of this chapter or committed any act during the existence of the previous license period which would be grounds to deny the initial permit application.

(b) The renewal of the license shall be subject to payment of a fee as set by a resolution of the city council. (Ord. #1525, March 2004)

**9-720. Regulations pertaining to exhibition of sexually explicit films or videos in video booths.** (1) A person who operates or causes to be operated a sexually oriented business, other than a sexually oriented motel/hotel and regardless of whether or not a permit has been issued to said business under this chapter, which exhibits on the premises in a viewing room of less than one hundred fifty (150) square feet of floor space, a film, video cassette or other video reproduction which depicts specified sexual activities or specified anatomical areas, shall comply with the following requirements:

(a) Upon application for a sexually oriented business permit, the application shall be accompanied by a diagram of the premises showing a plan thereof specifying the location of one (1) or more manager's stations, the location of all overhead lighting fixtures and designating any portion of the premises in which patrons will not be permitted. A manager's station may not exceed thirty-two (32) square feet of floor area with no dimension greater than eight feet (8'). The diagram shall also designate the place at which this permit will be conspicuously posted, if granted. A professionally prepared diagram in the nature of an "engineer" or "architect" blueprint shall not be required; however, each diagram should be oriented to the north or to some designated street or object and should be drawn to a designated scale with marked dimensions sufficient to show the various internal dimension of all areas of the interior of the premises to an accuracy of plus or minus six inches (6"). The Mayor of the City of Covington or his/her designee, may waive the foregoing diagram for renewal applications if the applicant adopts a diagram that was previously submitted and certifies that the configuration of the premises has not been altered since it was prepared.

(b) The application shall be sworn to be true and correct by the applicant.

(c) No alteration in the configuration or location of a manager's station may be made without the prior approval of the city or its designee.

(d) It is the duty of the owners and operator of the premises to insure that at least one (1) employee is on duty and situated at each manager's station at all times that any patron is present inside the premises.

(e) The interior of the premises shall be configured in such a manner that there is an unobstructed view from a manager's station of every area of the premises to which any patron is permitted access for any purpose, excluding restrooms. Restrooms may not contain video reproduction equipment. If the premises have two (2) or more manager's stations designated, then the interior of the premises shall be configured in such a manner that there is an unobstructed view of each area of the

premises to which any patron is permitted access for any purpose from at least one (1) of the manager's stations. The view required in this subsection must be by direct line of sight from the manager's station.

(f) It shall be the duty of the owners and operator, and it shall also be the duty of any agents and employees present on the premises to insure that the view area specified in subsection (e) remains unobstructed by any doors, walls, merchandise, display racks or other materials or person at all times and to insure that no patron is permitted access to any area of the premises which has been designated as an area in which patrons will not be permitted in the application filed pursuant to subsection (1) of this section.

(g) No viewing room may be occupied by more than one (1) person at any one (1) time. No holes, commonly known as "glory holes," shall be allowed in the walls or partitions which separate each viewing room from an adjoining viewing room or restroom.

(h) The premises shall be equipped with overhead lighting fixtures of sufficient intensity to illuminate every place to which patrons are permitted access and an illumination of not less than two (2.0) foot candle as measured at the floor level.

(i) It shall be the duty of the owners and operator and it shall also be the duty of any agents and employees present on the premises to insure that the illumination described above is maintained at all times that any patron is present on the premises.

(2) A person having a duty under § 9-709(1)(a)(i)--(ix) commits a misdemeanor if he/she knowingly fails to fulfill that duty. (Ord. #1525, March 2004)

**9-721. Prohibitions regarding minors and sexually oriented businesses.** A person commits a misdemeanor if he/she operates or causes to be operated a sexually oriented business, regardless of whether or not a permit has been issued for said business under this chapter, and knowingly or with reasonable cause to know, permit, suffer, or allow:

(1) Admittance of a person under eighteen (18) years of age to the business premises unless accompanied by a parent or guardian a person under eighteen (18) years of age to remain at the business premises unless accompanied by a parent or guardian;

(2) A person under eighteen (18) years of age to purchase goods or services at the business premises without the specific consent of a parent or guardian; or

(3) A person who is under eighteen (18) years of age to work at the business premises as an employee. (Ord. #1525, March 2004)

**9-722. Advertising and lighting regulations.** (1) It shall be unlawful and a person commits a misdemeanor if he/she operates or causes to be operated

a sexually oriented business, regardless of whether or not a permit has been issued for said business under this chapter, and advertises the presentation of any activity prohibited by any applicable state statute or local ordinance.

(2) It shall be unlawful and a person commits a misdemeanor if he/she operates or causes to be operated a sexually oriented business, regardless of whether or not a permit has been issued for said business under this chapter, and displays or otherwise exhibits the materials and/or performances at such sexually oriented business in any advertising which is visible outside the premises. This prohibition shall not extend to advertising of the existence or location of such sexually oriented business.

(3) The permittee shall not allow any portion of the interior premises to be visible from outside the premises.

(4) All off-street parking areas and premises entries of the sexually oriented business shall be illuminated from dusk to closing hours of operation with a lighting system which provides an average maintained horizontal illumination of one (1.0) foot candle of light on the parking surface and/or walkways. This required lighting level is established in order to provide sufficient illumination of the parking areas and walkways serving the sexually oriented business for the personal safety of patrons and employees and to reduce the incidence of vandalism and criminal conduct. The lighting shall be shown on the required sketch or diagram of the premises.

(5) Nothing contained in this section of the chapter shall relieve the operator(s) of a sexually oriented business from complying with the requirements of the City of Covington, commonly known as the sexually oriented business ordinance, as it may be amended from time to time, or any subsequently enacted city ordinances or regulations. (Ord. #1525, March 2004)

**9-723. Hours of operations.** (1) It shall be unlawful and a person commits a misdemeanor if he/she operates or causes to be operated a sexually oriented business, regardless of whether or not a permit has been issued for said business under this chapter, and allows such business to remain open for business, or to permit any employee to engage in a performance, solicit a performance, make a sale, solicit a sale, provide a service, or solicit a service, or solicit a service between the hours of 12:00 A.M. and 9:00 A.M. of any particular day.

(2) It shall be unlawful and a person commits a misdemeanor if, working as an employee of a sexually oriented business, regardless of whether or not a permit has been used for said business under this chapter, said employee engages in a performance, solicits a performance, makes a sale, solicits a sale, provides a service, or solicits a service between the hours of 12:00 A.M. and 9:00 A.M. of any particular day. (Ord. #1525, March 2004)

**9-724. Nudity at sexually oriented businesses prohibited.** (1) The United States Supreme Court decision in *Barnes v. Glen Theatre, Inc.*, 501 U.S.



560, 111 (1991) which upheld the rights of cities to prohibit live public exposure of a person(s) private parts, specifically applies to sexually oriented businesses (regardless of whether or not a permit has been issued to said businesses under this chapter), including said businesses where no alcoholic beverages are sold, served, or consumed at the premises.

(2) Public nudity is prohibited within the City of Covington, including any sexually oriented business. Any sexually oriented business which is found in violation of this section shall have its permit suspended pursuant to the provisions of § 9-715. (Ord. #1525, March 2004)

**9-725. Regulations pertaining to live entertainment.** (1) For purposes of this section, "live entertainment" is defined as a person who appears nude, semi-nude, or a performance which is characterized by the exposure of "specified anatomical areas" or by "specified sexual activities."

(2) No person shall perform live entertainment for patron(s) of a sexually oriented business establishment except upon a stage at least eighteen inches (18") above the level of the floor which is separated by a distance of at least ten feet (10') from the nearest area occupied by patron(s). No patron shall be permitted within ten feet (10') of the stage while the stage is occupied by a performer.

(3) The sexually oriented business establishment shall provide separate dressing room facilities for female and male performers which shall not be occupied or used in any way by anyone other than performers.

(4) The sexually oriented business establishment shall provide access for performers between the stage and the dressing rooms which is completely separated from the patrons. If such separate access is not physically feasible, the establishment shall provide a minimum four foot (4') wide walk aisle for performers between the dressing room area and the stage, with a railing, fence or other barrier separating the patrons and the performers which prevents any physical contact between patrons and performers.

(5) No entertainer, either before, during, or after a performance, shall have physical contact with any patron and no patron shall have physical contact with any entertainer either before, during or after a performance. This subsection shall only apply to physical contact while in or on the premises of the establishment.

(6) Fixed rail(s) at least thirty inches (30") in height shall be maintained establishing the separations between performers and patrons required by this section.

(7) No patron shall directly pay or give any gratuity to any entertainer. A patron who wishes to pay or give a gratuity to a performer shall place the gratuity in a container that is at all times located separately from the performers for the purpose of preventing any physical contact between a patron and a performer. No performer shall solicit any gratuity from any patron.

(8) No operator of a sexually oriented business establishment shall cause or allow a performer to contract or engage in any entertainment such as a "couch" or a "straddle" dance with a patron while in or on the establishment premises. For purposes of this subsection, "couch" or "straddle" dance is defined as an employee of the establishment intentionally touching or coming within ten feet (10') of any patron while engaged in the display or exposure of any "specified anatomical area," or any "specified sexual activity." For purposes of this subsection employee is defined as it is in § 9-702(2).

(9) Section 9-725 shall not apply to an employee of an establishment who, while acting as a waiter, waitress, host, hostess, or bartender, comes within ten feet (10') of a patron. No employee shall engage in any "specified sexual activity" or display or expose any "specified anatomical area" while acting as a waiter, waitress, host, hostess, or bartender.

(10) Compliance with this section. (a) For purposes of this section, establishment is defined as it is in § 9-702(3) of this chapter. No establishment shall be in compliance with this section until the city's designated agent(s) have inspected and approved of the establishment's compliance. The city shall have ten (10) days from the date it receives written notice from the operator that the establishment is ready for inspection to approve or disapprove of compliance required by this section. Failure to approve or disapprove of compliance within ten (10) days shall constitute a finding of compliance under this section.

(b) The operator of an establishment, that has been providing live entertainment under a valid sexually oriented business permit, shall have time periods listed below in which to bring the establishment into compliance with this section. Failure to do so while continuing to provide live entertainment shall cause the establishment's permit to be suspended under § 9-715 of this chapter. The permit shall remain suspended until the establishment is approved by the city's designated agent(s) as being in full compliance with this section.

(c) The operator of an establishment that has been operating under a valid permit for another classification of sexually oriented business and who wishes to provide live entertainment at that establishment, shall apply to receive a sexually oriented business permit for the operation of an establishment providing live entertainment before any live entertainment is provided at that establishment. No live entertainment permit shall be issued until the establishment is approved as being in full compliance with this section and all other applicable requirements of this chapter.

(d) The applicant for a permit to operate a new establishment, who wishes to provide live entertainment, shall apply for and receive a sexually oriented business permit for the operation of an establishment providing live entertainment before any live entertainment is provided. No live entertainment permit shall be issued until the establishment is

approved as being in full compliance with this section and all other applicable requirements of this chapter.

(e) Subsection (2): Sixty (60) days from the date this section becomes effective.

(f) Subsection (3): Ninety (90) days from the date this section becomes effective.

(g) Subsection (4): Ninety (90) days from the date this section becomes effective.

(h) Subsection (5): Upon the date this section becomes effective.

(i) Subsection (6): Sixty (60) days from the date this section becomes effective.

(j) Subsection (7): Upon the date this section becomes effective.

(k) Subsection (8): Upon the date this section becomes effective.  
(Ord. #1525, March 2004)

**9-726. Additional criminal prohibitions for the operation of a sexually oriented business without a valid permit.** (1) In addition to the criminal provisions found at other sections of this chapter, the following additional criminal provision shall also apply to sexually oriented businesses.

(2) It shall be unlawful and a person commits a misdemeanor if he/she operates or causes to be operated a sexually oriented business, regardless of whether or not a permit has been issued for said business under this chapter, and said person knows or should know that:

(a) The business does not have a sexually oriented business permit under this chapter for any applicable classification;

(b) The business has a permit which is under suspension;

(c) The business has a permit which has been revoked; or

(d) The business has a permit which has expired. (Ord. #1525, March 2004)

**9-727. Exemptions.** (1) It is a defense to prosecution for any violation of this chapter that a person appearing in a state of nudity did so in a modeling class operated:

(a) By a college, junior college, or university supported entirely or partly by taxation;

(b) By a private college or university which maintains and operates educational programs which credits are transferable to a college, junior college, or university supported entirely or partly by taxation; or

(c) In a structure:

(i) Which has no sign visible from the exterior of the structure and no other advertising that indicates a nude person is available for viewing; and

(ii) Where, in order to participate in a class a student must enroll at least three (3) days in advance of the class; and

(iii) Where no more than one (1) nude model is on the premises at any one (1) time.

(2) It is a defense to prosecution for a violation of this chapter that an employee of a sexually oriented business, regardless of whether or not it is permitted under this chapter, exposed any specified anatomical area during the employee's bona fide use of a restroom, or during the employee's bona fide use of a dressing room which is accessible only to employees. (Ord. #1525, March 2004)

**9-728. Criminal penalties and additional legal, equitable, and injunctive relief.** (1) In addition to whatever penalties are applicable under the Tennessee Penal Code, if any person fails or refuses to obey or comply with or violates any of the criminal provisions of this chapter, such person upon conviction of such offense, shall be guilty of a misdemeanor and shall be punished by a fine not to exceed five hundred dollars (\$500.00). Each violation or non-compliance shall be considered a separate and distinct offense. Further, each day of continued violation or non-compliance shall be considered as a separate offense.

(2) Nothing herein contained shall prevent or restrict the city from taking such other lawful action in any court of competent jurisdiction as is necessary to prevent or remedy any violation or non-compliance. Such other lawful actions shall include, but shall not be limited to, an equitable action for injunctive relief or on action at law for damages.

(3) Further, nothing in this section shall be construed to prohibit the city from prosecuting any violation of this chapter by means of a code enforcement board established pursuant to the authority as provided by the laws of Tennessee.

(4) All remedies and penalties provided for in this section shall be cumulative and independently available to the city and the city shall be authorized to pursue any and all remedies set forth in this section to the full extent allowed by law. (Ord. #1525, March 2004)

**9-729. Immunity from prosecution.** The city and its designee, the Covington Police Department and all other departments and agencies, and all other city officers, agents and employees, charged with enforcement of state and local laws and codes shall be immune from prosecution, civil or criminal, for reasonable, good faith trespass upon a sexually oriented business while acting within the scope of authority conferred by this chapter. (Ord. #1525, March 2004)

**9-730. Prohibition of distribution of sexual devices.** (1) It is unlawful for anyone to distribute, for commercial purposes, sell or offer for sale any device, instrument or paraphernalia designed or marketed primarily for

stimulation of human genital organs or for sado-masochistic use and abuse of themselves or others.

(2) Such devices instruments or paraphernalia include but are not limited to; phallic shaped vibrators, dildos, muzzles, whips, chains, bather restraints, racks, non-medicinal enema kits, body piercing implements (excluding earrings or other decorative jewelry) and other tools of sado-masochistic abuse.

(3) A violation of this section is a misdemeanor punishable by a fine of up to five hundred dollars (\$500.00). (Ord. #1525, March 2004)

**9-731. Severability.** If any section, subsection or clause of this chapter shall be deemed to be unconstitutional or otherwise invalid, the validity with the remaining section, subsection and clauses shall not be effected thereby. (Ord. #1525, March 2004)

**9-732. Conflicting ordinance repealed.** All ordinances or parts of ordinances in conflict with the provisions of this chapter are hereby repealed. (Ord. #1525, March 2004)

July 1, 2021

Timeline for adoption of 2018 International Code Council publications and General Provisions:

7-6-21 – PC meeting Information purposes only

7-8-21 – CPW Committee meeting Information purposes only

7-20-21 – F & A Committee meeting

7-27-21 – BMA 1<sup>st</sup> Reading

7-29-21 – Publish in Leader

8-10-21 – BMA 2<sup>nd</sup> Reading

8-24-21 – Public Hearing and 3<sup>rd</sup> Reading

Takes effect ninety days from the date of final passage and adoption – 11-22—21

ORDINANCE NO \_\_\_\_\_

AN ORDINANCE TO AMEND TITLE 12, BUILDING, UTILITY, ETC. CODES, CHAPTER 1 OF THE CITY OF COVINGTON MUNICIPAL CODE.

BE IT ENACTED BY THE BOARD OF MAYOR AND ALDERMAN OF THE CITY OF COVINGTON, THAT TITLE 12, BUILDING, UTILITY, ETC. CODES BE DELETED IN ITS ENTIRETY AND REPLACED WITH THE FOLLOWING:

Section 1: That the following Codes are hereby adopted by reference as though they were copied herein fully and as may be amended from time to time.

**1. International Building Code, 2018 edition**

- A. All residential structures in the jurisdiction of the City of Covington shall be built on sixteen (16") centers or less, including floor-framing members, roof members, and wall-framing members (however, wall –framing members may be constructed on twenty-four (24") centers only if using 2" X 6" studs or larger).
- B. Any structure converted to a residential structure in the jurisdiction of the City of Covington shall meet the requirements of sixteen (16") inch centers as listed in (A) above, including any metal buildings (in whole or part) used as a dwelling.
- C. All structures located in an identified flood hazard area shall have at least one (1') foot of freeboard in addition to the requirements of Chapter 9 in the Covington Municipal Zoning Ordinance and Article VII of the Covington Regional Zoning Ordinance.
- D. City of Covington shall be inserted in the blanks referring to the name of the jurisdiction.
- E. Chapter 11 Accessibility is deleted in its entirety.
- F. Chapter 27 Electrical is deleted in its entirety.
- G. In Section 1612.3 Establishment of flood hazard areas insert "4-2-91 & 12-19-06" for date of issuance.
- H. Include: Appendices C-Group U/Agricultural Buildings; F- Rodentproofing; and I-Patio Covers.

**2. International Residential Code, 2018 edition**

- A. All residential structures in the jurisdiction of the City of Covington shall be built on sixteen (16") centers or less, including floor-framing members, roof members, and wall-framing members (however, wall –framing members may be constructed on twenty-four (24") centers only if using 2" X 6" studs or larger).
- B. Any structure converted to a residential structure in the jurisdiction of the City of Covington shall meet the requirements of sixteen (16") inch centers as listed in (A) above, including any metal buildings (in whole or part) used as a dwelling.
- C. All structures located in an identified flood hazard area shall have at least one (1') foot of freeboard in addition to the requirements of Chapter 9 in the Covington Municipal Zoning Ordinance and Article VII of the Covington Regional Zoning Ordinance.
- D. City of Covington shall be inserted in the blanks referring to the name of the jurisdiction.

- E. Insert in Table R301.2 (1) Climate and Geographic Design Criteria
  - a. Ground Snow Load – 15
  - b. Wind Speed – 90
  - c. Topographic Wind Effects – no
  - d. Special Wind Region – no
  - e. Windborne Debris Zone – no
  - f. Seismic Design Category – D1 & D2
  - g. Weathering Index for Concrete – Moderate
  - h. Frost Line Depth – 12"
  - i. Termite Infestation probability – Moderate to Heavy
  - j. Winter Design Temp – 18
  - k. Ice Barrier Underlayment Required – no
  - l. Flood Hazard - Per most recent FEMA map
  - m. Air Freeze Index – 393
  - n. Mean Annual Temp – 59.5
- F. Section R313 Automatic Fire Sprinkler Systems is not mandatory, pursuant to T.C.A. 68-120-101 (a) (8).
- G. Chapters 34-43 relating to Electrical Installations are deleted.
- H. Figure R301.2 (2) Seismic Design Categories is deleted and replaced with Figure R301.2(2) Seismic Design Categories Site Class D from 2015 IRC.
- I. Section R314.6 Power Source relating to Smoke Alarms is amended to create Exception 3 that shall read:

Exception 3. Interconnection and hardwiring of smoke alarms in existing areas shall not be required where the alterations or repairs do not result in the removal of interior walls or ceiling finishes exposing the structure.
- J. Section N1102.4.1.2 (R402.4.1.2) Testing is replaced with Section N1102.4.2.1 Testing Option and Section N1102.4.2.2 Visual Inspection from 2009 IRC.
- K. Section N1103.3.3 (R403.3.3) Duct Testing (Mandatory) and Section N1103.3.4 (R403.3.4) Duct Leakage (Prescriptive) are optional.
- L. Table N1102.1.2 (R402.1.2) Insulation and Fenestration Requirement by Component and Table N1102.1.4 (R402.1.1) Equivalent U-Factors from 2018 IRC are replaced with Table N1102.1 Insulation and Fenestration Requirements by Component and Table N1102.1.2 Equivalent U-Factor from 2009 IRC.
- M. Section N1102.4.4 (R402.4.4) Rooms Containing Fuel-Burning Appliances is deleted in its entirety.
- N. Table N1102.1 Insulation and Fenestration Requirements by Component in the 2009 edition is adopted and amended by adding the following as footnote "I": "Log walls complying with ICC400 and with a minimum average wall thickness of 5" or greater shall be permitted in Zone 3 when a Fenestration U-Factor of .50 or lower is used, a Skylight U-Factor of .65 or lower is used, a Glazed Fenestration SHGC of .30 or lower is used, a 90 AFUE Furnace is used, an 85 AFUE Boiler is used, and a 9.0 HSPF Heat Pump (heating) and 15 SEER (cooling) are used."



- O. Table N1102.1 Insulation and Fenestration Requirements by Component in the 2009 edition is adopted and amended by adding the following as footnote "m": "Log walls complying with ICC 400 and with a minimum average wall thickness of 5" or greater shall be permitted in Zone 4 when a Fenestration U-Factor of .35 or lower is used, a Skylight U-Factor of .60 or lower is used, a 90 AFUE Furnace is used, an 85 AFUE Boiler is used, and a 9.0 HSPF Heat Pump (heating) and 15 SEER (cooling) are used."
- P. In Section P2603.5.1 Sewer Depth insert 18 inches in both number locations.
- Q. Include: Appendices A-Sizing and Capacities of Gas Piping; B-Sizing of Venting Systems; C-Exit Terminals; H-Patio Covers; J-Existing Buildings and Structures; N-Venting Methods; P-Sizing of Water Piping System; and Q-Tiny Houses.

### **3. International Fuel Gas Code, 2018 edition**

- A. City of Covington shall be inserted in the blanks referring to the name of jurisdiction.
- B. Section 106.6.2 Fee schedule – All fees are set forth in an "Administrative Ordinance" as authorized and approved from time to time by Ordinance of The Board of Mayor and Alderman.
- C. Section 106.6.3 Fee Refunds - Delete in its entirety.
- D. In Section 108.4 Violations penalties - In Section 108.4 insert misdemeanor; a maximum fine of fifty dollars (\$50.00) shall be specified; all references to imprisonment are deleted.
- E. Section 108.5 – Insert fifty dollars (\$50.00) in both locations.
- F. Include: Appendix A-Sizing and Capacities of Gas Piping; B-Sizing of Venting Systems; C-Exit Terminals.

### **4. International Mechanical Code, 2018 edition**

- A. City of Covington shall be inserted in the blanks referring to the name of jurisdiction.
- B. Section 106.5.2 Fee schedule – All fees are set forth in an "Administrative Ordinance" as authorized and approved from time to time by Ordinance of The Board of Mayor and Alderman.
- C. Section 106.5.3 Fee Refunds - Delete in its entirety.
- D. In Section 108.4 Violations penalties - In Section 108.4 insert misdemeanor; a maximum fine of fifty dollars (\$50.00) shall be specified; all references to imprisonment are deleted.
- E. Section 108.5 – Insert fifty dollars (\$50.00) in both locations.
- F. Include: Appendix A-Chimney Connector Pass-Throughs.

### **5. International Plumbing Code, 2018 edition**

- A. City of Covington shall be inserted in the blanks referring to the name of jurisdiction.
- B. Section 106.6.2 Fee schedule – All fees are set forth in an "Administrative Ordinance" as authorized and approved from time to time by Ordinance of The Board of Mayor and Alderman.
- C. Section 106.6.3 Fee Refunds - Delete in its entirety.
- D. In Section 108.4 Violations penalties - In Section 108.4 insert misdemeanor; a maximum fine of fifty dollars (\$50.00) shall be specified; all references to imprisonment are deleted.
- E. Section 108.5 – Insert fifty dollars (\$50.00) in both locations.
- F. Section 305.4.1 – Insert 18 inches (18") in both number locations.

- G. Section 903.1 – Insert 12 inches (12”) in the number location
- H. Include: Appendices B-Rates of Rainfall for Various Cities; D-Degree Day and Design Temperatures; E-Sizing of Water Piping System

**6. International Property Maintenance Code, 2018 edition**

- A. City of Covington shall be inserted in the blanks referring to the name of jurisdiction.
- B. Section 112.4 insert “may be liable for a maximum fine of fifty dollars (\$50.00)”; delete “shall be liable for a fine of not less than (amount) dollars or more than (amount) dollars”.
- C. Section 302.4 Delete first sentence and insert “Premises and exterior property shall be maintained free from weeds or plant growth”.
- D. Include: Appendix A-Boarding Standards

**7. International Fire Code, 2018 edition**

- A. City of Covington shall be inserted in the blanks referring to the name of jurisdiction.
- B. In Section 110.4 Violations penalties - In Section 108.4 insert misdemeanor; a maximum fine of fifty dollars (\$50.00) shall be specified; all references to imprisonment are deleted.
- C. Section 112.4 – Insert fifty dollars (\$50.00) in both locations.
- D. Section 903.2.8 – Insert “Exceptions: One and two family dwellings not more than three (3) stories in height”.
- E. Sections 5704.2.9.6.1, 5706.2.4.4, 5806.2, 6104.2 insert Authority Having Jurisdiction (AHJ) shall review and approve placement.
- F. Include: Appendices B-Fire-Flow Requirements for Buildings; C-Fire Hydrant Locations and Distribution; D-Fire Apparatus Access Roads; E-Hazard Categories; F-Hazard Ranking; G-Cryogenic Fluids; H-Hazardous Materials Management Plan (HMMP) and Hazardous Materials Inventory Statement (HMIS) /instructions; I-Fire Protection Systems/Noncompliant Conditions; J-Building Information Sign; K-Construction Requirements for Existing Ambulatory Care Facilities; N-Indoor Trade Shows and Exhibitions.

**8. International Energy Conservation Code, 2018 edition – For one and two family dwellings and townhomes –**

- A. City of Covington shall be inserted in the blanks referring to the name of jurisdiction.
- B. Section R402.4.1.2 Testing is deleted and replaced with Section 402.4.2.1 Testing Option and Section 402.4.2.2 Visual Inspection Option from 2009 IECC.
- C. Section R403.3.3 Duct Testing (Mandatory) and Section R403.3.4 Duct Leakage (Prescriptive) are optional.
- D. Table 402.1.2 Insulation and Fenestration Requirements by Component and Table R402.1.4 Equivalent U-Factors are deleted and replaced with Table 402.1.1 Insulation and Fenestration Requirements by Component and Table 402.1.3 Equivalent U-Factors 2009 IECC.

**9. International Existing Building Code, 2018 edition**

- A. City of Covington shall be inserted in the blanks referring to the name of jurisdiction.

**10. NFPA 101 Life Safety Code, 2018 edition**

Section 2: Pursuant to the requirements of T.C.A. 6-54-502 one (1) copy of the above listed International Council Code 2018 edition and the NFPA have been placed on file in the office of the City of Covington Recorder-Treasurer's office for the use and inspection of the public during regular business hours.

Section 3: That if any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 4: That this ordinance and the rules, regulations, provisions, requirements, orders and matters established and adopted hereby shall take effect and be in full force and effect ninety (90) days from the date of final passage and adoption.

\_\_\_\_\_ 1<sup>st</sup> Reading

\_\_\_\_\_ 2<sup>nd</sup> Reading

\_\_\_\_\_ Public Hearing

\_\_\_\_\_ 3<sup>rd</sup> Reading

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Attest

Prepared by:  
OWEN | JENKINS | DEDMON | WITHERINGTON Law Group, LLP  
Rachel K. Witherington, Attorney  
125 E. Pleasant Ave.  
P.O. Box 1016  
Covington, TN 38019  
(901) 476-5003

## LEASE AGREEMENT

THIS AGREEMENT entered into this the \_\_\_\_ day of July, 2021 by and between The City of Covington, a Tennessee Municipal Corporation, hereinafter referred to as “Lessor,” and SCUS Head Start Programs, Inc. d/b/a Save the Children Head Start, hereinafter referred to as “Lessee.”

WHEREAS Lessor is the owner of certain real property including certain buildings, parking areas, and facilities commonly known as “The Frazier VO-AG Building,” the “Frazier High School Gymnasium”, the “Frazier Building” and the “Trades Building” more specifically described in Deed Book 453, page 122 in the Tipton County Register of Deeds Office.

WHEREAS Lessee is an operator of Head Start programs throughout the United States.

WHEREAS Lessee has been awarded a grant by the U.S. Department of Health and Human Services (the “Grant”) to operate a Head Start Program in Covington, TN (the “Program”); and

WHEREAS, the previous Lessee of the premises, Northwest Tennessee Head Start, presently occupies the building located at 410 Alston Circle, Covington, TN 38019 and provides services to the community.

WHEREAS, the Lessee will occupy the building located at 410 Alston Circle, Covington, TN 38019 hereinafter referred to as the “leased Premises.”

WHEREAS, in consideration of ten (\$10.00) dollars and other good and valuable consideration, including the covenants contained in this agreement do hereby agree as follows:

Prepared by:  
OWEN | JENKINS | DEDMON | WITHERINGTON Law Group, LLP  
Rachel K. Witherington, Attorney  
125 E. Pleasant Ave.  
P.O. Box 1016  
Covington, TN 38019  
(901) 476-5003

## **WITNESSETH**

Lessor does hereby lease to Lessee pursuant to the terms, conditions and covenants set forth in this Lease Agreement, commencing on the 30<sup>th</sup> day of July, 2021 and ending on the 30<sup>st</sup> day of July, 2026 with a renewal provision hereinafter described, the following described property, to wit:

Lying and being in Covington, Tennessee a portion of the property described in Deed Book 453, page 122 recorded in the Tipton County Register of Deeds Office. Said portion being the building located at 410 Alston Circle, Covington, TN 38019, as well as all servitudes and rights of way which benefit the Premises.

### **SECTION ONE RENT**

Lessee agree to pay, without demand, to Lessor as rent for the leased Premises the sum of one (\$1.00) dollar per year.

### **SECTION TWO QUIET ENJOYMENT**

Lessor covenants that on paying the rent and performing the covenants contained in the lease agreement, Lessee shall peacefully and quietly have, hold, and enjoy the leased Premises for the agreed term.

### **SECTION THREE USE OF PREMISES**

The leased Premises shall be used and occupied by SCUS Head Start Programs d/b/a Save the Children Head Start for the purposes set forth in the charter of the organization and/or the conditions set forth in the "Grant" awarded to the Lessee by the U.S. Department of Health and Human Services and no other purpose. In the event said building ceases to be used for the

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purposes set forth in the charter and or the conditions of the "Grant" of SCUS Head Start Programs d/b/a Save the Children Head Start for a period of more than one hundred eighty (180) days, this lease shall become null and void except as otherwise provided hereinafter. Further, in the event that it is determined that the leased property fails to meet any federal, state or local standard applicable to program operations in the leased property, or the property cannot be licensed as a child care facility under applicable state law, the Lessee may terminate this Lease and Landlord shall be deemed to have released Lessee from any such further obligations or responsibilities without the need for further action on the part of Landlord.

#### SECTION FOUR CONDITION OF PREMISES AND WALK THROUGH

Lessee stipulates that its agents, officers and representatives have examined the leased Premises, including the grounds and all buildings and improvements, and that they are, at the time of this lease, in good order, good repair, safe, clean, and in tenantable condition. Prior to taking possession of the Premises, Lessee shall provide a completed copy of the checklist attached as Exhibit B to Lessor. Prior to vacating the Premises, Lessor shall provide an updated copy of the checklist to Lessor.

#### SECTION FIVE ASSIGNMENT AND SUBLETTING

Without the prior, express, and written consent of Lessor, this Lease Agreement shall not be assigned, sublet, nor shall any concession or license to use the Premises or any part of the Premises be granted.

A consent by Lessor to one assignment, subletting, concession, or license shall not be deemed to be a consent to any subsequent assignment, subletting, concession, or license.

An assignment, subletting, concession, or license without the prior written consent of Lessor, or an assignment or subletting by operation of law, shall be void and shall, at Lessor's option, terminate this lease.

#### SECTION SIX ALTERATIONS AND IMPROVEMENTS

Subject to Lessor's approval of all plans and specifications for material renovations and subject to the condition that the Lessee shall allow no lien to be placed against the leased Premises, Lessee shall have the right, at their sole cost and expense, to renovate, alter and use the premises in connection with its stated purpose and to make related improvements.

Upon receipt of final plans for construction and before construction commences Lessee shall furnish to Lessor a complete list of plans and specifications for Lessor's approval. In the event the plans and designs are disapproved by Lessor, the improvements or alterations shall be with such changes as may be required by Lessor. Lessee shall not alter or improve the leased Premises in any manner without prior and express approval of Lessor.

All alterations, additions, repairs, replacements and improvements made to or upon the Premises shall, unless otherwise provided by written agreement between Lessor and Lessee, be deemed to be part of the Premises and shall become the property of the Lessor upon the expiration or termination of this Lease Agreement; provided, however, that trade fixtures, machinery and equipment that are installed by Lessee and removable without materially injuring the Premises shall remain the property of the Lessee.

All such alterations, additions, repairs, replacements and improvements made to or upon the Premises shall comply with all present and future and then existing governmental laws and regulations. No approval by Lessor of any plans or specifications for material renovations or alterations by Lessee shall be construed to warrant that such plans or specifications comply with any governmental laws or regulations.

#### SECTION SEVEN DAMAGE TO PREMISES

If the leased Premises, or any part of the leased Premises, shall be partially damaged by fire or other casualty not due to Lessee's negligence or willful act or that of Lessee's employees, agents, visitors, or invitees the premises shall be promptly repaired by Lessor. However, if the leased premises should be damaged other than by Lessee's negligence or willful act or that of Lessee's employees, agents, or visitors to the extent that Lessor shall decide not to rebuild or repair, the term of this lease shall end, and the rent shall be prorated up to the time of the damage.

#### SECTION EIGHT DANGEROUS MATERIALS

Lessee shall not keep or have on the leased premises any article or thing of a dangerous, inflammable, or explosive character that might unreasonably increase the danger of fire on the leased premises or that might be considered hazardous or extra hazardous by any reasonable insurance company.

#### SECTION NINE UTILITIES



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Lessee shall be responsible for arranging and paying for all utility services required to operate the premises which include, but are not limited to, pest control, water, sewer, garbage services, gas, electric, phone, and internet.

#### SECTION TEN MAINTENANCE AND REPAIR

Lessee will, at their sole expense, keep and maintain the leased premises and appurtenances in good and sanitary condition and repair during the term of this lease and any renewal of this lease. Lessee shall, at Lessee sole expense, make all required repairs to the plumbing, HVAC system, electrical, wiring and sprinkler systems whenever damage to such items shall have resulted from Lessee's misuse, waste, or neglect or that of Lessee's employees, agents, visitors, or invitees. During the term of this lease, Lessee will also, at their sole expense, maintain, repair and replace, if necessary, the HVAC system, electrical wiring, plumbing and sprinkler system.

Major maintenance and structural repairs of the leased premises including the roof, exterior walls, walkways and parking lot not due to Lessee misuse, waste, or neglect or that of Lessee employees, agents, visitors, or invitees, shall be the responsibility of Lessor or Lessor's assigns.

Lessee agrees that no signs shall be placed or painting done on or about the leased premises by Lessee or at Lessee's direction without the prior, express, and written consent of Lessor.

#### SECTION ELEVEN RIGHT OF INSPECTION

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Lessor and Lessor's agents shall have the right at all reasonable times during the term of this lease and any renewal of this lease to enter the leased Premises for the purpose of inspecting the premises and all building and improvements on the premises.

## SECTION TWELVE SUBORDINATION OF LEASE

This lease and Lessee's leasehold interest under this lease are and shall be subject, subordinate, and inferior to any liens or encumbrances now or hereafter placed on the leased Premises by Lessor, all advances made under any such liens or encumbrances, the interest payable on any such liens or encumbrances, and any and all renewals or extensions of such liens or encumbrances.

## SECTION THIRTEEN TERM, RENEWAL, AND HOLDOVER BY LESSEE

The initial term of this lease is for five (5) years. Upon expiration of this Lease Agreement on July 31, 2026, this agreement may be renewed for an additional five (5) years, upon all terms, conditions and obligations set forth herein. Lessee shall provide Lessor with written notice at least sixty (60) days before the expiration of the original term of this lease of their desire to exercise this option. Thereafter and upon termination of the renewal, the parties shall execute a new lease agreement.

Should Lessee remain in possession of the leased Premises with the consent of Lessor after the natural expiration of this lease, a new tenancy from month to month shall be created between Lessor and Lessee which shall be subject to all the terms and conditions of this lease agreement but shall be terminable on sixty (60) days written notice served by any party hereto.

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#### SECTION FOURTEEN CANCELLATION AND SURRENDER OF PREMISES

Notwithstanding anything to the contrary contained herein, should Lessee cease to be funded for Head Start programs or otherwise not be able to continue to operate the Head Start program, Lessee shall have the right to terminate this Lease by giving Lessor 30 days' written notice. Upon such termination of this Lease, Lessee shall have no further obligations or responsibilities under this Lease or relating to the Premises, and Landlord shall be deemed to have released Lessee from any such further obligations or responsibilities without the need for further action on the part of Landlord. At expiration of the lease term or any cancellation thereof, Lessee shall quit and surrender the leased Premises.

#### SECTION FIFTEEN DEFAULT

By Lessee: In the event that Lessee defaults in the performance of any obligation under this Agreement including abandonment of the property, Lessor shall provide Lessee with written notice of the default. If the default in performance by Lessee is not cured within thirty (30) days after receipt of notice of default from Lessor, Lessee shall vacate the property and return it to Lessor within the same thirty (30) day period. Lessor shall retain the right to compensation for all amounts due and owed by Lessee to Lessor under this Agreement if Lessor re-takes possession of the leased property due to non-performance of this Agreement by Lessee, except that such compensation will be offset by any rent received by Lessor from a subsequent tenant for any period of the term of this lease. Recovery of rent due for the term of this lease shall be the only remedy due to Lessor with respect to rent as a result of Lessee's default.

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By Lessor: In the event that Lessor defaults in the performance of any obligation under this Agreement, Lessee shall provide Lessor with written notice of the default. In the event that the default is not cured within thirty (30) days, this Agreement shall terminate, and Lessee may vacate the leased property and shall have no further obligation for the payment of rent. If Lessee determines that continued use of the leased property creates a danger to the health and safety of children or Lessee staff or if the facility cannot be licensed as a child care facility under applicable state law, Lessee may immediately terminate their lease and Lessor shall be deemed to have released Lessee from any such further obligations or responsibilities without the need for further action on the part of Lessor.

#### SECTION SIXTEEN ABANDONMENT

If at any time during the term of this lease, Lessee abandons the leased Premises or any part of the leased Premises for more than one hundred eighty days (180), Lessor may, at Lessor's option, enter the leased Premises by any means without being liable for any prosecution for such entering, and without becoming liable to Lessee for damages or for any payment of any kind whatsoever, and may, at Lessor's discretion, as agent for Lessee, relet the leased Premises, or any part of the leased Premises, for the whole or any part of the then unexpired term.

If Lessor's right of re-entry is exercised following abandonment of the premises by Lessee, then Lessor may consider any personal property belonging to Lessee and left on the premises to also have been abandoned, in which case Lessor may dispose of all such personal

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property in any manner Lessor shall deem proper and is hereby relieved of all liability for doing so.

#### SECTION SEVENTEEN LESSEE'S USE OF COMMON AREAS

Lessor gives Lessee and Lessee's employees, agents and invitees a non-exclusive right to use the roadways and parking areas that are available and designated by Lessor for such use. Lessor further gives Lessee and Lessee's employees, agents, and invitees a non-exclusive right to use all outdoor play areas associated with the building. Lessor shall have the right to make changes to any common areas.

#### SECTION EIGHTEEN INDEMNITY AND INSURANCE

Lessee hereby agree to indemnify Lessor against, and to hold Lessor, its agents and employees harmless for, any and all claims or demands for loss of or damage to the Premises or property or assets thereon or for injury or death to any person from any cause whatsoever while in, upon, or about said leased Premises during the term of this Lease Agreement or any extension thereof or any holdover. Lessee shall maintain insurance coverage on all equipment, machinery, and other personal property of any kind against loss or damage by fire, lightening, tornado, hail, and other acts of God which include such other risks as are customarily covered and said costs shall be paid by the Lessor.

Lessee agree to take out and maintain with a reputable insurance company, at Lessee's sole cost and expense, liability and hazard insurance against property damage or personal injury



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Notices sent by overnight courier service shall be deemed received on the date indicated by the records of the courier service. Notices sent by U. S. Mail shall be deemed received on the fifth (5<sup>th</sup>) business day after mailing.

#### SECTION TWENTY ASSIGNMENT/SUBLEASE

Lessee or any third party contemplated by this Lease Agreement shall not have the right to assign this agreement or sublease the Premises to any other parties without the express written consent of the Lessor, except as otherwise provided in this agreement.

#### SECTION TWENTY-ONE ENTIRE AGREEMENT

This lease agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this lease agreement shall not be binding upon either party except to the extent incorporated in this lease agreement.

#### SECTION TWENTY-TWO MODIFICATION OF AGREEMENT

Any modification of this lease agreement or additional obligation assumed by either party in connection with this Lease Agreement shall be binding only in evidenced in a writing signed by each party or an authorized representative of each party.

#### SECTION TWENTY-THREE BINDING EFFECT

The covenants and conditions contained in this lease agreement shall apply to and bind the heirs, legal representatives, and assigns of the parties, and all covenants are to be construed as conditions of this lease.

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#### SECTION TWENTY-FOUR GOVERNING LAW

It is agreed that this lease agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Tennessee.

#### SECTION TWENTY-FIVE TIME OF THE ESSENCE

It is specifically declared and agreed that time is of the essence of this agreement.

#### SECTION TWENTY-SIX PARAGRAPH HEADINGS

The titles to the paragraphs of this lease agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this lease agreement.

#### SECTION TWENTY-SEVEN SEVERABILITY

The provisions of this lease agreement are severable in that should any provision be held to be illegal, invalid or unenforceable by a court of competent jurisdiction, the legality, validity and enforceability of the other provisions herein shall not be affected, but they shall remain in full force and effect.

In witness whereof, each party to this lease agreement has caused it to be executed at Covington City Hall of the date indicated below.



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Dated this \_\_\_\_\_ day of July, 2021.

**City of Covington, Tennessee**

BY: \_\_\_\_\_  
Justin Hanson, Mayor Date

BY: \_\_\_\_\_  
Tina Dunn, Recorder/Treasurer Date

**SUCS Head Start Programs, Inc. d/b/a  
Save the Children Head Start**

BY: \_\_\_\_\_  
Signature Date

Title: \_\_\_\_\_

STATE OF TENNESSEE  
COUNTY OF TIPTON

Personally appeared before me, \_\_\_\_\_, a Notary Public, Justin Hanson, with whom I am personally acquainted, and who acknowledged that he executed the foregoing instrument for the purposes therein contained and who further acknowledged that he is the Mayor of the City of Covington, Tennessee and is authorized by the Charter of the City of Covington, Tennessee to execute this instrument on behalf of the City of Covington.

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WITNESS by hand, at office, this the \_\_\_\_\_ day of July, 2021.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

STATE OF TENNESSEE  
COUNTY OF TIPTON

Personally appeared before me, \_\_\_\_\_, a Notary Public, Tina Dunn, with whom I am personally acquainted, and who acknowledged that she executed the foregoing instrument for the purposes therein contained and who further acknowledged that she is the Recorder/Treasurer for the City of Covington, Tennessee and is authorized by the Charter of the City of Covington, Tennessee to execute this instrument on behalf of the City of Covington.

WITNESS by hand, at office, this the \_\_\_\_\_ day of July, 2021.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

Personally appeared before me, \_\_\_\_\_, a Notary Public, \_\_\_\_\_, with whom I am personally acquainted, and who acknowledged that he/she executed the foregoing instrument for the purposes therein contained and who further acknowledged that he/she is the \_\_\_\_\_ for SUCS Head Start Programs, Inc. d/b/a Save the Children Head Start, and is authorized by the \_\_\_\_\_ to execute this instrument on behalf of SUCS Head Start Programs, Inc. d/b/a Save the Children Head Start.

WITNESS by hand, at office, this the \_\_\_\_\_ day of July, 2021.

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\_\_\_\_\_  
 NOTARY PUBLIC

My Commission Expires:

Move In/Move Out Checklist

<u>Lessee: SCUS Head Start Programs</u>		<u>Lessor: City of Covington, Tennessee</u>		
<u>Move-In Date:</u>	<u>Inspection Date:</u>	<u>Time:</u>	<u>By:</u>	
<u>Move-Out Date:</u>	<u>Inspection Date:</u>	<u>Time:</u>	<u>By:</u>	
<u>ENTRYWAY</u>	<u>Move-In Notes:</u>	<u>Move-Out Notes:</u>		
<u>FLOOR</u>	-	-		
<u>WALLS</u>	-	-		
<u>CEILINGS</u>	-	-		
<u>DOORS</u>	-	-		
<u>WINDOWS</u>	-	-		
<u>SCREENS</u>	-	-		
<u>SHADES</u>	-	-		
<u>LIGHT BULBS/FIXTURES</u>	-	-		
<u>CLOSET</u>	-	-		
<u>KITCHEN</u>	<u>Move-In Notes:</u>	<u>Move-Out Notes:</u>		
<u>FLOOR</u>	-	-		
<u>WALLS</u>	-	-		
<u>CEILINGS</u>	-	-		
<u>DOORS</u>	-	-		
<u>WINDOWS</u>	-	-		

<u>SCREENS</u>		
<u>CABINETS</u>		
<u>SINK FAUCET</u>		
<u>SINK AREA</u>		
<u>COUNTERS</u>		
<u>FANLIGHT</u>		
<u>FIRE SUPPRESSION</u>		
<u>ELECRIC FIXTURES</u>		
<u>LIGHT BULBS/FIXTURES</u>		
<u>FRIDGE</u>		
<u>OVEN</u>		
<u>DISHWASHER</u>	-	
<u>RESTROOMS</u>	<u>Move-In Notes:</u>	<u>Move-Out Notes:</u>
<u>FLOOR</u>		
<u>WALLS</u>		
<u>CEILINGS</u>		
<u>DOORS</u>		
<u>WINDOWS</u>		
<u>SCREENS</u>		
<u>CABINETS</u>		
<u>SINK FAUCET</u>		

<u>COUNTER TOPS</u>	-	-
<u>MIRRORS</u>	-	-
<u>FAN</u>	-	-
<u>TOLIETS</u>	-	-
<u>TOWEL RACKS</u>	-	-
<u>LIGHT BULBS/FIXTURES</u>	-	-
<u>OFFICES</u>	<u>Move-In Notes:</u>	<u>Move-Out Notes:</u>
<u>FLOOR</u>	-	-
<u>WALLS</u>	-	-
<u>CEILINGS</u>	-	-
<u>DOORS</u>	-	-
<u>WINDOWS</u>	-	-
<u>SCREENS</u>	-	-
<u>LIGHT BULBS/FIXTURES</u>	-	-
<u>CLOSETS</u>	-	-
<u>CLASSROOMS</u>	<u>Move-In Notes:</u>	<u>Move-Out Notes:</u>
<u>FLOOR</u>	-	-
<u>WALLS</u>	-	-
<u>CEILINGS</u>	-	-
<u>DOORS</u>	-	-
<u>WINDOWS</u>	-	-

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<u>SCREENS</u>	-	-
<u>LIGHT BULBS/FIXTURES</u>	-	-
<u>CLOSETS</u>	-	-
<u>OUTSIDE</u>	-	-
<u>LANDSCAPING</u>	-	-
<u>PLAYGROUND</u>	-	-
<u>SIDEWALKS</u>	-	-
<u>SIGNS</u>	-	-
<u>FENCE</u>	-	-
<u>SECURITY LIGHTS</u>	-	-
<u>UTILITY METERS</u>	-	-
<u>OTHER</u>	-	-
<u>SECURITY SYSTEM</u>	-	-
<u>INTERCOM SYSTEM</u>	-	-
<u>HALLWAYS</u>	-	-