

ORDINANCE NO. 2025-12-29-2457-0

AN ORDINANCE TO PROCEED WITH REQUEST FOR REFERENDUM TO RAISE THE SALES AND USE TAX IN THE CITY OF LENOIR CITY, TENNESSEE FROM TWO PERCENT (2%) TO TWO AND THREE-QUARTERS OF ONE PERCENT (2.75%) FOR SUPPORT OF THE HOUSING AND COMMUNITY PRESERVATION FUND THROUGH LOUDON COUNTY HABITAT FOR HUMANITY, GIVING PREFERENCE TO ASSISTING SENIORS, VETERANS, AND INDIVIDUALS WITH DISABILITIES, AND THE FUNDING FOR THE IMPROVEMENT OF THE LENOIR CITY PARKS AND RECREATION DEPARTMENT IN PLANNING AND EXECUTING THE EXPANSION OF THE CITY OF LENOIR CITY'S RECREATION FIELDS AND FACILITIES.

WHEREAS, the City of Lenoir City is a municipal corporation created and existing by virtue of the laws of the State of Tennessee; and,

WHEREAS, Tennessee Code Annotated, §67-6-701 et seq. authorizes municipalities to set local option sales tax rates up to two and three-quarters of one percent (2.75%) on the first \$1,600 of any single article of personal property; and,

WHEREAS, the City of Lenoir City, Tennessee's local option sales tax rate is currently set at two percent (2%); and,

WHEREAS, the need exists for the Loudon County Habitat for Humanity for support of the Housing and Community Preservation Fund, giving preference to assisting seniors, veterans, and individuals with disabilities; and,

WHEREAS, the need exists within the Lenoir City Parks and Recreation Department for planning and executing the expansion of the City of Lenoir City's recreation fields and facilities; and,

WHEREAS, the cost of these projects shall be funded by the additional revenue which the City of Lenoir City would receive from three-quarters of one percent (0.75%) increase in the local option sales tax rate, pursuant to the provisions of Tennessee Code Annotated, §67-6-701, et. seq.; and,

WHEREAS, the revenue collected from the three-quarters of one percent (0.75%) increase in local option sales tax rate shall be allocated as follows: \$1,000,000 (annually recurring) to Loudon County Habitat for Humanity for the purpose of supporting the Housing and Community Preservation Fund, giving preference to assisting seniors, veterans, and individuals with disabilities and the remainder (annually recurring) to the Lenoir City Parks and Recreation Department for purposes of planning and executing the expansion the City of Lenoir City's recreation fields and facilities. In the event that Loudon County chooses to claim, in any way, their part of the local sales tax, at any time, then Habitat for Humanity's contribution from City of Lenoir City will be reduced to \$500,000.

WHEREAS, the City of Lenoir City, Tennessee desires the voters of the City of Lenoir City, Tennessee to decide on this Ordinance and subsequent sales tax increase.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Lenoir City, Tennessee as follows:

1. That pursuant to the provisions of Tennessee Code Annotated, §67-6-701, et. seq., the local option sales tax rate for the City of Lenoir City, Tennessee be increased by three-quarters of one percent (0.75%) from the present rate of two percent (2%) to a new rate of two and three-quarters percent (2.75%), except where different sales tax rates for particular goods and services are set by statute and are not subject to variation by Ordinance.
2. The revenue collected from the three-quarters of one percent (0.75%) increase in local option sales tax rate shall be allocated as follows: \$1,000,000 (annually recurring) to Loudon County Habitat for Humanity for the purpose of supporting the Housing and Community Preservation Fund, giving preference to assisting seniors, veterans, and individuals with disabilities and the remainder (annually recurring) to the Lenoir City Parks and Recreation Department for purposes of planning and executing the expansion of the City of Lenoir City's recreation fields and facilities. In the event that Loudon County chooses to claim, in any way, their part of the local sales tax, at any time, then Habitat for Humanity's contribution from City of Lenoir City will be reduced to \$500,000.
3. The City of Lenoir City, Tennessee will furnish a certified copy of this Ordinance to the State Department of Revenue in accordance with regulations prescribed by the Department.
4. That this Ordinance is subject to the approval of the registered voters of the City of Lenoir City, Tennessee.
5. As required by Tennessee Code Annotated, §67-6-710(d)(2), the City of Lenoir City, Tennessee designates the Mayor as the municipal officer against whom suit can be filed for the recovery of sales taxes illegally assessed or collected.
6. That an election be held by the Loudon County Election Commission providing the registered voters of the City of Lenoir City, Tennessee options to vote "FOR" or "AGAINST" this Ordinance:

Shall Ordinance Number 2025-12-29-2457-0, which increases the City of Lenoir City, Tennessee's local sales tax rate by three-quarters of one percent (0.75%), from two percent (2%) to two and three-quarters percent (2.75%), except where the rate is limited or modified by statute, in order to provide funding for the Housing and Community Preservation Fund through Loudon County Habitat for Humanity-giving preference to assisting seniors, veterans, and individuals with disabilities-and to provide funding for improvements to the Lenoir City Parks and Recreation Department, including planning and executing the expansion of the City of Lenoir City's recreation fields and facilities be approved?

FOR _____
AGAINST _____

7. If a majority of those voting in the election required by the Tennessee Code Annotated, Section 67-6-706, vote for the increase in the tax imposed by this Ordinance, collection of the increased tax levied by this Ordinance shall begin on the first day of the month occurring thirty (30) or more days after the Loudon County Election Commission makes its official canvass of the election returns. If a majority of those voting in the election votes against this Ordinance, the increase in sales tax will not take effect.

Ordinance shall become effective immediately upon passage, the public welfare requiring it.
Passed this 29th day of December, 2025.

Tony R. Aikens, Mayor

ATTEST:
James W. Wilburn III., Recorder/Treasurer

Walter Johnson
City Attorney, as to form

First Reading: December 8, 2025
Second Reading: December 29, 2025