

Natural Gas Franchise

Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Natural Gas Franchise

Reference Number: MTAS-1860

Revenue Class: Local Taxes

Fund: General

Account No.: 31911

Description: Municipalities can impose a franchise fee and other conditions upon the operation of a gas company within their corporate limits.

Authorization: T.C.A. § 6-54-109; T.C.A. § 65-4-107

Requirements or Restrictions: The franchise agreement is subject to the approval of the Tennessee Regulatory Authority. T.C.A. § 65-4-107. The franchise agreement is passed by municipal ordinance.

Current Rate: Varies; there is no maximum franchise fee.

Frequency of Payment: Annually.

Late Pay Penalty: N/A

Exemptions: N/A

Collection: N/A

Use Restrictions: N/A

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