



Private Act Charters or Home Rule Charters

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](http://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

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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Private Act Charters or Home Rule Charters

Reference Number: MTAS-1655

Since private act charters and home rule charters are different, a great deal of careful reading is necessary to determine purchasing rules for each type of municipality. If the charter does not mention purchasing and competitive bidding, buying for the municipality is governed by the 1983 Municipal Purchasing Law.

Generally, if the charter has provisions governing competitive bidding and purchasing, the municipality is governed by the charter. However, due to the vagueness of some charter provisions, it may be difficult to know if a municipality is exempt from the 1983 Municipal Purchasing Law. Each municipality must make a decision about this.

Governed by the 1983 Municipal Purchasing Law

Reference Number: MTAS-1657

Refer to the requirements governing general law mayor-aldermanic charters [1] when the 1983 Municipal Purchasing Law is the controlling purchasing statute.

Governed by the Charter

Reference Number: MTAS-1658

Municipalities that have charter provisions dealing with competitive bidding and either establish bid limits in the charter itself or allow bid limits to be set by ordinance should operate under the charter provisions. Here, however, the municipality must establish via charter or ordinance general bid procedures, including public advertising, securing and opening bids, and any exemptions from competitive bidding.

For municipalities with charter provisions that deal with competitive bidding but set no bidding limits, the municipality may by ordinance set a limit not to exceed \$25,000 over which public advertisement and competitive bidding are required. These municipalities must also by ordinance set a dollar limit not exceeding 40 percent of this bid limit amount over which the municipality need not advertise but, when possible, must obtain three competitive bids and below which no advertisement or competitive bidding is required. The ordinance must also establish procedures for public advertising, securing and opening bids, and any exemptions from competitive bidding.

When private act charters or home rule charters control buying, it is important to know which organizations and purchases, if any, are exempt. Exemptions must be substantially similar to those found in T.C.A. § 6-56-304.

You must determine what authority the municipal governing body has concerning establishing policy and procedures for the buying process.

Links:

[1] <http://www.mtas.tennessee.edu/reference/mayor-aldermanic-general-law-charters>

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