

First Reading: _____
Second Reading: _____

ORDINANCE NO. _____

AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE,
PART II, CHAPTER 38, ZONING ORDINANCE, ARTICLE II,
SECTION 38-2, DEFINITIONS, RELATING TO
"ALTERNATIVE FINANCIAL SERVICES".

SECTION 1. BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, Article II, Section 38-2, Definitions, be amended by striking the definition for "Alternative Financial Services" and adding in lieu thereof the new definition in alphabetical order as follows:

"Alternative Financial Service" means establishments that are:

- (a) not licensed by an appropriate state or federal agency as a bank, savings and loan association, or credit union, industrial loan and thrift offices, insurance premium finance companies, or mortgage companies;
- (b) regulated by the Tennessee Department of Financial Institutions; and
- (c) categorized for purposes of this Ordinance as:
 - 1) "Pawnbrokers" as defined at T.C.A. § 45-6-203; or
 - 2) "Title Pledge Lenders" as defined at T.C.A. § 45-15-103; or
 - 3) "Deferred Presentment Services" as defined at T.C.A. § 45-17-102; or
 - 4) "Check Cashers" as defined at T.C.A. § 45-18-102 except that Check Cashers do not include Check Cashers exempt from state regulation pursuant to T.C.A. § 45-18-103; or
 - 5) "Flexible Credit Licensee" that offers flex loans pursuant to Chapter 12, Title 45 of the Tennessee Code Annotated; or

- 5) any combination of Alternative Financial Services which include, but are not limited to, "Pawnbrokers", "Title Pledge Lenders", "Deferred Presentment Services", "Check Cashers" and/or "Flexible Credit Licensee" as defined herein.

SECTION 2. BE IT FURTHER ORDAINED, that if any provision of this Ordinance be declared unconstitutional or otherwise invalid by the Judgment of Decree of any court or competent jurisdiction, such unconstitutionality of invalidity shall not affect any remaining provisions of this Ordinance.

SECTION 3. BE IT FURTHER ORDAINED, That this Ordinance shall take effect within immediately upon passage on second reading.

Passed on second and final reading: _____

CHAIRPERSON

APPROVED:____ DISAPPROVED:____

MAYOR

KJR/mem/Version 2



**A RESOLUTION RECOMMENDING TO AMEND CHATTANOOGA
CITY CODE, PART II, CHAPTER 38, ZONING ORDINANCE, ARTICLE
II, SECTION 38-2, DEFINITIONS.**

WHEREAS, the Regional Planning Agency completed a study of alternative financial services and referred a Planning Commission resolution at the request of City Council in 2006;

AND WHEREAS, on January 12, 2015, the Chattanooga-Hamilton County Regional Planning Commission recommended to the Chattanooga City Council that the Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, be amended as to the locations of pawnbrokers, title pledge lenders, deferred presentment services, check cashers, and other similar uses which are considered as non-banking institutions;

AND WHEREAS, pursuant to Title 45, Chapter 12 of *Tennessee Code Annotated*, certain rules and regulations governing financial institutions have been established which regulate flexible credit lenders became effective on January 1, 2015;

AND WHEREAS, as a result of this new TCA legislation, there are additional types of alternative finance lenders (flexible credit loans) that are not currently identified in the zoning code, but have a similar impact as the alternative financial services noted in the RPA study;

AND WHEREAS, the study noted that efforts to promote economic revitalization through diversification of land uses in certain areas may be impeded by the clustering of certain alternative financial services.

NOW THEREFORE, BE IT RESOLVED, that the Chattanooga-Hamilton County Regional Planning Commission on November 9, 2015, does hereby recommend to the Chattanooga City Council that the Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, be amended as follows:

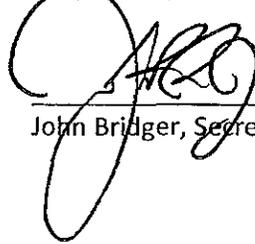
Amend Article II, Section 38-2, Definitions, by deleting the definition for "Alternative Financial Services" and adding in lieu thereof the new definition in alphabetical order as follows:

"Alternative Financial Service" means establishments that are:

- (a) not licensed by an appropriate state or federal agency as a bank, savings and loan association, or credit union, industrial loan and thrift offices, insurance premium finance companies, or mortgage companies;
- (b) regulated by the Tennessee Department of Financial Institutions; and
- (c) categorized for purposes of this Ordinance as:

- 1) "Pawnbrokers" as defined at T.C.A. § 45-6-203; or
- 2) "Title Pledge Lenders" as defined at T.C.A. § 45-15-103; or
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- 4) "Check Cashers" as defined at T.C.A. § 45-18-102 except that Check Cashers do not include Check Cashers exempt from state regulation pursuant to T.C.A. § 45-18-103; or
- 5) "Flexible Credit Licensee" that offers flex loans pursuant to Chapter 12, Title 45 of the Tennessee Code Annotated, or
- 6) Any combination of Alternative Financial Services which include, but are not limited to, "Pawnbrokers", "Title Pledge Lenders", "Deferred Presentment Services", "Check Cashers" and/or "Flexible Credit Licensee" as defined herein.

Respectfully submitted



John Bridger, Secretary

Date of Adoption: November 9, 2015

KJR:sh

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