

# **Bond Case Briefs**

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## **TAX - TENNESSEE**

### **Coffee County Board of Education v. City of Tullahoma**

**Supreme Court of Tennessee, at Nashville - May 8, 2019 - S.W.3d - 2019 WL 2022363**

County brought action against city, claiming that city was statutorily required to distribute liquor-by-the-drink tax proceeds pro rata among all schools in the county based on average daily attendance.

The Chancery Court granted summary judgment in favor of city. County appealed. The Court of Appeals reversed. City was granted permission to appeal, and the case was consolidated with four similar cases for oral argument only.

The Supreme Court held that city was not required to share its liquor-by-the-drink tax proceeds with county.

City, which had approved liquor-by-the-drink sales, was not required to share its liquor-by-the-drink tax proceeds with county, which had not approved such sales, despite contention that statute required city to distribute tax proceeds pro rata among all schools in county based on average daily attendance; statute required distribution of proceeds in "same manner as the county property tax for schools is expended and distributed," and city had its own school system separate from county school system.