

**First Reading: January 13, 2026**  
**Second Reading: January 20, 2026**

ORDINANCE NO. 14319

AN ORDINANCE AMENDING CHATTANOOGA CITY CODE, PART II, CHAPTER 38, ZONING ORDINANCE, AS ADOPTED BY ORDINANCE NO. 14137 ON JULY 23, 2024, TO AMEND ARTICLE XV, APPLICATION PROCESS, SECTION 38-73, VESTING TO ALIGN WITH RECENT STATE LAW CHANGES PER TENNESSEE CODE ANNOTATED SECTION 13-4-310.

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**WHEREAS**, Tennessee Code Annotated Sections 13-3-413 and 13-4-310 as amended by Public Chapter 686, established statewide standards for “vesting periods” upon the approval of new development plans; and,

**WHEREAS**, during the vesting periods established under the Act, local governments may not apply development standards other than those in effect at the time of approval of the development plan, except as permitted by the Act; and,

**WHEREAS**, the Act took effect January 1, 2015, provided that local governments may pass an ordinance or resolution to identify the types of development plans that will cause property rights to become vested and specify the actions that constitute approval of such development plans; and,

**WHEREAS**, the Tennessee State Legislature adopted Public Chapter 465 on May 9, 2025, and took effect on July 1, 2025; and,

**WHEREAS**, Public Chapter 465 amends Tennessee Code Annotated § 13-4-310 to change how development plans are vested from “approved development plans” to “submission of development plans”; and,

**WHEREAS**, Public Chapter 465 also required the submission of development plans to be in substantial compliance with all adopted development regulations and to define what constitutes substantial compliance with development Ordinances and Regulations.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA,  
TENNESSEE:

SECTION 1. That Chattanooga City Code, Part II, Chapter 38, Article XV, Application Process, Section 38-73, Vesting, be amended by deleting same in its entirety and substituting in lieu thereof the following:

**Sec. 38-73. Vesting.**

Unless specifically addressed in this section, all provisions of Tenn. Code Ann. § 13-4-310 are adopted and incorporated by reference.

- (a) Subject to item (f), a vested property right is established, with respect to any property upon the submission of a preliminary development plan, a final development plan where no preliminary development plan is required by ordinance or regulation, or a building permit allowing construction of a building where there was no need for prior approval of a preliminary development plan for the property on which that building will be constructed. During the vesting period in item f, the City's development standards in effect on the date of said approval remain the development standards applicable to that property or building during the vesting period in item (f).

A vested property right is not established unless the plan or building permit substantially complies with the requirements of the local development ordinances and regulations.

During the vesting periods, the locally adopted development standards that are in effect on the date of submission or a preliminary development plan or the date of approval of a building permit, as described by this section (a) shall remain the development standards applicable to that property or building during the vesting period.

- (b) Development Standards

Development Standards means all locally adopted or enforced standards, regulations or guidelines applicable to the development of property, including, but not limited to, planning; local storm water requirements, layout, design; local construction standards for buildings, streets, alleys, curbs, sidewalks; zoning as provided for in subsection (g); lot size; lot configuration; yard dimensions; and off-site improvements, including public or private infrastructure, in which an applicant may acquire vested rights or vested property rights according to this section; and, does not include standards required by federal or state law; or building construction safety standards which are adopted pursuant to authority granted under Tenn. Code Ann. § 68-120-101.

- (c) Submission

For purposes of Sec. 38-73 “submission” means the date on which an applicant submits to the Land Development Office or the Regional Planning Agency, as appropriate, a complete application of a building permit or development plan listed in (e) below.

(d) Substantial Compliance

For purposes of Sec. 38-73 “substantial compliance” means that an application includes all required documents, plans, and forms, and that each submission is complete, accurate, and conforms to the city’s zoning ordinance, subdivision provisions, and all applicable general regulations. The application must demonstrate that the proposed plan meets the intent and substantive requirements of all applicable codes, even if minor, technical, or non-material errors or omissions are present.

To be deemed substantially compliant, an application must:

- (1) Include all documents, plans, and forms as required by the city’s application checklist and development procedures manual.
- (2) Ensure that all submissions are internally consistent, to scale, and legible.
- (3) Demonstrate general conformity with:
  - a. The Zoning Ordinance (e.g., lot size, density, use, setbacks),
  - b. The Subdivision Regulations (e.g., block length, access, easements),
  - c. All relevant building codes, engineering standards, utility requirements, and design criteria.
- (4) Address any public health, safety, and welfare concerns associated with the proposed development.
- (5) Include any supporting studies or documentation (e.g., traffic impact analysis, drainage reports, utility availability letters) as applicable or required.

Substantial compliance does not preclude future minor amendments, but the application must clearly demonstrate intent to fully comply with all mandatory provisions and not contain any material defects that would:

- (1) Preclude meaningful review by city staff or approving authorities,
  - (2) Result in nonconformance with adopted plans or ordinances, or
  - (3) Compromise the public interest or administrative integrity of the approval process.
- (e) A vested property right is established with respect to any property upon the following submission:
- (1) Submission of preliminary subdivision plat.
  - (2) Submission of final subdivision plat.
  - (3) Submission of a final plat that meets the definition of a staff approved subdivision plat upon the date of the last signature of approval required on the plat for recording.
  - (4) Submission of a special exception permit required to complete a site or development plan.
  - (5) Submission of a planned unit development.
  - (6) Any other submission or issuance specified in Tenn. Code Ann. § 13-4-310.

For Purposes of Sec. 38-73 and Tenn. Code Ann. § 13-4-310 (e) the following submittals are not considered to be a preliminary and final development plan for establishing vesting rights:

1. Site Plans/Conceptual Plan submitted for rezoning applications are not considered to be a preliminary or final development plan and the submission of such as part of a rezoning application does not trigger vested rights.
- (f) Per Tenn. Code Ann. § 13-4-310, the applicable vesting periods are as follows.

(1) Building Permit

Unless an extension is granted by the local government, the vesting period applicable to an approved construction project for which a building permit has been issued begins on the date of issuance of the building permit by the local government and remains in effect for the time period authorized by the approved building permit, including any approved renewal obtained by the applicant prior to the expiration or termination of the permit to be renewed; provided, that the applicant pursues with reasonable diligence site preparation, if applicable, and construction.

(2) Development Plan

- (i) The vesting period applicable to a development plan is a period of three years, beginning on the date of the submission of the preliminary development plan, provided that the applicant obtains local government approval of a final development plan, secures any necessary permits, and commences site preparation within the vesting period. If the applicant obtains local government approval of a final development plan, secures any necessary permits, and commences site preparation within the vesting period, then the vesting period may be extended an additional two years to commence construction from the date of the expiration of the three-year period. During this two-year period, the applicant must commence construction and maintain any necessary permits to remain vested.
- (ii) If construction commences during the vesting period, the development standards applicable during the vesting period remains in effect until the local government has certified final completion of the development or project, provided the total vesting period for the project cannot exceed ten years from the date of the submission of the preliminary development plan unless the local government grants an extension pursuant to an ordinance or resolution, provided further that the applicant maintains any necessary permits during the ten year period.
- (iii) In the case of developments which proceed in two or more sections or phases as described in the development plan, there is a separate vesting period applicable to each section or phase. The development standards which are in effect on the date of approval of the preliminary development plan for the first section or phase of the development remain the development standards applicable to all subsequent sections or phases of the development; provided, that the total vesting period for all phases cannot exceed 15 years from the date of the submission of the preliminary development plan for the first section or phase unless the local government grants

an extension pursuant to an ordinance or resolution, provided further that the applicant maintains any necessary permits during the 15 year period.

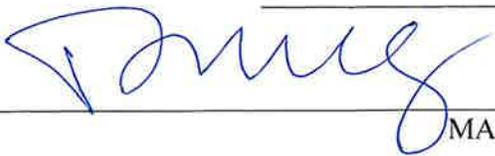
- (g) In accordance with Tenn. Code Ann. § 13-4-310(f), the City may terminate the applicant's vested rights under the following circumstances.
- (1) If the City finds in writing that the applicant violated terms and conditions specified in the approved development plan or building permit, the applicant will receive notice and has 90 days from the date of notification to cure all violations.
  - (2) If the City finds in writing that the applicant violated terms and conditions specified in a City ordinance or resolution, the applicant will receive notice and has 90 days from the date of notification to cure all violations.
  - (3) If the City finds in writing that the applicant: 1) intentionally supplied inaccurate information or knowingly made misrepresentations material to the issuance of a building permit or the approval of a development plan; or 2) knowingly did not construct the development in accordance with the issued building permit, approved development plan, or approved amendment for the building permit or development plan. In such case, the applicant has no right to cure the violations.
  - (4) If the City is required to enforce a state or federal law, regulation, rule, policy, corrective action, or other governance that precludes the development as contemplated in the approved development plan or building permit, the vested rights terminate unless within 90 days the applicant modifies the development plan or building permit in a way that brings the applicant into compliance with the new governance.
- (h) A vested right does not preclude the City's enforcement of any development standard in accordance with any circumstances described in Tenn. Code Ann. § 13-4-310(g).
- (i) In accordance with Tenn. Code Ann. § 13-4-310(h), any amendment to an approved development plan must first be approved by the City in order for the property rights to remain vested. The City may deny an amendment in accordance with Tenn. Code Ann. § 13-4-310(h) and, if such amendment is denied, the applicant may either proceed with no changes to the prior approved plan with the associated vested property right or, alternatively, may allow the vested property right to terminate and submit a new application in compliance with the development standards in effect at that time.
- (j) A local government cannot require an applicant to waive the applicant's vested rights as a condition of approval or as a consideration of approval of a development plan or the issuance of a building permit.
- (k) A vested property right attaches to and run with the applicable property and confers upon the applicant the right to undertake and complete the development and use such property under the terms and conditions of a development plan, including any amendments thereto or under the terms and conditions of any building permit that has been issued with respect to the property.

SECTION 2. BE IT FURTHER ORDAINED, That this Ordinance shall take effect two  
(2) weeks from and after its passage.

Passed on second and final reading: January 20, 2026

  
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CHAIRPERSON

APPROVED:  DISAPPROVED:

  
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MAYOR

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