



State of Tennessee

HOUSE RESOLUTION NO. 232

By Representatives Ryan Williams, Hardaway, Pody

A RESOLUTION to urge the Comptroller of the Treasury to consider conducting a random review of development districts in this state.

WHEREAS, the General Assembly created the "Development District Act of 1965", codified at Tennessee Code Annotated, Title 13, Chapter 14, Part 1, with the specific intent of providing counties and cities with the most effective and efficient means of organizing on a regional basis for the purpose of carrying on general and comprehensive planning and development activities, such that would provide coordinated, efficient and orderly economic development of the state; and

WHEREAS, the act was also created to guide and assist local governments, through regional agencies, in making maximum use of federal, state and local programs designed to stimulate economic development and the utilization of resources; and

WHEREAS, a recent report by the Tennessee Commission on Aging and Disability (TCAD) has revealed potential conflicts of interests involving the Upper Cumberland Development District (UCDD) and Living The Dream, a retirement home for needy senior citizens established by the UCDD; and

WHEREAS, this report details a "questionable business arrangement" that Living the Dream had with a for-profit company established by the home's executive director and a deputy to obtain funding for resident care, an arrangement that is potentially in violation of state law; and

WHEREAS, the report also states that the for-profit company billed the state for an "unusually high amount of services" for one resident, while UCDD's public guardian program violated policy by placing a client under its control in an unlicensed facility; and

WHEREAS, this report has triggered a state audit of the UCDD and its funding sources and activities; and

WHEREAS, while development districts are unquestionably valuable tools for Tennessee's counties and municipalities in planning for growth and maximizing economic development on a regional basis, it is imperative that they maintain the public's trust by operating in an ethical manner, while ensuring the responsible expenditure of public funds; and

WHEREAS, the UCDD directly affects the lives of thousands of citizens living in fourteen Middle Tennessee counties, and it is the duty of this general assembly to ensure that the UCDD and the remainder of Tennessee's development districts are being operated upon sound management principles and with fiscal responsibility; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE ONE HUNDRED SEVENTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, that we hereby urge the Comptroller of the Treasury to consider conducting a random review of development districts in this state.

BE IT FURTHER RESOLVED, that in conducting any such review, the Comptroller of the Treasury may consider the sources of funding for, the functions of, and the community services provided by the selected development districts.

BE IT FURTHER RESOLVED, that as part of such review the Comptroller of the Treasury may consider evaluating issues relative to the operation of such development districts including, but not limited to, their association with 501(c)(3) nonprofit organizations, contracts entered into between development districts and 501(c)(3) nonprofit organizations created by such development districts and resulting contracts entered into by 501(c)(3) nonprofit

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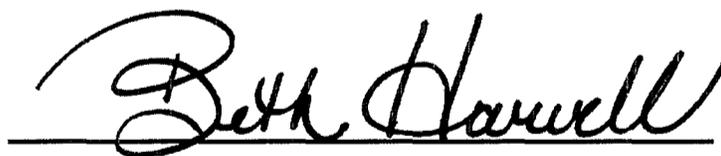
organizations with private entities, and the legal implications thereof, based on state and federal law.

BE IT FURTHER RESOLVED, that the Comptroller of the Treasury is further requested to consider reviewing and reporting on inefficiencies in the funding for, functions of, the services provided, and any other issues pertinent to development districts; making recommendations for a more efficient method of providing planning and development activities for local governments; and maximizing the use of federal, state and local programs designed to stimulate economic development and utilization of resources in this state.

BE IT FURTHER RESOLVED, that the Comptroller of the Treasury is requested to report findings and recommendations relative to such review, including any proposed legislation to the resolution sponsor and to the chairs of the House and Senate State and Local Government Committees.

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ADOPTED: APRIL 17, 2012

A handwritten signature in black ink, reading "Beth Harwell". The signature is written in a cursive style with a large initial "B".

BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES