STATE OF TENNESSEE

OFFICE OF THE ATTORNEY GENERAL

January 15, 2014

Opinion No. 14-09

Preparation of County Budget under County Financial Management System

QUESTION

Does a county commission operating under the County Financial Management System of 1981, codified at Tenn. Code Ann. §§ 5-21-101 to -130, violate Tenn. Code Ann. § 5-21-111(e)(1) if the county commission votes to reduce the debt service portion of the budget proposed by its budget committee after the budget committee holds a public hearing on its budget proposal and submits that proposal to the county commission?

OPINION

Yes.

ANALYSIS

The County Financial Management System of 1981, codified at Tenn. Code Ann. §§ 5-21-101 to -130, (hereinafter "CFMS") becomes effective in a county when adopted by a "two-thirds (2/3) majority vote of the county legislative body" or "upon a majority of the voters casting votes in any election held for purposes of approving" implementation of the county financial management system. Tenn. Code Ann. § 5-21-126. Under the CFMS, the county finance director prepares an annual budget and files it with the county budget committee. Tenn. Code Ann. § 5-21-110. The committee reviews and presents the recommended budget to the county commission at least ten days before the commission's July meeting. Tenn. Code Ann. § 5-21-110(d)(2). The CFMS requires the budget committee to:

> fully provide in the budget for all requirements for debt service, interest and bond maturities and for any cash deficit in any fund at the beginning of the fiscal year, and . . . propose a tentative tax rate to fund such budget.

Tenn. Code Ann. § 5-21-110(d)(5). Under Tenn. Code Ann. § 5-21-111, after publishing a notice of the budget and holding a public hearing on the budget, the budget committee must present the budget to the county commission at its July meeting. The CFMS expressly provides:

> The county legislative body may alter or revise the proposed budget *except as to provision for debt service requirements* and for other expenditures required by law.

Tenn. Code Ann. § 5-21-111(c)(1) (emphasis added).

Thus, pursuant to the explicit provisions of the CFMS, a county commission in a county operating under CFMS may not vote to reduce the debt service portion of the budget proposed by its budget committee after the budget committee holds a public hearing under Tenn. Code Ann. § 5-21-111 and presents its proposed budget to the commission. *See* Tenn. Code Ann. § 5-21-111(c)(1). *See also Biscan v. Brown,* 160 S.W.2d 462, 472 (Tenn. 2005), quoting *McClain v. Henry I. Siegel Co.,* 834 S.W.2d 295, 296 (Tenn. 1992) (stating well-established rule of statutory construction that "[w]hen the words of a statute are plain and unambiguous, the assumption is that the legislature intended what it wrote and meant what it said").

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