



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard *Cliff*
Executive Director

DATE: 5 December 2016

SUBJECT: Legislative Compensation: Comparing Tennessee to Contiguous and Peer States

The attached commission report is submitted for your approval. The report responds to Senate Joint Resolution 463 by Beavers, which directs the Commission to conduct a survey of Tennessee's surrounding states and compare the 2015-16 legislative compensation to that of Tennessee's General Assembly to determine whether Tennessee legislators are adequately compensated and fully reimbursed for expenses. The resolution directs the Commission's executive director to report the results to the Speakers of the Senate and House and the Finance, Ways, and Means Committees by January 1, 2017.

The final report recommends allowing legislators to decline all or part of their travel expense reimbursements so that they do not incur a tax liability for reimbursements they do not wish to receive. Even though state law requires that legislators be compensated, not all legislators choose to keep the compensation they receive for travel expenses. Some members choose to return their travel reimbursements to the state, but still must pay federal taxes on them.

The report also discusses the possibility of paying larger office expenses to legislators serving geographically large districts, using Metropolitan Nashville-Davidson County's boundary as the delineating factor for travel reimbursement instead of a 50-mile criterion, and mitigating the effect of inadequate travel expenses in large districts by compensating legislators for intra-district travel expenses as is done in at least three states. Finally, the report raises the option of creating an independent legislative compensation commission that would recommend or determine fair and appropriate compensation. In states with such commissions, they generally fill member positions with unpaid private citizens appointed by the governor and speakers of the house and senate.