



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: Commission Members

FROM:  Johnnie Roehrich-Patrick
Executive Director

DATE: 25 May 2016

SUBJECT: Fiscal Year 2015-16 Accomplishments

The following list of the Commission's major accomplishments for fiscal year 2015-16 will be incorporated into the Commission's biennial report for fiscal years 2014-15 and 2015-16.

Published six official commission reports, further described below:

-  *Community-based Land-use Decisions: Public Participation in the Rezoning Process—* Commission Report, October 2015
-  *Tennessee's Homestead Exemptions: Adjusting Them to Reflect the Cost of Living—* Commission Report, January 2016
-  *Structuring Lodging Taxes to Preserve the Economy and Encourage Tourism—* Commission Report, January 2016
-  *County Employees Serving on their County Commissions: Managing Conflict of Interest to Maintain Integrity and Trust—* Commission Report, January 2016
-  *Tennessee Valley Authority's Payments in Lieu of Taxes—Annual Report to the Tennessee General Assembly—* Commission Report, January 2016
-  *Building Tennessee's Tomorrow: Anticipating the State's Infrastructure Needs—* Commission Report, May 2016

Responded to Studies Referred by the General Assembly:

- Completed a report on adjusting homestead exemptions to reflect the cost of living.
 - The report responded to Public Chapter 326, Acts of 2015, which required the Commission to study the homestead exemption amounts in Tennessee and

determine whether they should be increased to accurately reflect the cost of living. The report, which focused on the use of homestead exemptions in bankruptcy, noted that Tennessee has the lowest homestead exemption of the states that do not allow use of the federal exemption and the third lowest combined dollar value of all property exemptions after Missouri and Alabama. It also noted that Tennessee's individual and joint homestead exemption amounts have remained at \$5,000 and \$7,500 since 1978 and 1980 but that, although none of the many attempts to change these amounts have succeeded, far higher amounts have been set for certain groups of debtors, including those over 62 and those with custody of a minor child. Finally, it noted that a simple way to bring the amounts for other bankruptcy filers up to date and keep them up to date would be to adopt the federal homestead exemption amount, which is adjusted for inflation every three years. If the federal amount were adopted, Tennessee's exemption amounts for debtors with custody of a minor child, which are currently more than the federal amounts, would need to be grandfathered until the federal exemption amount caught up to it.

- A copy of the final report was sent to both speakers.
- Completed a report on lodging taxes in Tennessee.
 - The report responded to Public Chapter 395, Acts of 2015, directing the Commission to study the effect of hotel occupancy taxes on the economy, tourism, and the hospitality industry; compare Tennessee's hotel occupancy tax structure with other states; and consider methods to require public input before adopting lodging taxes. In it, the Commission said that although there is little evidence that Tennessee's economy or the tourism and hospitality industries are adversely affected by its lodging tax structure, there may be other reasons to reduce its complexity. The report discussed advantages and disadvantages of doing so and also discussed various options, such as granting general authority up to some maximum rate, with or without an earmark, in order to reduce the number of individual requests that come to the legislature each year.
 - A copy of the final report was sent to both speakers.
- Completed a report on public participation in the rezoning process.
 - The report responded to Senate Bill 549 and House Bill 775, which would have required the written consent of owners for any rezoning affecting a parcel of private property. It described issues raised by the legislation and suggested that, short of requiring the consent of owners for rezonings, some of the approaches already used by local governments in Tennessee to ensure that property owners are aware of rezonings could be required.
 - A copy of the final report was sent to the chairs of the Senate State and Local Government Committee and the House Local Government Committee.
- Completed a report on county employees serving on their own legislative bodies.

- The report responded to legislation that would have disqualified all county government employees from serving on their county legislative bodies; the restriction would not apply to members elected before December 1, 2015. The Commission chose not to recommend the legislation and instead offered ways to manage conflicts of interest beyond those required by Tennessee law, drawing on examples from existing practices of Tennessee counties, previously introduced legislation, and other states' laws.
- A copy of the final report was sent to the chairs of the Senate State and Local Government Committee and the House Local Government Committee.

Provided two presentations:

“System-level Fiscal Capacity—Observations & Challenges, Redux” to Governor Haslam's Basic Education Program Task Force (September 17, 2015)

“Transportation Needs from Tennessee's Public Infrastructure Needs Inventory” to the Tennessee Infrastructure Conference (October 6, 2015)

Responded to Requests for Information:

- Responded to requests for information and assistance from members of the General Assembly and legislative committees.
- Responded to requests for information and assistance from local government officials, state agencies, lobbyists, the public, and the media.

Administered eleven contracts:

- Nine development districts—support the public infrastructure needs inventory
- Middle Tennessee State University—economic indicators website
- University of Tennessee—economic value of open spaces in Tennessee

Accomplishments by Policy Area

Fiscal and Tax Policy Research:

- Continued to monitor and published a report on the Tennessee Valley Authority's payments in lieu of taxes and the effect of the Electric Generation and Transmission Cooperative Act of 2009 as amended in 2010 (Public Chapter 1035, Acts of 2010).
- Completed Commission's report to the legislature on Chapter 395, Acts of 2015, which directed the Commission to study the effect of hotel occupancy taxes on the economy, tourism, and the hospitality industry; compare Tennessee's hotel occupancy-tax structure with other states; and consider methods to require public input before adopting lodging taxes.

Education Finance:

- Completed the fiscal year 2016-17 fiscal capacity model.
- Served on the Governor's Basic Education Program Task Force.

Land Use, Transportation, and Growth Policy:

- Completed Commission's report to the legislature on Senate Bill 775 and House Bill 549, which would have required the written consent of owners for any rezoning affecting a parcel of private property.
- Continued to monitor implementation of Public Chapter 1101, Acts of 1998, Tennessee's growth policy law.

Infrastructure:

- Continued the annual public infrastructure needs inventory. Collected information from 142 school systems, 95 counties, 347 municipalities, and 255 other entities.
- Completed Commission's annual report to the legislature on Tennessee's public infrastructure needs.

Other Research:

- Completed Commission's report to the legislature on Senate Bill 466 and House Bill 985, which would have would have disqualified all county government employees from serving on their county legislative bodies.
- Completed Commission's report to the legislature on Public Chapter 326, Acts of 2015, which required the Commission to study the homestead exemption amounts in Tennessee and determine whether they should be increased to accurately reflect the cost of living.
- Monitored intergovernmental tax, fiscal, and education legislation.

Using Technology for Public Information

- Disseminated all reports electronically and maintained detailed focus sections about continuing research on TACIR's web page (<http://www.tn.gov/tacir/section/tacir-publications>).
- Further disseminated information from the annual public infrastructure needs inventory through a partnership with the University of Tennessee to include the data on their state data explorer website (<http://ctasdata.utk.tennessee.edu/statedashboard2/>).
- Created a comprehensive new annexation resource tab on the Commission's web page (<http://www.tn.gov/tacir/section/annexation>), including information about recent changes in Tennessee's annexation laws as well as detailed information about the state's growth policy act, local population projections, and other state's annexation laws.

- Continued to update and enhance the profiles of Tennessee's counties, providing easy public access to detailed demographic, financial, and other information for each (http://www.tn.gov/tacir/county_profiles.html).
- Published timely information *Tracking Tennessee's Economy* in partnership with Middle Tennessee State University (<http://capone.mtsu.edu/berc/tacir/tacir.html>).
- Posted timely information to the agency's Facebook page notifying the public of new reports, elaborating on topics of interest, and pointing out relevant research by other organizations (<https://www.facebook.com/TN.ACIR>).
- Increased functionality of the agency's website (<http://www.tn.gov/tacir/>).