

TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MINUTES OF THE TENNESSEE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

January 20, 2022

Meeting Called to Order

The Tennessee Advisory Commission on Intergovernmental Relations met in House Hearing Room I of the Cordell Hull Building at 1:05 p.m., Chairman Ken Yager presiding.

Present 21	Absent 3
Mayor Rogers Anderson	Mayor Tom Bickers
Mayor Buddy Bradshaw	Senator Bo Watson
Mayor Kevin D. Brooks	Senator Jeff Yarbro
Mr. Calvin Clifton	
Representative John Crawford	
Deputy Commissioner Paula Davis	
Mayor Terry Frank	
County Clerk Mary Gaither	
Representative Patsy Hazlewood	
Mayor Jill Holland	
County Executive Jeff Huffman	
Representative Harold Love Jr.	
Senator Jon Lundberg	
Mayor A. Keith McDonald	
Comptroller Jason Mumpower ¹	
Representative Antonio Parkinson	
Mr. Jeff Peach	
Senator Katrina Robinson	
Mayor Larry Waters	
Representative Ryan Williams	
Senator Ken Yager	

¹ Dana Spoonmore represented Jason Mumpower.

1. Call to Order and Approval of the Minutes

Chairman Ken YAGER called the meeting to order at 1:05 p.m. Chairman YAGER then requested and received approval of the December 2021 meeting minutes.

2. Commission and Staff Update

Executive Director Cliff LIPPARD gave the members a brief update on the status of Governor Lee's education finance initiative and then discussed a request from Senator Lundberg for a new study. Senator LUNDBERG explained that was seeking a study on the tangible personal property tax in Tennessee that would consider costs to businesses, large and small, to file and pay the tax, and compliance levels; variances among local governments, large and small, as to percent of the tax collected to overall revenue bases; costs to local governments, large and small, to collect delinquent payments; and possible revenue replacement models. Following a motion to add the study to the work program by Senator LUNDBERG and a second by Representative CRAWFORD and others, the study was added by a unanimous voice vote of the 18 members then present.

Dr. LIPPARD next told the members that former full-time TACIR Senior Research Associate Emma Johnson, who had been continuing to work for the Commission part-time, was leaving for a full-time position with the Texas Legislative Council. He wished her good luck in her new position.

3. Tennessee Valley Authority Payments in Lieu of Taxes—Annual Report for Approval

Research manager Bob MOREO presented the annual update on Tennessee Valley Authority (TVA) payments in lieu of taxes (PILOT) for approval. He said there are no recommended actions to be taken by the General Assembly in this year's report, and that TVA estimates its payment to Tennessee will be \$345 million in federal fiscal year 2021-22, a \$5.7 million increase from the previous federal fiscal year. As a percentage of the total available PILOT, Tennessee's share decreased slightly from the previous federal fiscal year. Mr. MOREO said as TVA rebalances its generation fleet, shifts in the value of power property from state to state could continue to affect each state's share of the PILOT. Memphis Light, Gas, and Water (MLGW) has continued to evaluate whether to leave the TVA system, and it may reach a decision by the end of 2022. Should MLGW leave the TVA system, it would decrease Tennessee's share of the PILOT.

Chairman Ken YAGER asked whether staff could quantify the potential effect on Tennessee's share of the PILOT should TVA decide to retire the coal-fired plants at Cumberland and Kingston. Mr. MOREO said the state's share of TVA power property could decrease from its current level of 68% to about 62%. He emphasized that it is a preliminary estimate and that he will request updated information from TVA for next year's report. Chairman YAGER asked how these plant retirements could affect direct payments TVA makes to the counties where the plants are located. Mr. MOREO said TVA doesn't normally provide TACIR staff with details about direct payments because those payments are made directly to counties from TVA, but TACIR will request additional information from TVA for next year's report regarding these payments.

Representative Ryan WILLIAMS asked for clarification of the information in table 1 of the report and how the information would change should the Cumberland and Kingston plants be retired. Mr. MOREO said the table shows the state's total share of the TVA PILOT, which is determined by the average of two things: the state's share of TVA's revenue from the sale of electricity and its share of the value of TVA's power property. Plant retirements would only affect the property value half of the calculation.

In response to Representative Patsy HAZLEWOOD asking whether Tennessee's share of electricity sales was growing relative to other states, Mr. MOREO said that share decreased as well and that TVA hadn't provided a reason for the decrease.

Chairman YAGER asked whether TVA's depreciation of the Bull Run plant was factored into this year's calculations of the PILOT. Mr. MOREO said it was, and that TVA cited depreciation as a reason that Tennessee's share decreased. Chairman YAGER asked that the Commission be updated when more information becomes available.

Tipton County Executive Jeff HUFFMAN asked how much additional electricity might be used by Ford's Blue Oval City project in West Tennessee and what effects the factories could have on TVA's PILOT. Mr. MOREO said he would research that for next year's report.

Mayor BROOKS made a motion to approve the TVA report and County Executive HUFFMAN seconded the motion. The report was unanimously approved by voice vote.

4. Annual Report on Tennessee's Public Infrastructure Needs—Final Report for Approval.

Research Manager, Tyler CARPENTER presented the report for approval. Mr. CARPENTER said the report documents \$61.9 billion of needed infrastructure improvement projects, which were in development during the five-year period of July 2020 through June 2025.

Mayor Larry WATERS asked whether the development districts consistently interviewed the appropriate level of respondents for the survey—interviewing school-system directors, not county mayors, regarding school needs for example. Mr. CARPENTER said that the local officials interviewed include city and county mayors, and school system directors. Dr. LIPPARD added that TACIR conducts annual training for the development districts to ensure consistency.

Mayor Jill HOLLAND asked who was surveyed and whether this report captured or should have captured public infrastructure needs associated with the Blue Oval industrial site in Haywood County. Mr. CARPENTER said that TACIR contracts with the nine development districts that interview local government officials to collect information on public infrastructure needs. Additionally, TACIR collects information from state agencies, community colleges, and universities. He said that because the Blue Oval development was announced recently, most of the public infrastructure needs associated with the site would be reflected in future reports. Dr. LIPPARD added that needs are self-reported by local governments and that, while TACIR and the development districts make every effort to be comprehensive, the process is dependent on the officials responding to the survey.

Mr. CLIFTON asked how TACIR adjusted for inflation and whether this reflected the most current increases. Mr. CARPENTER clarified that the data was adjusted on per capita in 2020 dollars using the Federal Reserve Bank of St. Louis State and Local Government Consumption Price Index for trend analysis; however, these adjustments were made early in the data analysis, and therefore did not factor in the most current inflation.

Representative Harold LOVE asked for clarification on which institutions comprised the post-secondary education category. Mr. CARPENTER responded that the category includes all the community colleges under the Tennessee Board of Regents, as well as all the state universities. Representative LOVE asked what infrastructure was included. Mr. CARPENTER said that most of the needs would be related to buildings; however, all capital facilities and land assets under public ownership or operated or maintained for public benefit, which were not considered normal or routine maintenance and had a capital cost of at least \$50,000, would be included.

County Executive HUFFMAN moved approval of the report with Mayor BROOKS seconding the motion. The report was unanimously approved.

5. House Bill 1593/Senate Bill 1235 (State Contracting and African American-Owned Businesses)—Final Report for Approval

Research Manager Bob MOREO presented the final report on state contracting and African-American-owned businesses for the Commission's approval, which was prepared in response to House Bill 1593 by Representative Miller (Senate Bill 1235 by Senator Gilmore) in the 112th General Assembly.

Mr. MOREO said, since the draft report was presented at the last meeting, staff had added information regarding contracts reviewed by the Joint Fiscal Review Committee. He said the committee only reviews non-competitive contracts over \$250,000 and, although the committee doesn't keep records about minority ownership, its executive director estimates five to ten of approximately 300 contracts reviewed each year are awarded to minority- or women-owned companies. Mr. MOREO said the report's remaining findings and recommendations did not change from the draft report.

Representative Antonio PARKINSON urged the state to do better than it has and said that helping minority-owned businesses generate more income would improve the quality of life for generations. Mayor Terry FRANK agreed that the state could do more to encourage members of minority groups to start and grow small businesses. She asked how disparity studies determine the number of businesses available when calculating disparity ratios. Mr. MOREO said the authors of disparity studies separate a government's spending into business categories (construction, for example), and analyze every contract opportunity and the firms that bid on them. They determine a geographic area in which most of the bidding firms are located and use lists of registered minority-owned companies that provide the category of goods or services needed to establish the market of available firms. He said it takes many sources of data, often compiled at the national level for some types of contracts. Representative PARKINSON asked about the barriers for women- and minority-owned businesses to demonstrate their willingness to compete and grow that availability. Mr. MOREO said that it does take time for a company to

get registered and make itself available to bid on government contracts and that companies also need to prove their capability to fulfill contracts of the size needed, which is often difficult for smaller firms.

Representative Harold LOVE JR. asked about difficulties comparing current data with the previous disparity study and whether better data would allow the state to better track the state's progress. Mr. MOREO agreed, saying the report found improvement in some data over time, but could not make detailed comparisons of disparity levels. Representative LOVE added that he hoped communities and businesses of diversity will be included when large infrastructure projects are needed to accommodate developments like Ford's Blue Oval City.

Representative Ryan WILLIAMS asked whether staff found minority-owned businesses are reluctant to work with state government. Mr. MOREO said there are aspects of government contracts that potential bidders of all types find cumbersome and the report suggests helping all small firms overcome the initial barriers will benefit African American-owned businesses. Representative WILLIAMS asked whether staff could compare Tennessee's contract awards to African American-owned companies with levels in other states. Mr. MOREO said the data available from other states was not comparable enough to make accurate comparisons.

Senator Katrina ROBINSON said there were instances where the TACIR report said businesses were "certified as African American-owned," and expressed concern that the language was inaccurate. [Note: Staff clarified the language for final publication of the report.] Senator ROBINSON asked how African American owners are identified. Mr. MOREO said owners can indicate their race when they apply for certification and Go-DBE verifies it.

Senator ROBINSON asked whether there is a statewide goal for purchasing from minority-owned businesses and asked how agencies might be incentivized to reach their individual goals. Mr. MOREO said there is no statewide goal and that the 2009 disparity study recommended that attainment of these goals be considered in the performance reviews of procurement personnel.

Chairman YAGER asked whether recommended changes could be implemented by the procurement office or whether legislative action is needed. Mr. MOREO said most of what had been implemented since 2009 had been policies that did not require legislation, but the changes recommended in the report would not require legislation.

Mayor BROOKS moved approval of the report with Representative WILLIAMS seconding. The report was unanimously approved.

6. House Bill 366/Senate Bill 1604 (Right-of-Way Dedications) – Draft Report

Research Manager Michael MOUNT presented the draft report on Senate Bill 1604 by Senator Bailey and House Bill 366 by Representative Williams for review and comment. The Lieutenant Governor and House Speaker sent a letter to the Commission requesting that it study the bill, which would prohibit a local government from requiring dedications of land along existing roads; dedications are conveyances of land to a government for public use.

Mr. MOUNT said that because courts have found dedications that meet the *Nollan/Dolan* test are a constitutional means for governments to regulate land use, because new developments can and often do add to a community's infrastructure needs and costs, because dedications can help offset those costs so that they don't fall solely on the entire community's taxpayers, and because of Tennessee's long-standing tradition of local control regarding land use regulation, the draft report does not recommend the proposed legislation. Five states have incorporated the language of the *Nollan/Dolan* test into their state statutes. He said that based on the actions taken by other states to protect property owners' rights while maintaining local authority to require dedications and to provide guidance to local governments, the draft report finds that the General Assembly should codify in state law the *Nollan/Dolan* test, the constitutionally-based standard that has been established and applied by the US Supreme Court for dedications.

Representative WILLIAMS asked whether right-of-way dedications in Tennessee are unconstitutional since we haven't adopted the *Nollan/Dolan* test. Mr. MOUNT said that the *Nollan/Dolan* test that was developed by the US Supreme Court can be used to determine whether right-of-way dedications are constitutional in any lawsuit. Executive Director Cliff LIPPARD said that the states that have codified the *Nollan/Dolan* test are just more intentional in setting out the test in their statute so everyone is aware of what the requirements are, and this will make it less likely dedications will be unconstitutional.

Representative WILLIAMS asked whether local governments can sell dedicated rights-of-way they have abandoned and decided not to use. He added that he doesn't see how a local government that has decided it doesn't want the dedicated land can charge money to sell it. Mr. MOUNT said that the report didn't focus on that topic but at the September Commission meeting the point was made that they could charge to sell the land. Representative WILLIAMS said that if local governments don't pay property owners for dedicated property, they shouldn't charge to give it back. It seems unconstitutional to charge for that right-of-way. Mayor Larry WATERS said that Sevier County normally divides that right-of-way between the two property owners and transfers it without charging for it. Representative WILLIAMS said that other cities and counties across the state are charging people, and he thinks the state should codify something so there is uniformity across the state.

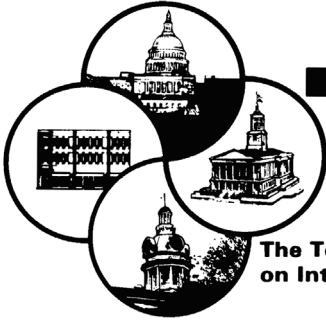
Mayor Terry FRANK asked whether the draft recommendations would help to maintain local control while protecting citizens from overreach and whether codifying *Nollan/Dolan* would help educate property owners and give guidance to local governments. Mr. MOUNT said that it would.

Representative WILLIAMS asked whether the team studied the difference between how the Tennessee Department of Transportation (TDOT) plans for roadway expansion and how local officials and planners do it. Mr. MOUNT replied that they had talked to a TDOT representative who said that they acquire ownership of rights-of-way to comply with federal law and that the acquisitions are connected to a project they are active on. He said that it's different for local governments, which can acquire right-of-way with no plan to widen the road immediately.

Representative WILLIAMS asked whether other states require local governments to use dedicated property within a certain period of time. He noted that in Tennessee after the

property is annexed the city must provide services within a certain period of time. Mr. MOUNT said they didn't do a review of other states' laws on annexation and plans of service for this report. [Note: Staff found one state, North Carolina, with a statute that states that if dedicated land has not been used by the public within fifteen years after its dedication it is presumed to have been abandoned and an easement cannot be enforced on the land. However, no abandonment shall be presumed until the dedicator records a declaration in the register's office withdrawing the land from public use.]

Chairman YAGER adjourned the meeting at 2:37 p.m.



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January 21, 2022

Meeting Called to Order

The Tennessee Advisory Commission on Intergovernmental Relations met in House Hearing Room I of the Cordell Hull Building at 8:35 a.m., with Chairman Ken YAGER, presiding.

Present 17	Absent 7
Mayor Rogers Anderson	Mayor Tom Bickers
Mayor Buddy Bradshaw	Representative John Crawford
Mayor Kevin D. Brooks	Representative Patsy Hazlewood
Mr. Calvin Clifton	Senator Jon Lundberg
Deputy Commissioner Paula Davis	Mayor Keith McDonald
Mayor Terry Frank	Senator Bo Watson
County Clerk Mary Gaither	Senator Jeff Yarbro
Mayor Jill Holland	
County Executive Jeff Huffman	
Representative Harold Love Jr.	
Comptroller Jason Mumpower ¹	
Representative Antonio Parkinson	
Mr. Jeff Peach	
Senator Katrina Robinson	
Mayor Larry Waters	
Representative Ryan Williams	
Senator Ken Yager	

¹ Dana Spoonmore represented Jason Mumpower.

7. Post-Award and Implementation Process for State Grants—Panel

Dr. Matthew OWEN introduced panelists representing local governments and a development district who discussed their experiences navigating the post-award and implementation process of various state grant programs with an emphasis on issues that affect grantees' ability to utilize state grants and examples of programs or processes they consider to be best practices. Panelists included:

- Dr. Mark Watson, City Manager, Oak Ridge;
- Mr. Bart Walls, Chief Administrative Office, Madison County Highway Department;
and
- Ms. Lorie Fisher, Community Development Director, South Central Tennessee Development District.

A fourth panelist—Mr. Bob Rial, Mayor, Dickson County—was invited but could not attend the meeting.

Dr. WATSON said local governments appreciate the funding they receive through state grant programs, but some projects are taking a long time to complete. Citing a goal of helping Tennessee perform better, as well as a recent increase in federal funding, he said one concern is how to get projects done quickly. He described grant-funded projects that had been delayed in Oak Ridge. For a bikeway project, he likened the step-by-step process the city must follow to comply with grant requirements to the process required when building a highway interchange and questioned why the city would need to follow such a process when only building a bikeway, saying there is a need to look at how to simplify the processes required for some grants. He said the state may also need to hire additional grant staff to process projects quicker, citing Oak Ridge's experience with delays on a grant-funded renovation of its high school football field. And he said Oak Ridge has had grants, such as a grant for traffic light modernization, where grant requirements have been changed in the middle of the project, leading to the need for environmental reviews and delays.

Dr. WATSON described how delays increase costs for local governments. He said that losing time means losing buying power. Representative WILLIAMS said that if the cost of a project increases because of delays it might help if the state had some skin in the game, which would incentivize it to act more quickly. He said that a community in his district had received a grant for an \$800,000 sidewalk project, but after delays the cost increased to \$2.4 million.

When describing causes behind the project delays Oak Ridge has experienced, Dr. WATSON said some may result from federal requirements. He said if federal requirements are to blame, then the state should alert its congressional delegation of the need to study and potentially modify these requirements. Representative WILLIAMS said that sometimes requirements that are perceived as state requirements are in fact federal requirements. In response to Mr. CLIFTON's request that the Commission's study include information clarifying the source of requirements for state grant programs, Dr. OWEN said staff would include this information in the report.

Mr. WALLS described the state aid road funding program, which provides approximately \$21 million annually allocated among the state's 95 counties by a formula to help them complete projects on their state aid road networks, which account for approximately 15% to 20% of the road mileage in any given county and are typically county roads that connect to state highways. He said Madison County receives approximately \$260,000 annually through the program, which is enough to pave approximately three miles of the 145 miles of road eligible for the program in the county. Because funds allocated to a county can be carried over from year to year, he said most counties allow their state aid road funds to accumulate for two to four years to use them on larger projects.

Mr. WALLS said the program provides much-needed assistance, and he said a change in recent years made by the state reduced the local matching funds required for the program, enabling distressed counties to use the program more easily. He also said the General Assembly has provided additional one-time allocations to the program on at least two occasions. He said if he could recommend any changes to the existing program, he would recommend more funding because construction costs and inflation keep rising.

Mr. WALLS said county highway officials are concerned about new requirements proposed by the Tennessee Department of Transportation (TDOT) that would increase costs for counties to participate in the program by potentially tens of thousands of dollars per year. He said these costs would take away from funding that could otherwise be used to improve roads under the program. In response to Mr. CLIFTON's question about what the proposed changes would require of county highway departments, Mr. WALLS said that highway departments would be required to assess and rate each mile of road in their county annually and use the ratings to help determine where the county should spend its state aid road funding each year. He also said it would be better to retain local discretion over which projects to do. He said county highway officials are working with TDOT to resolve the issue.

Chairman YAGER asked whether funding would be conditioned on implementation of TDOT's proposed requirements, and Mr. WALLS responded that it is his understanding that it would be. In response to Chairman YAGER's question about whether the proposed requirement would be limited to the state aid road program, Mr. WALLS said it is, but he said it is his understanding that TDOT plans to make changes to the state bridges grant program after changes to the state aid road program are finalized.

In response to Representative WILLIAMS' question about what percentage of highway department funding comes from the state aid road program and would be subject to the new requirements, Mr. WALLS said state aid road funding is just a fraction of the Madison County Highway Department's \$4.5 million to \$7.5 million annual budget. Representative WILLIAMS said that if it would cost a county \$100,000 annually just to implement the requirements when it receives only \$200,000 in state aid road funding per year, then it is not worth it for the state aid program, particularly if the program accounts for only a fraction of a county highway department's annual budget and the county only expends its state aid funding every fifth year after saving for larger projects.

Ms. FISHER said that in her multidecade experience helping local governments navigate state grant programs there is a lot of frustration with grants. She offered four recommendations for improving the efficiency of grant programs based on best practices she has seen:

- First, Ms. FISHER said there is often a lack of communication between staff of state agencies overseeing a grant program and the people on the ground implementing a grant project. She recommended that agencies establish advisory committees for their grant programs like the one established by the Tennessee Department of Economic and Community Development (ECD), which includes local officials and others involved in the implementation of grant projects. ECD uses its advisory committee to receive input from stakeholders and revise proposed changes to grant programs before they are implemented.
- Second, Ms. FISHER said that almost every state agency has adopted its own grant management system [Note: The term grant management system typically refers to an online portal that can be used to submit and review grant documents and to communicate between grantees and grant management staff]. But she said these systems need to be user friendly. And local officials, particularly those from small towns, may not have time to learn how to use different systems adopted by different agencies and may find them intimidating. She recommended the state adopt a single grant management system for every agency to use.
- Third, Ms. FISHER said the duplication of forms and certifications can be frustrating. She provided an example of agencies requiring grantees to certify they have completed training for compliance with Title VI of the federal Civil Rights Act, which prohibits discrimination in any program or activity that receives federal funds. She said Title VI compliance is important, but agencies won't recognize training or certification from another state agency, instead requiring grantees to complete each agency's training individually. She recommended the state establish a database for tracking these types of forms and certifications so that grantees won't have to duplicate tasks they've already completed for other agencies.
- Finally, Ms. FISHER said that not receiving timely reimbursement from the state for grant expenses can be a problem. She said it can take months for local governments to be reimbursed, with some agencies allowing reimbursement requests only once per quarter, and she knows some local officials who have decided against applying for grants because they can't afford to wait for the state to reimburse them for project costs. She said this can contribute to the divide between the haves and have nots because wealthier communities are more easily able to float payments while waiting for reimbursement. She recommended the state consider alternatives to streamline the payment of grant funds so that small communities won't be prevented from applying for grants.

Several of the Commission's local members described similar frustrations with grant programs to those described by panelists. Differing opinions were expressed on whether post-award processes for grants that use federal funding are more complicated and take longer than those

that use state funding. Mayor WATERS, with whom Mayor ANDERSON and Mayor FRANK agreed, said federally funded grants tend to be more complicated. However, Dr. WATSON said federal requirements are communicated more clearly to grantees, and Ms. FISHER said that although there are more rules and regulations with federal funds, federal requirements don't change after a grant is awarded; she said state requirements change a lot in comparison. Mayor ANDERSON and Mayor FRANK provided examples of grant programs with simplified requirements that they have had better experiences with, including grant funding provided under the American Rescue Plan and direct allocation grants from the state.

Mayor ANDERSON said there is a lot of paperwork involved in following grant requirements and that something needs to be fast tracked for grants in general and highway grants in particular. He is considering hiring a grants coordinator to help his county manage the grants that all of its different departments receive in part because if requirements aren't followed the county might have to return grant funding. Citing the costs that fall on local governments when managing grants, he said that although some grants may not be worth applying for, local governments cannot afford not to apply for them in some cases because the public would be upset if it found out local officials were not pursuing grant opportunities, and he questioned what is driving the adoption of grant requirements. Representative WILLIAMS asked whether rules for grant programs must be approved by the Joint Committee of Government Operations and whether they are subject to any other approval. Dr. WATSON responded that some rules are reviewed by Tennessee's Transportation Planning Organizations, which are regional organizations that help identify local transportation needs, assist local governments, and support state transportation planning processes.

In response to Chairman YAGER's question about whether grant rules typically allow a percentage of grant funding to pay for administrative costs of the grant, Dr. WATSON said that many grant programs do allow grantees to use grant funding to cover some of their administrative costs, and for those grant programs that don't, the cost of administration can be used as an in-kind contribution to the grantee's matching requirements. Mr. WALLS responded that although grant funding can often be used for grant administration, reducing the cost of administration would allow more funding to be spent on the project itself and could be a more effective use of funds. Ms. FISHER said grant funding used for administrative costs is subject to any matching requirements for the grant overall. She said that the South Central Tennessee Development District tries not charge administrative fees to local governments for smaller grants.

Chairman YAGER said the state's development districts are a valuable resource for communities, but smaller cities may not be aware of the services available from the development districts. Ms. FISHER said her staff tries to contact local governments in their district regarding grant opportunities, but manpower can be an issue with only four staff and 13 counties and 36 cities in the district.

8. Comprehensive Litter Review—Update

Research manager Jennifer BARRIE presented an update on the comprehensive litter review, which, as the members determined at the June 2021 meeting, will not focus on policies that impose deposits on bottles or bans on plastic bags. Ms. BARRIE said staff continues to gather

evidence for the study, and this update provides an initial overview of findings regarding the status quo for litter issues and policies, programs, and laws adopted to reduce litter in the state; feedback from stakeholders; and an initial review of other states' laws. Staff will present the draft report at the fall 2022 meeting and the final report in January 2023.

Several members had questions and comments about the Tennessee Department of Transportation (TDOT) Highway Beautification Office litter grant program. Senator Katrina ROBINSON asked whether staff has information on how counties spend the litter grant funds, details on the counties that aren't spending the full amount, and how they would use additional funding if they were to receive it. Ms. BARRIE responded that staff is gathering and analyzing county-level data and will include it in the draft report. She said stakeholders have said that more funding would help, and how they would use the funding is a question that staff will try to answer by reaching out to counties. In response to a question from Senator ROBINSON about the grant application process, Ms. BARRIE said that to receive the grant funds, counties are required to pass a resolution and submit a work plan, budget, and education plan. County Clerk Mary GAITHER said the litter grant is great, but it only applies to counties. She asked whether it could be utilized by municipalities. Ms. BARRIE said that within the current program structure, the funds are allocated to county governments, and the counties then decide how to use those dollars and could work with cities. This structure might be something that could be changed. Chairman YAGER said that a percentage of the litter grant funds are required to be spent on education, but education is broadly defined, and he would like the study to look at the definition of education. He also mentioned that the line of command for cleaning up dumps is not clear and is an issue we need to look at.

Representative Ryan WILLIAMS asked whether the \$3.8 million of unspent litter grant funds comes back to the department [TDOT]. Ms. BARRIE said that money stays in the litter grant fund and does not get diverted, and every few years the Highway Beautification Office awards competitive grants—called special litter grants—that local governments, state agencies, and nonprofit organizations can apply for. Representative WILLIAMS said he would like to know whether the Tennessee Department of Environment and Conservation (TDEC) and TDOT communicate with each other about cleaning up litter and illegal dumps and available funding and whether improved communication between the agencies could be a recommendation. He said that even though we have a \$1 per tire fee, waste tires are still one of the biggest problems.

Mayor Kevin BROOKS said that he would like the study to look into what is happening with the \$3.8 million of unspent litter grant funds. He said the Keep America Beautiful (KAB) and TDOT visible litter studies don't seem relevant to what he sees on the roads, and he would like to take a closer look at how much litter there is in the state. He suggested that TACIR could recommend another visible litter study. He also mentioned that there are questions in his area about the waste tire fund and where waste tires are going, and said they are having difficulty prosecuting offenders. Chairman YAGER asked what a visible litter study is and whether the KAB national study focused on Tennessee. Ms. BARRIE responded that the KAB study was a nationwide study, and the TDOT 2016 study was statewide and used a methodology to count litter on a sample of 120 road segments on different types of roads across the state. Chairman YAGER commented that we need quantifiable data to help us reach solutions, and he would like staff to consider how to get quantifiable data. Mayor Jill HOLLAND asked whether the

draft will show which counties or areas have the most or least amount of litter. She would like to see where most of the accumulation is and would like to know what cities and counties can do. Ms. BARRIE said the TDOT study does not include detail about specific communities, and staff will reach out to counties and cities to learn what is happening at the local level.

Mayor Jeff HUFFMAN said that the KAB report discusses the psychology of littering and the difference between intentional or unintentional litter. The TACIR study should look at intentional and unintentional litter and which programs are effective. He would also like to know how the covered load law is working and whether more law enforcement is needed. He mentioned that the pandemic has affected litter pickup and the inmate programs, and as a result, the data for the last couple of years might be erratic.

Mayor Terry FRANK said she has three requests for the study. First, she would like to know whether other states incentivize litter law enforcement or adopt-a-road programs, and if so, how they do it. Second, she would like information on how other states are doing litter education. And third, she asked how other states manage waste tires and whether there is a way to track tires and find out where they are going. She would like to know whether the responsibility for managing waste tires in Tennessee could be shifted from the counties to the tire dealers.

In response to a question from Mayor HOLLAND about accountability for the management of waste tires, Ms. BARRIE said the 2020 Commission report on waste tires and illegal dumping addressed the waste tire program and related issues. Staff is reviewing and updating that report as needed and will include a copy in the litter report. In response to comments from Representative Harold LOVE about used tires, Ms. BARRIE said that the waste tire report addressed the issue and recommended a pre-disposal fee for used tires.

Mayor Buddy BRADSHAW said that Loudon County got permission from the state to offer a \$1,000 reward for an illegal dumper, and the county prosecuted the offender to the fullest extent of the law. He would like to see rewards become an easier process. He also suggested that small tire businesses should be held responsible for dealing with illegal dumpers and mentioned that the litter grant is one of the best things they get from the state of Tennessee.

Mr. Calvin CLIFTON said that even though the study will not focus on policies that impose deposits on bottles or bans on plastic bags, he hopes it will take a good objective look at plastics. Plastics are one of the biggest problems because they so readily end up in the waterways. He would also like the study to look at how the market for recyclables is changing and how it affects litter and curbside recycling programs. He also thinks there is a workforce issue at play. For example, businesses are having a hard time hiring employees to take out the garbage, and then that garbage becomes everyone's problem.

Chairman YAGER adjourned the meeting at 10:22 a.m.