



# TACIR

The Tennessee Advisory Commission  
on Intergovernmental Relations



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## **MEMORANDUM**

**TO:** Commission Members

**FROM:** Cliff Lippard  
Executive Director

**DATE:** 29 May 2024

**SUBJECT:** Fiscal Year 2023-24 Accomplishments

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The following list of the Commission's major accomplishments for fiscal year 2023-24 will be incorporated into the Commission's biennial report for fiscal years 2022-23 and 2023-24.

### **Published six official Commission reports further described below:**

- 📖 *Managing Solar Energy Development to Balance Private Property Rights and Consumer Protection with the Protection of Land and Communities, September 2023*
- 📖 *Enhancing Safety and Security at Colleges and Universities in Tennessee, November 2023*
- 📖 *Striking a Balance Between Tennessee's Alcohol Regulation and the Hospitality Industry: A Tale of Public Health and Safety, Barriers to Entry and Staff Challenges, and Pathways to Improvement, November 2023*
- 📖 *Tennessee Valley Authority's Payments in Lieu of Taxes: Annual Report to the General Assembly, January 2024*
- 📖 *Building Tennessee's Tomorrow: Anticipating the State's Infrastructure Needs, January 2024*
- 📖 *Reducing the Burden: Increasing Housing Supply to Lower Housing Costs and Improve Affordability, May 2024.*

### **Responded to studies referred by the General Assembly:**

- Completed a report on the development of utility-scale solar facilities and concerns related to consumer protection in the residential solar market.
  - The report was prepared in response to Public Chapter 1043, Acts of 2022, which directs the Commission to study issues stemming from the development of utility-scale solar facilities in Tennessee, as well as concerns related to consumer protection in the residential solar market.
  - The report recommended that the Tennessee Department of Environment and Conservation Office of Energy Programs continue to expand and maintain its existing website with additional guidance and resources about residential and utility-scale solar for local governments, landowners, developers, and the public. Additionally, recognizing that care would need to be taken to avoid undermining the intent of the General Assembly's past efforts at tort reform, the report recommends that the state consider raising the penalty for violations of the Consumer Protection Act if the good or service involved has a value greater than a monetary threshold set by the state.
  - A copy of the final report was sent to both Speakers and to the other members of the General Assembly.
- Completed a report on the routing and storage of emergency communications on the campuses of colleges and universities in Tennessee.
  - The report was prepared in response to Senate Bill 2827 by Senator Hensley and House Bill 2729 by Representative Ogles, in the 112<sup>th</sup> General Assembly, which requested a study of the routing and storage of emergency communications on the campuses of colleges and universities in Tennessee.
  - The report recommended that the General Assembly require colleges and universities in Tennessee to publish to their websites annual statistics for complaints of sexual misconduct and assault reported to their campus Title IX authorities; that the Tennessee Bureau of Investigation develop a process to include statistics for crimes reported within one half mile of each college or university campus in its annual *Crime on Campus* reports; and that colleges and universities publish to their websites the statistics for the institutions from this report, which they are already required to make available upon request. The report also recommended that the state encourage colleges and universities to record and retain recordings of calls to campus police and security departments by providing additional

funding to help postsecondary institutions obtain or improve emergency call recording systems.

- A copy of the final report was sent to both Speakers and to the other members of the General Assembly.
- Completed a report on the liquor-by-the drink tax and restaurant regulations in Tennessee.
  - The report was prepared in response to Senate Bill 2262 by Senator Briggs and House Bill 2419 by Representative Mannis, in the 112<sup>th</sup> General Assembly, which directed the Commission to study the liquor-by-the-drink and similar taxes for on-premise consumption of alcohol and restaurant regulations in Tennessee.
  - The report recommended that the Tennessee Alcohol Beverage Commission inform applicants that it accepts temporary occupancy and use permits for liquor license applications and that the Strategic Technology Solutions office continue to investigate automating parts of the liquor licensing application process.
  - A copy of the final report was sent to both Speakers and to the other members of the General Assembly.
- Completed a report on housing costs and ways to improve affordability.
  - The report was prepared in response to House Joint Resolution 139 by Representative Sparks in the 113<sup>th</sup> General Assembly, which requested a study of impact fees and their relationship to housing affordability. After discussions with the sponsor, legislative leadership, and stakeholders, the scope of the study was broadened to explore factors affecting housing affordability beyond impact fees. The resolution passed in the House and was referred to the Senate State and Local Government Committee, but no further action was taken.

The Commission found that local governments already possess, and should retain, land use tools to encourage housing production. A draft finding that the state authorize local governments to make multiyear funding commitments to affordable housing was enacted as Senate Bill 1137 by Senator Oliver and House Bill 1229 by Representative Hemmer in 2024.

- The report recommended that

- the state offer an incentive for local governments to adopt zoning reforms that support housing development,
  - state and local governments adopt policies to mitigate the effects of zoning reform on households,
  - the state fund either the existing housing trust fund or a new trust fund using a portion of the realty transfer and mortgage tax revenues or some other revenue source,
  - the state could reserve realty transfer and mortgage tax revenues for infrastructure in ways that smooth out the ups and downs of the business cycle,
  - all local governments should be allowed to establish land banks, and
  - local governments should be allowed to add links to their own surplus real property to the state’s website where the state advertises its surplus real property.
- A copy of the final report will be sent to both Speakers and to other members of the General Assembly.

**Published three staff reports.**

- *The Effect of the COVID-19 Recession on Public Infrastructure Needs Phase Two: Effects of the Great Recession and COVID-19 Recession Compared, September 2023*
  - Staff issued an interim report in September 2021, which examined the public infrastructure data collected during the Great Recession and the decade following it to establish a baseline for analyzing data collected during the COVID-19 pandemic. The current report examined whether, or to what extent, the pandemic affected the public infrastructure needs reported in Tennessee as of July 1, 2021.

In general, the report found, except for K-12 education technology, the pandemic had little effect on the identified needs and trends reported in the Commission’s *Public Infrastructure Needs Inventory*.
- *A Users’ Guide to Fiscal Capacity in the Tennessee Investment in Student Achievement Funding Formula, September 2023.*
  - Staff updated the fiscal capacity user’s guide following the adoption of Tennessee’s new K-12 education funding formula, the Tennessee Investment in Student Achievement Act.

- *Spending Equity Generally Improved Under the Basic Education Program (BEP)*, May 2024.
  - Staff updated its analysis on spending equity, an analysis that began in 1994-95 and was updated for each five-year period thereafter. This is the last in this series of reports as the state has begun using the newly adopted Tennessee Investment in Student Achievement (TISA) funding formula.

**Provided six presentations:**

- “State Policy Update—Results of the TACIR Study and Policy Implications,” to the 2023 Tennessee Valley Solar and Storage Conference, October 18, 2023.
- “Electric Vehicles and Other Issues Affecting Road and Highway Funding,” to the Nashville Chapter of the Association of Government Accountants, January 24, 2024.
- “The Expansion of Broadband Coverage in Tennessee,” to the Senate Finance, Ways and Means Committee, January 30, 2024.
- “TACIR Study: Housing Affordability, Impact Fees, and Development Taxes,” to the American Institute of Architects, March 26, 2024.
- *Encouraging More Cooperation and Accountability in Payment in Lieu of Tax Agreements*, January 2018 to the Shelby County Board of Commissioners, April 17, 2024.
- “Affordable Housing and Development Tools for County Governments,” to the Tennessee County Services Association Legislative Conference, May 22, 2024.

**Responded to requests for information:**

- Responded to requests for information and assistance from members of the General Assembly and legislative committees. For example, staff, at the request of Senator Lundberg, presented a memo at the January 2024 Commission meeting regarding judicial redistricting.
- Responded to requests for information and assistance from local government officials, state agencies, lobbyists, the public, and the media.

**Administered ten contracts:**

- Nine development districts—support the public infrastructure needs inventory.
- Middle Tennessee State University—economic indicators website.

## **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 the Commission's report to the legislature on the liquor-by-the-drink tax and restaurant regulations. The report was prepared in response to Senate Bill 2262 by Senator Briggs and House Bill 2419 by Representative Mannis, in the 112<sup>th</sup> General Assembly, which directed the Commission to study the liquor-by-the-drink and similar taxes for on-premise consumption of alcohol; licensing, permitting, and other fees under title 57, chapters 4 and 5 for the restaurant industry; staffing challenges with respect to server permits, wages, and applicable training necessary to operate such restaurants; and other barriers to entry for such restaurants that may be minimized or mitigated as identified by the Commission in conducting the study.
- Completed the Commission's report to the legislature on housing affordability. The report was prepared in response to House Joint Resolution 139 by Representative Sparks in the 113<sup>th</sup> General Assembly, which requested a study of impact fees and their relationship to housing affordability. After discussions with the sponsor, legislative leadership, and stakeholders, the scope of the study was broadened to explore factors affecting housing affordability beyond impact fees. The resolution passed in the House and was referred to the Senate State and Local Government Committee, but no further action was taken.

### **Education Finance:**

- Completed the fiscal year 2024-25 fiscal capacity model.
- Updated the staff user's guide to fiscal capacity.

### **Land Use, Transportation, and Growth Policy:**

- 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 144 school systems, 95 counties, 344 municipalities, and 227 other entities.

- Completed the Commission’s annual report to the legislature on Tennessee’s public infrastructure needs.
- Completed phase two of the staff’s review of the effect of the COVID-19 recession on public infrastructure needs.

**Other Research:**

- Completed the Commission’s report to the legislature on the development of utility-scale solar facilities and concerns related to consumer protection in the residential solar market. The report was prepared in response to Public Chapter 1043, Acts of 2022, which directs the Commission to study issues stemming from the development of utility-scale solar facilities in Tennessee, as well as concerns related to consumer protection in the residential solar market.
- Completed a report to the legislature on the routing and storage of emergency communications on the campuses of colleges and universities in Tennessee. The report was prepared in response to Senate Bill 2827 by Senator Hensley and House Bill 2729 by Representative Ogles, in the 112<sup>th</sup> General Assembly, which requested a study of the routing and storage of emergency communications on the campuses of colleges and universities in Tennessee.
- 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.
- Continued to improve and refine data visualization and interactive analysis tools for infrastructure reporting. [Data Explorer \(tn.gov\)](#)
- Continued to improve the public infrastructure needs inventory application to work with the latest versions of Microsoft supported software and streamlined the process of processing data.
- Continued to improve and refine data visualization and interactive analysis tools for fiscal capacity data and information. [Resources \(tn.gov\)](#)
- Continued to update and enhance the profiles of Tennessee’s counties, providing easy public access to detailed demographic, financial, and other information for each. [County Profile Indicators \(tn.gov\)](#)
- Continued to partner with Middle Tennessee State University’s Business and Economic Research Center to publish timely information to the Tracking Tennessee’s Economy website. [TACIR | Middle Tennessee State University \(mtsu.edu\)](#)

- Continued a collaboration with Tennessee Customer Focused Government to share and link to TACIR data, resources, and publications on the Transparent Tennessee website. <https://www.tn.gov/content/tn/transparenttn.html>



**TACIR Website Statistics**  
**May 1, 2023 - April 30, 2024**

<b>Major Program Areas/Resources</b>	<b>Page Views</b>
Commission Meetings	13,160
Publications	9,558
Infrastructure	6,271
Annexation in Tennessee	8,022
Growth Policy	2,143
County Profiles	2,104
Fiscal Federalism	3,489
Fiscal Capacity	1,084
TVA PILOTS	1,310
Economy	1,174
County Growth Plans	1,443
Other	18,952
<b>Total Page Views</b>	<b>68,710</b>

<b>Files</b>	<b>Downloads</b>
Docket Book Material	3,697
Reports and Insights	2,405
Other	2,345
<b>Total Downloads</b>	<b>8,447</b>