

## Draft Research Plan: Eminent Domain Study

### Team Members

Lead Research Associate	Díanna Y. L. Miller
Support Staff	Dave Keiser
Coach	Reem Abdelrazek

### Purpose of the Study

The House State and Local Government Committee sent one bill to TACIR for study:

**HB 2877 (Gotto) [SB 2745 (Johnson)]** eliminates the power of housing authorities to exercise eminent domain and grants to governing bodies the authority to institute eminent domain proceedings on behalf of housing authorities.

The Senate Finance, Ways and Means Committee also referred one bill to TACIR for study:

**SB 1566 (Ketron) [HB 1576 (Carr)]** revises the current law governing eminent domain by counties and municipalities and details the procedure through which counties and municipalities may take property by eminent domain.

TACIR will also consider two related bills:

- **SB 3409 (Beavers)/ HB 3573 (Womick)** restricts counties, municipalities, and other legally recognized forms of government from exercising eminent domain power beyond the jurisdictional boundaries of each entity
- **SB 0548 (McNally)/ HB 0952 (Dunn)** grants to property owners the right to repurchase property if the condemning entity does not use it for the purpose for which it was condemned or if it is sold within ten years.

### Step One: Define the Problem

- What is at stake?
- What specific problems are people and agencies encountering?

*Problem Statement: Complaints about the exercise of eminent domain by local governments suggest that (1) it occurs too often in situations where it isn't warranted and (2) the process of challenging the government's valuation is too time-consuming and too costly.*

A preliminary list of some of the main concerns being raised includes

- providing adequate notice to parties (e.g., to whom should notice be given, when should it be given, and by what methods?),

- clarifying the trigger points (e.g., when does the notice period begin and does it restart when counteroffers or new offers are made?),
- preserving the right to appeal decisions,
- determining whether arbitration is more efficient or more cost-effective than litigation,
- ensuring that governments receive clear title by including all property owners in legal proceedings (e.g., in court or through arbitration),
- implementing measures to ensure fair valuation of property,
- limiting the use of eminent domain to proper cases,
- leveling the playing field so that property owners have more equal bargaining power,
- returning power to elected, legislative bodies at the local level ,
- providing oversight of appointed authorities that currently exercise eminent domain (e.g., housing agencies) or eliminating their eminent domain power altogether,
- limiting the reach of governmental entities, and
- allowing property owners to repurchase property if it is not used for its intended purpose.

## Step Two: Assemble Some Evidence

Members of Those conversations will continue.

Staff will assemble further evidence that addresses the following research questions:

- If prompted by a legislative proposal, what is the legislative history of current law that would be affected by it?
- What is the law in other states?
- What is the trend in law nationally?
- Has anyone else had the same problem(s)?
  - If so, have they solved it?
    - If so, how?
    - If not, why?
  - If not, how/why is the problem unique?
- Are there other possible solutions based on research or analysis?

To answer these questions, staff will gather information about

- dispute resolution processes that are or could be used in eminent domain cases, including

- negotiation,
- litigation,
- mediation, and
- arbitration;
- dispute resolution processes used in Tennessee and other states, as well as those recommended by organizations and academic institutions studying dispute resolution processes;
- current and proposed eminent domain law in Tennessee and other states—for Tennessee law and proposed legislation, staff will review
  - legislative history, and
  - fiscal notes, as well as
  - the work of the Senate Judiciary subcommittee that to consider eminent domain law in Tennessee after *Kelo v. City of New London* was decided by the U.S. Supreme Court in 2005; and
- eminent domain cases initiated or resolved in Tennessee since *Kelo*.

Staff will also review

- law review articles,
- newspaper articles,
- relevant blogs,
- other related materials,
- TDOT’s eminent domain data, and
- relevant local government data.

To better understand these issues and to gather information about the potential effects of the bills sent to TACIR for study, staff will consult, at a minimum, the following organizations:

- Tennessee Alternative Dispute Resolution Commission
- Tennessee Bar Association
- Tennessee Administrative Office of the Courts
- American Arbitration Association
- American Bar Association
- Tennessee Municipal League
- Tennessee County Services Association
- Municipal Technical Advisory Service

- County Technical Assistance Service
- Tennessee Association of Housing and Redevelopment Authorities
- Metropolitan Development and Housing Agency
- Tennessee Association of Utility Districts
- Other similar entities

Staff may survey local governments or other relevant entities.

TACIR's staff have already spoken with the sponsors of the bills sent to TACIR for study and some of their staff in order to further understand the concerns that led to introduction of the bills. In addition to legislative members and staff, TACIR staff will interview

- Affected private property owners
- Karl Dean, Mayor of the Metropolitan Government of Nashville and Davidson County

TACIR will hold at least one public hearing during the summer 2012 Commission meeting.

### Step Three: Construct the Alternatives

Staff will develop a list of possible alternatives based on the information gathered in step two. Alternatives will be based on

- no changes in current law,
- the proposed changes in current law
- potential changes identified in step two

Each alternative will be described specifically enough to project effects in step five.

### Step Four: Select the Criteria

Staff will select criteria that will be used to evaluate the outcomes generated in Step 5:

- The genuine interest of property owners in maintaining peaceful enjoyment of their property
- The legitimate interest of property owners in receiving fair value
- The ability of local governments to acquire the rights in property needed to meet the needs required by their constituents
- Costs to local governments to acquire rights in property
- Frequency of challenges to the use of eminent domain
- Frequency of disputes over valuation
- Cost of dispute resolution process

- Political feasibility
- Additional criteria may be identified during the course of the study

### Step Five: Project the Outcomes

- Project the outcomes of each alternative constructed in Step 3
  - Project how efficient the alternatives are
  - Project how legally sound/statutorily acceptable the alternatives are
  - Estimate the receptiveness of the legislature to any alternatives

### Step Six: Confront the Trade-Offs

- What are the pros and cons of the potential solutions?
  - Discover the pros, cons, strengths, and weaknesses of each of the projected outcomes

### Step Seven: Decide

- Based on those pros and cons, what are the “best bets” for this particular situation?

Staff will narrow down the list of alternatives, though not necessarily to a single option, based on the trade-offs explored in the prior step.

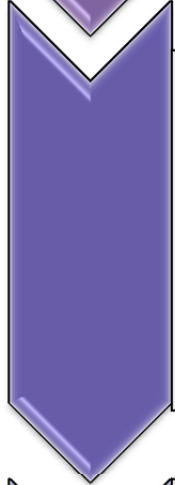
### Step Eight: Tell Your Story

- Write the report
- Present the draft to the Commission for comments
- Revise and edit the draft to reflect comments of the Commission
- Submit final report to Commission for approval

## Project Timeline



- **Problem Statement and Research Plan**
- Step 1 (May 2012)



- **Research**
- Step 2 (June 2012–August 2012)
- Interviews
- Public Hearings (Summer 2012 Commission Meeting)
- Steps 3-7 (July 2012)



- **Storyboard, Outline, and Write the Report**
- Step 8 (August 2012–September 2012)



- **Draft Report to Commission for Comments**
- Fall 2012 Commission Meeting



- **Final Report to Commission for Approval**
- Winter 2012 Commission Meeting

## Draft Research Plan: Land Use Regulation Study

### Team Members

Lead Research Assistant (LRA)	Bill Terry
Support Staff (SS)	Leah Eldridge

### Purpose of the Study

Six planning bills were referred to TACIR for study by the House General Subcommittee of State and Local Government.

#### **SB2876 / HB3105** Private road maintenance agreements

<b>Category</b>	Property & Housing
<b>Sponsors</b>	Sen. Steve Southerland / Rep. Jeremy Faison
<b>Description</b>	Allows private road maintenance agreements between developers and owners of residential developments; prohibits local or regional planning commissions from prohibiting such agreements.
<b>Senate Status</b>	01/26/2012–Referred to Senate State & Local Government.
<b>House Status</b>	03/07/2012–Referred to TACIR for summer study.

#### **SB2878 / HB2818** Development—no county-wide zoning

<b>Category</b>	Property & Housing
<b>Sponsors</b>	Sen. Steve Southerland / Rep. Jeremy Faison
<b>Description</b>	Creates different requirements for subdivisions and development in counties in which county-wide zoning has not been enacted.
<b>Senate Status</b>	01/26/2012–Referred to Senate State & Local Government.
<b>House Status</b>	03/14/2012–House General Subcommittee of State & Local Government referred to TACIR for study.

#### **SB3118 / HB3043** Evidence of abandonment of non-conforming use

<b>Category</b>	Property & Housing
<b>Sponsors</b>	Sen. Ken Yager / Rep. Linda Elam
<b>Description</b>	Specifies evidence of abandonment of non-conforming use, directs the governmental entity with jurisdiction to establish beginning and ending dates for the prescriptive period, and creates a rebuttable presumption of abandonment upon a governmental finding of credible evidence establishing a non-conforming use for the prescribed period.
<b>Senate Status</b>	01/30/2012–Referred to Senate State & Local Government.
<b>House Status</b>	03/07/2012–Referred to TACIR for study.

**SB3119 / HB3041** Subdivision regulation by municipal planning commission

**Category** Local Government

**Sponsors** Sen. Ken Yager / Rep. Linda Elam

**Description** Removes language that allowed subdivision regulation by the municipal planning commission in areas outside city corporate limits that formerly could be regulated with the approval of the county legislative body.

**Senate Status** 01/30/2012–Referred to Senate State & Local Government.

**House Status** 03/07/2012–Referred to TACIR for study.

**SB3167 / HB3042** Maximum size of subdivided parcels of land

**Category** Government Regulation

**Sponsors** Sen. Joe M. Haynes / Rep. Linda Elam

**Description** Changes the definition of subdivision in municipal county and regional regulations to increase the amount of acreage allowed for subdivided parcels for the purpose of sale or building development from less than five to less than 25 acres.

**Senate Status** 01/30/2012–Referred to Senate State & Local Government.

**House Status** 03/07/2012–Referred to TACIR for study.

**SB3171 / HB3040** Authority over street construction

**Category** Government Organization

**Sponsors** Sen. Joe M. Haynes / Rep. Linda Elam

**Description** Gives municipal attorney the authority or responsibility with respect to street construction and acceptance of public streets located within a subdivision in instances where a municipal planning commission has been designated as a regional planning commission.

**Senate Status** 01/30/2012–Referred to Senate State & Local Government.

**House Status** 03/07/2012–Referred to TACIR for study.

**Step One: Define the Problem**

- What is at stake?
- What specific problems are people and agencies encountering?

Problem Statement: *Disputes over land use planning and regulation are increasing, as evidenced by the large number of bills that were introduced this year to address various aspects of the enabling acts to restrict the authority granted to local government. At the same time, bills were introduced to expand local governments' planning and regulation authority. Legislators chose to send many of those bills to TACIR rather than to act on them.*



## Step Two: Assemble Some Evidence

The following research questions will be addressed in the study:

- What specific problems are people encountering?
- What was the goal(s) of the sponsor?
- What is the legislative history of current law and how will it be affected by the bill(s)?
- What is the potential effect on local government planning?
- What is the law in other states?
- What is the trend in law nationally?
- Has anyone else had the same problems? If so, have they solved it? If so, how? If not, why? If not, how/why is the problem unique?

The research questions will be addressed through a number of approaches including, but not limited to, the following research components:

- a review of the history of planning in the United States and Tennessee and its role in and effect on local government
- interviews
  - legislative sponsors
  - local government officials
  - lobbyist(s)
  - land use law experts
  - CTAS
  - MTAS
  - TML representative
  - TCSA/COAT representative
  - other agencies as needed
- the interview process will also identify those areas where agreement between interested parties is possible
- an analysis of each bill
- a review of other states' laws comparable to Tennessee and any applicable federal law
- a review of proposals developed by other parties to address these issues
- a review academic and professional studies and literature
- any additional material or research components as the study progresses.

Preliminary work has already begun on this project.

### Step Three: Construct the Alternatives

The staff will be studying a large number of bills referred to TACIR, as well as some related bills. Alternatives will include those presented in those bills as well as those developed as a result of the information gathering process. Staff will, where appropriate, group the referred bills and related bills by subject matter, constructing alternatives for each group. Alternatives will be based on

- no changes in current law,
- the proposed changes in current law
- potential changes identified in step two

Each possible alternative will be described specifically enough to project the outcomes in Step 5. Modifications to the list may be made during the study.

### Step Four: Select the Criteria

The staff will select criteria that will be used to evaluate the possible outcomes. The feasibility of the outcomes being accepted in the legislature is a major consideration. Staff will take into consideration the following issues:

- The effect on local government planning
- The effect on the development process
- The legality of the alternatives
- The political viability of the alternatives

### Step Five: Project the Outcomes

Staff will project the outcomes of each alternative constructed in Step 3 and record the results in an outcomes matrix. Staff will then evaluate all of the outcomes recorded in the matrix using the criteria selected in Step 4.

### Step Six: Confront the Trade-Offs

The staff will examine the pros and cons and strengths and weaknesses of each outcome. The list of cons and weaknesses will help staff anticipate any undesirable side effects that would result from the proposed alternatives. The staff will also evaluate the alternatives by comparing them against each other based on the analysis of the outcomes in Step 5.

### Step Seven: Decide

Staff will refer back to the initial problem statement and choose what they consider to be the best possible alternatives. This may include suggestions for new legislation or the recommendation to pass or reject some of the bills.

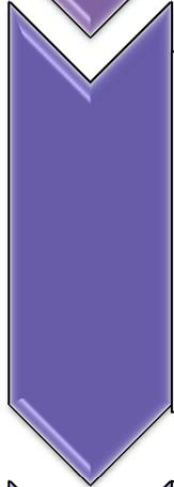
### Step Eight: Tell the Story

Upon identifying the best possible alternatives, staff will begin writing a draft report. The report will be presented to the Commissioners in draft form to seek their comments. The staff will revise the report based on the Commissioners' comments and submit a final report for approval.

## Project Timeline



- **Problem Statement and Research Plan**
- May 2012



- **Research**
- Step 2 (June 2012–July 2012)
- Steps 3-4 (July 2012–August 2012)
- Steps 5-7 (September 2012–October 2012)



- **Storyboard, Outline, and Write the Report**
- October 2012–November 2012



- **Draft Report to the Commission for Comments**
- Winter 2012 Commission Meeting



- **Final Report to Commission for Approval**
- Spring 2013 Commission Meeting

## Draft Research Plan: State and Local Government Transparency Study

### Team Members

Lead Research Associate (LRA)  
Support Staff (SS)

Reem Abdelrazek  
Chipo Maringa

### Purpose of the Study

This report is in response to two related bills sent to TACIR by the Tennessee General Assembly. These bills were sent to TACIR with no discussion in their respective committee hearings.

**SB 2831** by Ketron [**HB 3327** by Carr], known as the Taxpayer Transparency Act, requires the state Department of Finance and Administration to create and maintain a searchable budget database website detailing certain state budgetary information. This bill was sent to TACIR in the Senate Finance, Ways and Means committee (April 25, 2012).

**SB2832** by Ketron [**HB 3328** by Carr], known as the Local Government Transparency Act, requires each county, city and school district to post certain financial and regulatory information online. This bill was sent to TACIR in the House State and Local Government subcommittee (March 21, 2012).

### Step One: Define the Problem

*Problem Statement: Too many taxpayers have a difficult time accessing and understanding financial and regulatory information that explains how state and local governments function and how they spend tax dollars.*

The problem statement will be revised as needed throughout the research process to accurately reflect any new considerations and information.

#### Expanded Problem Statement

While the state Department of Finance and Administration (F&A) has a lot of information on its website, there is not one, central website with a searchable database that taxpayers can use to learn more about how their tax dollars are spent. Furthermore, the information is not always meaningful. A casual glance at the Commissioner of F&A's "Budget Overview" drives this point home; it is full of abbreviations and jargon. On the other hand, local governments and school districts do not always have budgetary information on their websites—if they have a website at all.

In addition to public access to financial and regulatory information, there is also the issue of the information being presented in a manner that makes sense to an ordinary person. A city or county's Comprehensive Financial Annual Report (CAFR) is easy enough to find online, but it is

lengthy and full of facts and figures that may not be easy to understand by someone with limited to no accounting information.

## Step Two: Assemble Some Evidence

- Discover how much of a problem it is for the average Tennessean to access state and local information (budgetary, regulatory, and even information as basic as contact information)
  - Visit existing state, city, county, and school district websites to see how easy it is to access financial and regulatory information
- Discover how much of a problem taxpayer transparency is in general
  - Review any relevant academic or professional studies, news articles, blog posts, and credible websites that address this problem
- Discover how many cities, counties, and school districts have a website
  - Contact MTAS, CTAS, and the state Department of Education to find this out
- What is the legislative history behind SB 2831 and SB 2832?
  - Discover the goal of the legislative sponsors of these bills
    - Contact the legislators or their legislative assistants to gather this information
    - If this is legislation from a policy organization, review model legislation and the objectives behind it, contacting their staff as needed
- Explore the fiscal notes of both bills
  - Contact the Fiscal Review Committee to better understand the fiscal notes of both bills and follow-up with any necessary agencies as needed
- What is the legislative history of current law that would be affected by it?
  - Discover what statutes in Tennessee address the issues of state and local government transparency
  - Find out what laws already exist that
    - regulate the posting of regulatory and financial information online
    - promote or limit public access to regulatory and financial information online
  - Contact CTAS and MTAS to see what laws exist in counties and cities that govern the access to regulatory and financial information
  - Contact the state Department of Education to find out information about school district offices, what they are required to report and post, how many/if they have websites, and any other relevant issues
  - Review the legislative history of any relevant laws

- How have other states handled this issue?
  - Discover the national trend regarding taxpayer transparency; what the relevant laws are in other states; what states have had similar problems; how those states have resolved the problem; how those states did not solve the problem
    - Conduct a thorough analysis that will answer those questions using academic and professional studies, books, news articles, blog posts, and credible websites
    - Find out if any states adopted similar legislation and report any problems encountered, success stories, and results
    - Develop a list of “best practices” based on professional organizations and other states’ experiences
  
- What is the status of taxpayer transparency in Tennessee now?
  - Discover what information is online at the state and local level
    - Review state, local, and school district websites to find out what information (that is similar to what is requested in SB 2831 and SB 2832) is already online
    - Analyze the “understandability” of the information already online using measures created by taxpayer rights groups, best practices of professional organizations, and any other relevant sources
  
- Conduct interviews with relevant officials and stakeholders as needed

### Step Three: Construct the Alternatives

- What possible solutions are there based on research or analysis?
  - Construct alternatives to resolve the problem, based on
    - Current law (status quo)
    - Proposed changes
    - Any additional alternatives drawn from research and analysis in Step 2
  - Alternatives will be described specifically enough to project outcomes in Step 5

### Step Four: Select the Criteria

- Staff will select criteria that will be used to evaluate the outcomes generated in Step 5
  - Use the following criteria to determine the effects of alternatives:
    - Efficiency (Operational, i.e., technological feasibility)
    - Legality (Legal, i.e., statutory compliance)
    - Financial Reality (Economic, i.e., cost-effectiveness)
    - Political Reality (Political, i.e., political feasibility)
  - Additional criteria may be identified during the course of the study

### Step Five: Project the Outcomes

- Project the outcomes of each alternative constructed in Step 3
  - Project how efficient the alternatives are

- Project how legally sound/statutorily acceptable the alternatives are
- Project how costly the alternatives are
- Estimate the receptiveness of the legislature to any alternatives

#### Step Six: Confront the Trade-Offs

- What are the pros and cons of the potential solutions?
  - Discover the pros, cons, strengths, and weaknesses of each of the projected outcomes

#### Step Seven: Decide

- What are the “best bets” for this particular situation?
  - Based on the results of Step 6, choose the alternatives that most practically and realistically resolve the problem defined in the problem statement

#### Step Eight: Tell Your Story

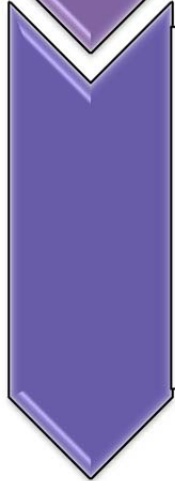
- Write the report
- Present the draft to the Commission for comments
- Revise and edit the draft to reflect comments of the Commission
- Submit final report to Commission for approval



## Project Timeline



- **Problem Statement and Research Plan**
- May 2012



- **Research**
- Step 2 (June–July 2012)
- Steps 3-4 (July 2012)
- Steps 5-7 (August 2012)



- **Storyboard, Outline, and Write the Report**
- August 2012–October 2012



- **Draft Report to the Commission for Comments**
- Fall 2012 Commission Meeting



- **Final Report to Commission for Approval**
- Winter 2012 Commission Meeting

## Draft Research Plan: Homeowners Associations Study

### Team Members

Lead Research Associate	Kerri Courtney
Support Staff	Michael Mount
Coach	Leah Eldridge

### Purpose of the Study

**HR 0170**, passed by the House in March 2012, directs TACIR to conduct a study on homeowners associations (HOAs).

It directs TACIR to perform a study relative to HOAs that shall include, but not be limited to a study of

- rules and regulations adopted by HOAs that control homeowners' use and enjoyment of their real property,
- state and local regulations covering HOAs, and the responsibility of HOAs to insure their obligations against the event of damages, including repair of association owned property, and
- neighboring states and their statutes, rules, and regulations that require HOAs to maintain insurance coverage to discharge contractual obligations in the event of damage as well as other statutes that regulate the adoption of homeowners rules and regulations.

It also requires TACIR to recommend solutions that would enable individual homeowners, upon request, to obtain at regular intervals from their respective HOAs a report citing: (1) a certificate or memoranda of insurance; (2) proof of policy coverage available; and (3) names, addresses, and phone numbers for the HOA's designated insurance carriers and banking institutions holding funds in escrow.

This resolution, sponsored by Representative Moore, came about as result of complaints from condominium owners in his district. The owners' condominium suffered damage in the 2010 Nashville flood, and the condominium association did not have insurance that would cover the damages to the exterior of the building. Representative Moore has also received complaints from other constituents that their homeowners associations are not responsive to them.

This plan provides an outline of the steps the staff will take in studying HR 0170.

## Step One: Define the Problem

- What is at stake?
- What specific problems are people and agencies encountering?

Based on preliminary research, the staff has defined the problems that were the impetus behind HR 0170. The problem statement below is a draft and will be reevaluated and revised, as needed, throughout the research process:

*Problem Statement: Too many homeowners associations are not responsive to the needs and concerns of their members. In some cases, homeowners associations also fail to maintain sufficient insurance coverage to discharge contractual obligations in the event of damage to association owned property.*

## Step Two: Assemble Some Evidence

The staff will assemble evidence and address the following research questions:

- What is the legislative history of current law and will it be affected by this?
- What is the law in other states?
- What is the trend in law nationally?
- Has anyone else had the same problems? If so, have they solved it? If so, how? If not, why? If not, how/why is the problem unique?
- Are there other possible solutions based on research or analysis?

In order to answer these questions, staff will employ a number of research methods.

### Interviews

Interviews will be conducted to determine the extent and types of problems faced by HOAs and their members. The initial focus of this study will be on the extent to which associations insure common areas and the problems caused by a lack of insurance. It will also focus on the responsiveness of the HOAs to the concerns of their members. However, if additional problems relating to HOAs are identified during the research process, then the scope of this report will expand to include the study of these additional problems.

As a minimum, staff will interview HOA board members and property owners. Special interest groups (Tennessee Chapter of the Community Associations Institute, AARP, other) will also be

contacted. Further research may necessitate interviews of Tennessee's Department of Environment and Conservation staff along with other agencies or individuals as needed.

Additional interviews with other agencies or groups will be conducted as questions arise or the scope of the project expands throughout the research process.

### **Public Hearings**

In addition, public hearings will be held by TACIR, as required by HR 0170. Written and oral testimony will be requested from individual members of homeowners associations, official representatives of homeowners associations, and any other interested parties. This will enable staff to determine the depth and breadth of HOA problems.

### **Examination of HOA Laws in Tennessee and Other States**

Staff will examine Tennessee state laws including the Horizontal Property Act, the Condominium Act of 2008, and the Time Share Act as well as local ordinances in order to understand the current law governing HOAs. This will provide a basis for determining what changes, if any, should be made to the law.

Other states' laws will also be studied to help the staff identify potential solutions to the problems facing HOAs and their members. It will also help identify national trends in HOA law.

### **Other**

In addition, staff will review a sampling of the covenants, conditions, and restrictions (CC&R), and bylaws of Tennessee HOAs in order to determine how HOAs in the state address the issues raised by HR 0170. These documents are available on the Internet. Also as staff interview associations' board members and residents, a copy of their CC&Rs and bylaws will be requested. The staff will also review relevant studies and literature on HOAs. This would include an examination of Best Practices from the Foundation for Community Association Research and model legislation if any exists.

## **Step Three: Construct the Alternatives**

- Are there other possible solutions based on research or analysis?

Staff will review the evidence assembled during step two and develop a list of possible alternatives or solutions to the problems identified during the study. A few possible alternatives will be based on the following:

- the effects of current law (maintaining the status quo)
- the proposed changes

- solutions generated by information gathered in step two

Each possible alternative will be described specifically enough to project the outcomes in step five. Staff will evaluate the alternatives to make certain that, at a minimum, they address the requirements of HR 0170.

#### Step Four: Select the Criteria

Staff will select criteria that will be used to evaluate the projected outcomes described in step five. Some potential criteria to be used include

- Fiscal Effects—For instance, if disclosure requirements are imposed on the boards, will there be additional costs and will these costs be passed on to the HOA members in the form of higher association fees? This review will determine the cost efficiency of the proposed solutions.
- Fairness and Equity—Staff will analyze the proposed solutions to determine if they are fair or equitable to particular groups. Practical considerations such as “What groups will benefit?” and “What groups will suffer?” will be explored.
- Political Acceptability—Are these proposed solutions likely to find support or opposition in the legislature?

During the course of the study, additional criteria will be identified.

#### Step Five: Project the Outcomes

Staff will project the outcomes of each alternative constructed in step three and record the results in an outcomes matrix. Staff will then evaluate all of the outcomes recorded in the matrix using the criteria selected in step four:

- How much does it cost? How effective will it be?
- Who will benefit and/or who will suffer from this outcome?
- How receptive will the legislature be to the alternatives?

#### Step Six: Confront the Trade-offs

- What are the pros of the potential solutions?
- What are the cons of the potential solutions?

After the outcomes have been evaluated, staff will compare the trade-offs. During this step, initial alternatives will be discarded, combined, or reorganized as needed. Staff will examine the pros and cons and strengths and weaknesses of each alternative. The staff will look at the effects of requiring additional insurance. For example, requiring all HOAs to carry property insurance on common areas may financially protect the property owners if the common areas are damaged (pro) but it may also burden them in the short term if they are required to pay higher association fees in order to cover the insurance premium costs (con).

### Step Seven: Decide

- Based on those pros and cons, what are the “best bets” for this particular situation?

Staff will evaluate the solutions referring back to the initial problem statement and choose what they consider to be the best possible solution(s).

### Step Eight: Tell Your Story

Upon identifying the best possible solution(s), staff will begin writing a draft report. The report will be presented to the Commissioners in draft form to seek their comments and suggestions. The staff will revise the report based on the Commissioners’ comments and submit a final report for approval.

HR 0170 stipulates that TACIR is to report to the 108<sup>th</sup> General Assembly.

## Project Timeline

