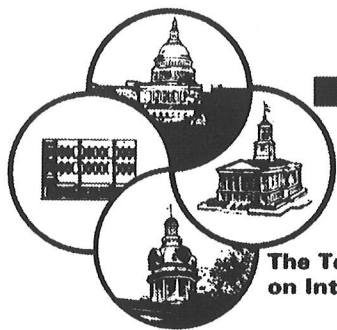




4



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations

226 Capitol Boulevard Bldg., Suite 508
Nashville, Tennessee 37243-0760
Phone: (615) 741-3012
Fax: (615) 532-2443
www.tn.gov/tacir

MEMORANDUM

TO: Commission Members

FROM: *J. Annisse*
Annisse Roehrich-Patrick
Executive Director

DATE: 11 June 2014

SUBJECT: Major Accomplishments, Fiscal Year 2013-14

The attached list of the Commission's major accomplishments for fiscal year 2013-14 is provided for your information. It will be incorporated into the Commission's biennial report for fiscal years 2012-13 and 2013-14, which will be submitted for approval at the next meeting.

Major Accomplishments in Fiscal Year 2013-14

Responded to Studies Referred by the General Assembly:

- Completed an interim report on municipal boundary changes and growth planning in Tennessee.
 - The report compared and contrasted how annexation and growth planning issues are handled in other states with current and proposed laws in Tennessee and identified a number of options for further consideration. The report recommended extending the moratorium imposed by Public Chapter 441 for another year or until the issues raised by the Act and related bills were addressed.
 - A copy of the interim report was sent to both Speakers.
- Completed a report dealing with government transparency.
 - The report concluded that the ability of governments to make more kinds of data available depends on many factors—financial and staff resources, citizens’ wants and needs, availability of broader connectivity, and underlying data systems, for example—all of which affect how much and what kinds of information can be presented. Given differences in size and complexity, a one-size-fits-all solution probably isn’t practical for all of Tennessee’s governments, but establishing some parameters could help all governments become more transparent. Regardless of the approach taken, the Commission recommended establishing a broadly representative, state-level task force to define standards and advocate for transparency.
 - A copy of the final report was sent to the Senate Finance, Ways and Means Committee, the House State Government Subcommittee, and the House Local Government Subcommittee.
- Completed a report on the potential for allowing insurance as an alternative to individual surety bonds.
 - The report concluded that it is not clear that allowing insurance as an alternative to individual surety bonds would provide the same safeguards as Tennessee’s individual surety bond requirements, particularly as they relate to holding individual office-holders accountable, and said that legislation allowing this alternative is not needed, at least not in its current form. The Commission instead endorsed allowing blanket coverage that is the equivalent of the individual surety bonds currently required, which could be less expensive and easier to administer.
 - A copy of the final report was sent to the Senate State and Local Government Subcommittee.

- Completed a report on dealing with water and wastewater rates.
 - The report reflected the Commission’s decision not to recommend capping water and wastewater rates for those who live outside Johnson City and in Sullivan County at one and one-half times the rates charged inside the city. The Commission found that rates should be both reasonable and justified and that whether a customer lives inside or outside the city is not enough on its own to justify a rate difference. The report includes a recommendation that some means of ensuring that rate differentials are fairly set is warranted, either through representation on the utility board or through an appeal process or both.
 - A copy of the final report was sent to the House Local Government Committee.
- Completed a report on Tennessee Valley Authority payments in lieu of taxes and the effect of the Electric Generation and Transmission Cooperative Act of 2009 as amended in 2010.
 - The 2014 report concluded that the Commission sees no immediate need for further legislative changes; however, future concerns are noted. The report reiterated the past observation that the lease-and-lease-back technique used so far to finance expansion of power production in Tennessee does not affect the amount of the PILOT paid directly to Tennessee, but the sale-and-lease-back technique used at two of its plants in Mississippi reduced the amount paid directly to that state, and the potential for the same exists throughout the region. The report also said the management strategy laid out in TVA’s Integrated Resource Plan could also affect the balance of PILOTs across the region and that demand management strategies in the plan, if successful, could actually reduce TVA revenues and ultimately the PILOT for all recipients.
 - A copy of the final report was sent to the Chairs of the Senate Finance, Ways and Means Committee; Senate Commerce and Labor Committee; House Finance, Ways and Means Committee; and House Business and Utilities Committee.

Published seven reports or briefs:

- 📖 *Building Tennessee’s Tomorrow: Anticipating the State’s Infrastructure Needs*—Commission Report, July 2013
- 📖 *Human Capital—Status and Momentum of Tennessee Counties*—Fast Facts, August 2013
- 📖 *Government Transparency: Can One Size Fit All?*—Commission Report, October 2013
- 📖 *Municipal Boundary Changes and Growth Planning in Tennessee—An Interim Report on Public Chapter 441, Acts of 2013*—Commission Report, December 2013
- 📖 *Tennessee Valley Authority’s Payments in Lieu of Taxes: Annual Report to the Tennessee General Assembly*—Commission Report, January 2014

- 📖 *Insurance as an Alternative to Surety Bonds for Public Officials*—Commission Report, January 2014
- 📖 *Ensuring Fair and Equitable Water and Wastewater Rates for Non-resident Customers of City Utilities*—Commission Report, January 2014

Provided the following presentations:

“Fiscal Capacity in the BEP Formula—the TACIR Model” to Governor Haslam’s Task Force on Education Funding (May 7, 2014)

“Overview of TACIR and 2013 Legislative Assignments” to the Association of County Mayors (ACM) at the TCSA meeting (October 10, 2013)

“Investing in Tennessee’s Infrastructure” to the UT/IPS Naifeh Center for Effective Leadership’s Local Government Leadership Program (November 5, 2013)

“Charting a Course to Tennessee’s Future,” for the Tennessee Campus Compact (November 5, 2013)

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 12 contracts:

- Nine development districts—support the public infrastructure needs inventory
- Tennessee Department of Finance and Administration—shared administrative support services
- Middle Tennessee State University—economic indicators website
- Tennessee State University—sustainable competitiveness for Tennessee’s counties

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).

Education Finance:

- Completed the fiscal year 2014-15 fiscal capacity model.
- Executive Director served on the Governor's Basic Education Program Task Force.

Land Use, Transportation, and Growth Policy

- Completed an interim Commission report on municipal boundary changes and growth planning in Tennessee pursuant to *Public Chapter 441, Acts of 2013*
- Continued to monitor the implementation of Public Chapter 1101, Acts of 1998 Tennessee's growth policy law.
- Began a study on the cost involved in foreclosing on blighted property and how that affects the sale and reuse of the property.

Infrastructure:

- Continued annual Public Infrastructure Needs Inventory. Collected information from 136 school systems, 95 counties, 347 municipalities, and 255 other entities.
- Completed annual report to the legislature on Tennessee's public infrastructure needs.

Other Research:

- Completed a report to the legislature of Senate Bill 2831 (House Bill 3327) and House Bill 3328 (Senate Bill 2832) on government transparency.
- Completed a report to the legislature of House Bill 600 (Senate Bill 735) on ensuring fair and equitable water and wastewater rates.
- Completed a report to the legislature of Senate Bill 624 (House Bill 1004) on insurance as an alternative to surety bonds for public officials.
- Monitored intergovernmental tax, fiscal, and education legislation.

Using Technology for Public Information

- Disseminated most reports electronically and maintained detailed focus sections on continuing research (<http://www.tn.gov/tacir/pubs.html>).
- Updated the major public information enhancement, *Tracking Tennessee's Economic Recovery*, (<http://capone.mtsu.edu/berc/tacir/tacir.html>) in partnership with Middle Tennessee State University.
- Updated 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>).