

PRELIMINARY

TENNESSEE

Tennessee ranks 31st among the states in number of local governments, with 930 as of June 2002

COUNTY GOVERNMENTS (92)

The entire area of the state is encompassed by county government except for the former counties of Davidson, Moore, and Trousdale. In 1963, Davidson County and the city of Nashville were consolidated to operate as one government, designated the Metropolitan Government of Nashville and Davidson County. In 1988, Moore County and the City of Lynchburg were consolidated to operate as one government, designated the Metropolitan Government of Lynchburg and Moore County. Most recently, in 2001, Trousdale County and Hartsville consolidated to operate as a metropolitan government designated the Hartsville/Trousdale County Government. Although the three metropolitan governments are classified under Tennessee law both as counties and as municipalities, they are each counted only once in census statistics on governments – as municipal governments.¹ The "general service districts" (covering the entire county area of Davidson, Moore, and Trousdale Counties, the "urban service districts" (covering the densely-populated portions of Davidson, Moore, and Trousdale Counties), plus any special service districts which may be created in Trousdale County are not counted as separate governments.

In Tennessee counties not having adopted a metropolitan form of government, the governing body is designated the county legislative body. Effective July 1, 2003, the county executive will be designated the county mayor in all counties not having a metropolitan form of government.

SUBCOUNTY GENERAL PURPOSE GOVERNMENTS (343)

Municipal Governments (349)

The municipal governments in Tennessee--cities and towns--usually operate under special charter. There are no differences in legal powers or status that would affect their classification for census purposes. The minimum population requirement for incorporation is 1,500. The Metropolitan Government of Nashville and Davidson County, the Metropolitan Government of Lynchburg and Moore County, and the Hartsville/Trousdale County Government are each counted only once for census purposes – as municipal governments.

Township Governments (0)

Tennessee has no township governments.

PUBLIC SCHOOL SYSTEMS (139)

School District Governments (14)

Only the "special" school districts in Tennessee are counted as governments. These districts were established by the general assembly prior to April 30, 1982, by separate acts but with

substantially uniform provisions for each district. The method of selection of the school board and the maximum rate of taxation for each district are set by the legislation creating the districts.

Dependent Public School Systems (125)^{2 3}

Tennessee statutes authorize the following types of dependent public school systems:

Systems dependent on county governments (92):

County school systems

Systems dependent on municipal governments (33):

Municipal school systems

School systems comprised of multiple counties are authorized, but none exist.

Each of the 92 county school systems is administered by an elected county board of education. Since the fiscal requirements of the county school systems are reviewed and provided for by the county legislative body, county school systems are not counted as separate governments.

Provisions governing the 33 city school systems are specified in the city charters. They are governed by elected boards of education. Since the fiscal requirements of the city school systems are reviewed and provided for by the city governing body, city school systems are not counted as separate governments.

SPECIAL DISTRICT GOVERNMENTS (475) ^{4 5 6 7}

Tennessee statutes authorize the creation of a variety of special districts or authorities that are counted as governments. These are discussed in detail below.

Airport Authorities--Metropolitan, Municipal, and Regional

Three types of airport authorities are authorized under state statutes:

Metropolitan Airport Authorities may be created by any city or metropolitan government having a population of 100,000 or more or by any county having such a city following public hearing and upon resolution of the governing body and approval of its executive. Additional municipalities may be included as "participating municipalities." Counties having a population in excess of 700,000, even if a metropolitan government is formed (Shelby County), are ineligible to form a metropolitan airport authority. The board of commissioners is appointed by the executive officer of the creating municipality and approved by its governing body. Some metropolitan airport authorities may be authorized by the creating municipality to exercise the powers of an industrial development corporation.

Municipal Airport Authorities may be created by any city or town by ordinance of the governing body or by any county upon resolution of the governing body. The governing body

consists of a minimum of five commissioners appointed by the governing body of the creating government. Governments eligible to form metropolitan airport authorities may not form municipal airport authorities.

Regional Airport Authorities may be created by two or more municipalities by resolution of the governing body of each or by one or more municipalities and one or more counties by resolution of the governing body of each. Municipalities are required to advertise and conduct public hearings prior to passage of any ordinance or resolution for creation of an authority. Authorities formed by two or more municipalities have a governing body consisting of one commissioner appointed by each creating governing body plus one commissioner appointed by the Governor if necessary to have an odd number of commissioners. Authorities formed by a combination of municipalities and counties have a governing body consisting of two commissioners appointed by each creating government plus one additional commissioner appointed either by the existing commissioners or by the Governor in the event the existing commissioners cannot reach an agreement.

Airport authorities may issue revenue bonds, accept federal and state aid, and impose fees, rentals, and charges for use of facilities.

Airports owned and operated by a single county or municipal government are classified as dependent activities of those governments.

East Tennessee Regional Agribusiness Marketing Authority

Created by special act in 1998 for the purpose of establishing and operating a market to serve farmers and citizens of the region and furthering the economy and growth of agriculture in the region, the authority board of directors is comprised of the county mayors (or their designees) of 12 counties plus two non voting members, the commissioner of agriculture and the dean of the University of Tennessee agricultural extension service (or their designees). The authority may accept gifts, grants, and appropriated sums from member counties and may issue revenue bonds, subject to review by the state division of bond finance and approval of the state funding board.

Energy Acquisition Corporations

Persons who are qualified voters and taxpayers of two or more municipalities may form an energy acquisition corporation upon application to the governing bodies of the municipalities and subject to the resolution of each. The board of directors, nominated and elected by the governing bodies of associated municipalities, may include a resident of each associated municipality; however, all board members must be duly qualified electors and taxpayers of one or more of the associated municipalities. Such corporations were authorized following the deregulation of natural gas in 1993 for the purpose of acquiring, financing, and managing supplies of natural gas and other gas fuels for the public utilities of all associated municipalities and for other contractual customers within or outside of the state. Subsequent amendment included electrical power in

anticipation of possible, but as yet unrealized, changes in Tennessee Valley Authority (TVA) control of electrical power generation and management in Tennessee. Such corporations are authorized to contract with other such corporations within or outside the state. Revenues include fees and charges. Bonds may be issued upon approval of the governing bodies of associated municipalities on whose behalf the bonds are being issued.

An energy acquisition corporation formed on behalf of a single municipality is classified as a component unit of that municipality. Such single municipality corporations may also perform services for other customers on a contractual basis.

Four Lake Regional Industrial Development Authority

Created by special act for the purpose of developing the resources of the counties of Macon, Smith, Sumner, Trousdale, and Wilson, the authority is governed by a board of directors consisting of county executives, mayors, members of the industrial development boards, a gubernatorial representative, one representative of a member of Congress, a member of the state senate, and a member of the state house of representatives. The authority is authorized to construct and/or operate any public works project within the region, subject to approval of the county or municipality where located. The authority may receive contributions from the participating governments, and may issue revenue bonds. The authority is also authorized to issue general obligation bonds in conjunction with the state of Tennessee, subject to approval by the state funding board and the general assembly; an ad valorem tax collected by the state may be required for such bond issues.

Housing Authorities

Tennessee laws provide for four types of housing authorities-- county, municipal, consolidated, or regional. An individual county or municipality may establish a housing authority on petition of residents to the county court or city council, after public hearing. Similarly, two or more municipalities may establish a consolidated housing authority, and two or more contiguous counties may establish a regional housing authority. Housing authority commissioners are appointed by the mayors of municipalities or the county legislative bodies. Housing authorities may initiate projects subject to approval of the governing body of all governments participating in the housing authority. The authorities may issue bonds and establish and collect rentals for use of authority facilities.

Housing authorities in Tennessee may also carry out redevelopment projects. Any authority engaged in redevelopment projects is authorized to adopt or amend a redevelopment plan so that it contains a tax increment financing (TIF) provision, subject to approval of the governing body of the taxing authority which will be responsible for transferring tax revenues to the housing authority. In such instances, future tax revenues in excess of the prior base assessment rate shall be allocated to the housing authority for payment of principal and interest on project bonds or other indebtedness. The Knoxville Community Development Corporation and the Metro Development and Housing Agency in Nashville operate also as redevelopment agencies under the

housing authority law.

Joint Port Authorities 8

Two or more counties, cities, or towns or any combination may, following hearing and resolution of each, jointly form a port authority. An eight-member board of commissioners, the representation equally divided among the member governments, is appointed by the executive officer and approved by the governing body of each member government. Port authorities may establish and charge fees, rentals, and other charges for the use of facilities or services and may issue revenue bonds. Some port authorities have been authorized by special acts subject to local government approval by resolution.

Port authorities formed by a single county or city, either under general legislation or by private act of the general assembly, are classified as a dependent activity of the county or city government.

Railroad or Rail Service Authorities

Under general law, rail authorities may be created by resolution of a municipal or county governing body or any combination of municipalities and/or counties. A board of directors composed of representatives of participating governments governs each authority. Authorities are established to provide for continuation of rail service on spurs or other non-direct track routes which have been abandoned by large freight haulers within the area of the governments establishing the authority. Authorities may fix rents, rates, tolls, fees, and charges, and may issue revenue bonds and are authorized to transport people, goods, and merchandise. The Nashville and Eastern Rail Authority, in addition to providing freight service, will have the first of five planned light rail commuter routes, using existing track, in operation by 2005.

The North Central Tennessee Railroad Authority, the South Central Tennessee Railroad Authority, and the Tri-County Railroad Authority were created by special acts to provide for the continuation of rail services on lines formerly served by private railroads. A board of directors composed of representatives of the participating cities and counties governs each authority. The directors may accept local and federal grants, establish tolls and rentals, and issue revenue bonds. The North Central Tennessee Railroad Authority has not been reported as being in operation.

River Basin Development Authorities 9

Beech River Watershed Development Authority--governed by a eight-member board of directors, including five gubernatorial appointments, the county executives of Decatur and Henderson Counties ex officio, and the commissioner of environment and conservation ex officio.

Carroll County Watershed Authority--governed by a six-member board of directors appointed by the Governor.

Chickasaw Basin Authority--Governed by a board of directors consisting of the county legislative body chairpersons or their designees, elected officials from Memphis and Shelby County or their representatives, and representatives of the soil conservation district of each member county. As of 1996, this authority had no separate fiscal activity; grants to the authority are administered by Shelby County.

Elk River Development Agency--Authorizing legislation for this entity was repealed in 1996. Powers, duties, obligations, and functions were transferred to the Tennessee Department of Environment and Conservation.

Sequatchie Valley Planning and Development Agency – serves a region including Bledsoe, Marion, Rhea, Grundy and Sequatchie counties. The agency is governed by a board of directors comprised of the county executive of each member county or a designee, one gubernatorial appointment from each county, one member selected by the mayors of cities and towns within the region, and one member appointed by the Governor from the Governor's staff or cabinet.

Tellico Reservoir Development Agency--governed by a nine-member board of directors, including the three county executives of Monroe, Loudon, and Blount counties, and two appointees from each county appointed by the county executive with advice and consent of the county commission.

Tennessee Duck River Development Agency--governed by a board of directors consisting of representatives of each of the five counties (Coffee, Bedford, Hickman, Marshall, and Maury counties), two county executives, a member of the Governor's staff or cabinet, two mayors, and two at large members, all designated by the Governor.

These authorities may receive contributions from the participating governments, and may issue revenue bonds.

Soil Conservation Districts

Soil conservation districts are created by the state soil conservation committee on petition of landowners and after hearing and referendum. The governing body of each district consists of three elected supervisors and two appointed by the state committee. The districts may require contributions from benefitted landowners and may accept federal and state contributions.

Solid Waste Authorities

Solid waste authorities may be created by one or more counties, and municipalities. The board of directors may be the same board as that of the municipal solid waste region or may be appointed by the member counties and municipalities. Authorities may fix, and collect fees for services, and may issue revenue bonds.

Technology Corridor Development Authorities

Tennessee Technology Corridor Development Authority (TTCDA)

A private act passed by the general assembly in 1983 both created the authority and established boundaries of the technology corridor which extends from Knoxville through Knox County to Oak Ridge in Anderson County. Implementation of the act required concurrence by the Knox County Commission and an ordinance by the commission to create a high technology zoning overlay. The authority is charged with developing and administering a comprehensive development plan for the technology corridor. A seven-member board is appointed, one member by the Governor, five members nominated by the Governor and confirmed by the Knox County Commission, and one member who is a current Knox County Commissioner. Revenue consists principally of grants and development review fees. In 1999, operations of the TTCDA were turned over to the Knoxville-Knox County Metropolitan Planning Commission.

The Blount County Technological Corridor Development Authority, created by a private act of the general assembly in 1986 and no longer in existence, was responsible for early development plans of the Pellissippi Parkway extension. The Pellissippi Parkway, a major thoroughfare through the Tennessee Technology Corridor, connects Knoxville and Oak Ridge in Anderson County. The parkway extension, originally approved by the general assembly in 1986 and as yet incomplete, currently extends the parkway from Knoxville to Alcoa in Blount County. The complementary technology overlay zone in Blount County, authorized by the 1986 act, was not created.

Utility Districts

Utility districts may be created in the territory of one or of multiple counties by the county mayor or county mayors of such counties following petition of landowners and public hearing. Utility districts to provide water service, sewer and also sewage disposal, garbage collection and disposal, street lighting, parks and recreational facilities, gas supply and storage, fire protection, police protection through contractual arrangements, transit, transmission of industrial chemicals or natural gas by pipeline, and community antenna television facilities or combinations thereof may be created. The board of commissioners may be appointed or elected as specified in statutes or in special acts. Utility districts may fix rates, fees, and charges, and may issue revenue bonds.

Watershed Districts

Watershed districts are established by the state soil conservation committee on petition of landowners and after local referendum. An elected or appointed board of directors governs each district. Watershed districts receive revenue from grants, gifts, and appropriations from any source and

from special assessments. A watershed district may issue revenue bonds. Ad valorem tax levies, however, may be made only by special act of the general assembly.

Water and Wastewater Treatment Authorities

These authorities are established by resolution of the governing body of any city, metropolitan government, or county government, after public hearing. A five-member board of commissioners is appointed by the executive of the creating government with the approval of the governing body of the creating government. If more than one government is participating in the authority, the executive officer of each participating government appoints one additional member. The board may fix service charges and issue revenue bonds. Some of these authorities have been created by special act.

SUBORDINATE AGENCIES AND AREAS

Shown below are various governmental designations in Tennessee that have certain characteristics of governmental units but that are classified in census statistics as subordinate agencies of the state or local governments and are not counted as separate governments. Legal provisions for some of the larger of these agencies are discussed below (see "Public School Systems," above, regarding educational agencies of this nature).

Human resource agencies (state). Created in 1973, originally there were nine, but now only seven agencies locally delivering services of state human resource programs in multi-county areas. The agencies are governed by a board comprised of local elected officials. Nearly all revenue consists of federal block grant funds and state appropriated funds that pass through the Tennessee Department of Human Services; however, agencies also receive some direct federal grants and local contributions. The Upper East Tennessee Human Development Agency predates the 1973 legislation, but is the designated human resource agency for its eight-county area and is classified by the state of Tennessee as a quasi-public non-profit agency.

Industrial development corporations (county or municipal). General law authorizes the creation of public corporations to facilitate and finance industrial, commercial, recreational, and pollution control facilities, upon application of three or more persons to the county or municipal governing body. A board of directors, appointed by the county or municipal governing body, governs each corporation. Industrial development corporations may charge rents and may issue revenue bonds. In addition, the parent county or municipal government may, upon voter approval, issue general obligation bonds on behalf of the corporation. Any excess net earnings of the corporation are transferred to the creating government.

Tennessee Housing Development Agency (state). This agency promotes the production and ownership of low and moderate income housing by providing construction loans and mortgage credit. The governing body is a board of 19 members, of whom 12 are appointed by the Governor; one each is appointed by the speaker of the senate and the speaker

of the house of representatives; plus the state treasurer, the comptroller of the treasury, the commissioner of finance and administration, the secretary of state, and a staff assistant to the Governor. The agency may fix charges in connection with its loans, accept gifts, receive state and federal grants, and issue revenue bonds.

Tennessee Technology Development Corporation (state).

Created under 1997 legislation, the corporation is to assist in developing a technology-based economy in the state. The corporation is governed by a 24-member board of directors with 21 members representing both the private and public sectors who are appointed by the Governor and leaders of the general assembly plus the commissioner of economic and community development and two members of the Tennessee science and technology advisory council. The corporation may receive money from any source and may borrow money.

Tennessee State School Bond Authority (state). This authority was established to finance building projects for the state's universities and also issues bonds as part of a federal government program to finance loans to qualifying K-12 schools in the state. The governing body consists of designated state officials, with the Governor serving as chair. The authority may fix and collect charges and rentals, issue revenue bonds, and accept gifts, grants, or loans.

Other examples include:

State 10

- Certified Cotton Growers' Organization
- Community service agencies
- Development districts
- Regional libraries
- Local neighborhood development corporations 11
- Tennessee Child Care Facilities Loan Guarantee Corporation
- Tennessee Industrial Development Authority
- Tennessee Industrial Finance Corporation
- Tennessee Local Development Authority
- Tennessee Ocoee Development Agency
- Tennessee State Veterans' Homes Board
- Tennessee Student Assistance Corporation
- Tennessee Tollway Authority 12
- West Tennessee River Basin Authority 9

County 13 14 15

- County airports
- County electric distribution agencies
- County industrial development corporations and boards
- County libraries
- Drainage and levee districts
- Economic development commissions
- Emergency communications districts (county)
- Fire departments and districts
- Gibson County Water Projects Authority
- Health, educational and housing facility corporations
- Hospital districts and authorities
- Metropolitan hospital authorities (Shelby County)
- Metropolitan libraries (county)
- Parking authorities
- Port authorities (single county)

- Public building authorities
 - Blount County Public Building Authority
 - Coffee County Public Building Authority
 - Montgomery County Public Building Authority
 - Sevier County Public Building Authority
- Sports authorities
- Tourism development zones
- Transit authorities

Municipal 16 17

- Central business improvement districts
- Emergency communications districts (municipal)
- Energy acquisition corporations (one municipality, town, or metropolitan government)
- Fire departments and districts (metropolitan governments)
- Health, educational and housing facility corporations
- Metropolitan celebration authorities
- Metropolitan hospital authorities (Memphis and Nashville-Davidson)
- Municipal airports
- Municipal electric distribution agencies
- Municipal industrial development corporations and boards
- Municipal libraries
- Nashville Thermal Transfer Corporation
- Parking authorities
- Port authorities (metropolitan governments)
- Port authorities (single municipality)
- Public building authorities
 - Clarksville Public Building Authority
 - Lawrenceburg Public Building Authority
- Sports authorities
- Tourism development zones
- Transit authorities

Joint city-county

- City-county airports
- Memphis-Shelby County Harbor and Port Commission
- Memphis-Shelby County Convention Center Commission 18
- Public building authorities
- Transit authorities

Tennessee laws also provide for various types of local areas for election purposes and administration of justice.

1. Six cities located within the area of the Metropolitan Government of Nashville and Davidson County continue to exist as separate governments: Belle Meade, Berry Hill, Forest Hills, Goodlettsville, Lakewood, and Oak Hill. Each of these six cities is counted as a municipal government in census statistics on governments.
2. The Chattanooga City School District merged with the Hamilton County School District effective July 1, 1997. Gibson County Special School District and Gibson County School District both are included in this count.
3. The Trousdale County School District was reclassified as a municipal dependent school system, Hartsville/Trousdale County School District, following formation of the consolidated Hartsville/Trousdale County Government effective January 1, 2001.

4. The Northwest Tennessee Development Agency no longer exists.

5. Municipal power districts, although still authorized by statute, have been dropped from the local government description. Legislation for these districts, passed in 1935 with amendments in 1950, was a part of the rural electrification effort. Approval for districts was provided by the Tennessee Rural Electrification Authority. No special districts formed under this law currently exist.

6. Sanitary districts, although still authorized by statute, have been dropped from the local government description. Legislation for these districts, passed in 1901 with amendments in 1932, has been superceded by more current health and environmental legislation.

7. The West Fork Drakes Creek Dam and Reservoir Interstate Authority, authorized in Tennessee in 1989, to allow the construction of a dam and reservoir in Simpson County, Kentucky and in Sumner County, Tennessee has not existed in Tennessee since 1992. The dam and reservoir, as authorized, were not constructed. Statutes creating the interstate authority will terminate in Tennessee June 30, 2005.

8. The Tennessee River Four-County Port Authority, authorized by legislation in 1980, subsequently dissolved in 1987

9. The Obion-Forked Deer Basin Authority, previously an independent agency from 1976 to 1996, under Chapter 890 of the Public Acts of 1996 was renamed the West Tennessee River Basin Authority and placed under the administrative control of the Department of Environment and Conservation effective July 1, 1996.

10. The Tennessee Rural Electrification Authority, created in 1935, no longer exists; however, legislation creating and governing the authority has not been repealed. The Tennessee Neighborhood Development Corp was repealed effective July 1, 2001. The Tennessee Growth Fund was repealed effective July 1, 2000. The Tennessee Commodity Producer Indemnity Corporation was repealed effective July 1, 1997. The

Tennessee Competitive Export Corporation was repealed effective July 1, 2000.

11. Acts 2001, chapter 415 which abolished the Tennessee Neighborhood Development Corporation amended statutes governing local neighborhood development corporations so that any such corporations existing on July 1, 2001, shall continue to exist until dissolved or abolished by statute.

12. The Tennessee Tollway Authority was abolished effective July 1, 2002, the beginning of fiscal year 2003.

13. The Hamilton County Park and Recreation Commission created by private acts of 1939, chapter 341 was repealed by private acts of 1941, chapter 156, section 4. The private acts of 1941, chapter 156 provided for county government reorganization and gave the newly created county council direct authority for a number of county activities including parks and recreation.

14. Regional libraries, previously classified as dependent activities of the member county governments, were transferred to the Tennessee Department of State effective July 1, 1999.

15. Road improvement districts, although still authorized by statute, have been dropped from the list of county dependent activities. Legislation authorizing such districts was passed in 1919 with amendments in 1932.

16. The Knoxville Parking Authority, created by a private act in 1949, no longer exists.

17. The Port of Rockwood Authority in Roane County, authorized by a private act in 1955, may once have been operational, but has not been operational within the past 20 years.

18. From 1917 to 1974, the Memphis-Shelby County Convention Center Commission was known as the Memphis-Shelby County Auditorium and Public Market House Commission.