
THE UNIVERSITY OF TENNESSEE
MUNICIPAL TECHNICAL ADVISORY SERVICE


V-F

Conference Center Building, Suite 120
Knoxville, Tennessee 37996-4105
Phone: (865) 974-0411
Fax: (865) 974-0423

MEMORANDUM

DATE: August 4, 2000

TO: All Consultants

FROM: Robert P. Schwartz 

RE: Joint Economic and Community Development Boards

Chapter 1101 requires economic development boards be formed and requires cities and counties to certify that such a board has been formed when applying for state grants. It's not clear how the state will enforce this requirement.

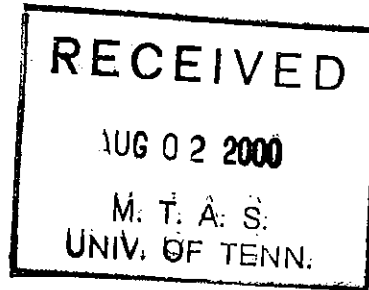
The Chapter 1101 Steering Committee recently decided to ask for guidance on this issue and here is a copy of the letter to the Deputy to the Governor.

Enclosure



Office of Special Programs
226 Capitol Boulevard
Suite 310
Nashville, Tennessee 37219
Telephone: (615) 255-8306
Fax: (615) 242-6536

July 31, 2000



Mr. Justin Wilson
Deputy to the Governor for Policy
G-10 State Capitol
Nashville, Tennessee 37243

Dear Justin:

As you are very aware, the Tennessee General Assembly enacted Public Chapter 1101, commonly referred to as the Growth Policy Law, during its 1998 session. At the request of Senator Bob Rochelle, the Senate sponsor of the bill, an Implementation Steering Committee was formed, composed of state agencies that provide technical assistance to local governments. The organizations represented on the group include the Division of Local Planning of the Tennessee Department of Economic and Community Development, the state's nine development districts, Tennessee Advisory Commission on Intergovernmental Relations, and the agencies of UT's Institute for Public Service that serve local governments. I was asked by Senator Rochelle and State Comptroller John Morgan to chair the group and have done so for the past two years. During a recent meeting of this committee, a question arose regarding the impact this law may have upon the administration of a wide variety of state grants. Because of your role as policy advisor to the Governor, we are seeking your advice.

One section of Public Chapter 1101 requires each county to form a joint economic and community development board. The board is to be established by interlocal agreement between the county and its municipalities for the purpose of fostering communication between local governments, industry, and private citizens. As a method of enforcing this requirement, the law states, "When applying for *any state grant*, a city or a county shall certify its compliance with the requirements of this section [to establish a joint economic and community development board]." Tennessee Code Annotated, Section 6-58-114(i), *emphasis added*. In other words, if a local government does not form the required board, it is ineligible for a state grant.

The statute does not specify a date at which time this sanction is to take effect. The Department of Economic and Community Development, seeking to notify local officials of the need for action, has stated orally that after July 1, 2001, grants administered by ECD will not be awarded unless the required certification of compliance is contained in the grant application. This decision affects Tennessee Industrial Infrastructure Program grants, community development block grants, and industrial training service grants, to name only a few.

Mr. Justin Wilson

July 31, 2000

Page 2 of 2

However, the impact of the law is not limited to the Department of Economic and Community Development. Since statutory language includes "any state grant," it affects all other agencies and departments that award state grants to local governments. A few examples include grants for solid waste and parks (Department of Environment and Conservation); education programs (Department of Education); workforce development (Department of Labor and Workforce Development); Transportation Enhancement Program (Department of Transportation); forestry programs (Department of Agriculture); and regional libraries (Secretary of State).

As with any such broad-sweeping requirement, it may prove difficult to insure that all affected agencies and departments know about the law and are consistent in its application. It was suggested during the recent meeting of the P.C. 1101 Implementation Steering Committee that your office could be of help in this effort. A uniform policy which addresses the way in which the certification requirement is implemented and the time it will take effect would be of tremendous benefit to local governments, as well as to state entities responsible for grants. All 95 counties and 350 incorporated cities across the state rely, in one way or another, on state grants, so the impact of such a policy will have far-reaching impact.

On behalf of the Committee, I appreciate your assistance with this issue and will be happy to provide any further information or help you need.

Sincerely yours,

Original Signed by

Thomas B. Ballard

Thomas B. Ballard

Director of Governmental Relations and
Associate Vice President for Public
Service

cc: Members, Growth Policy Law Implementation Steering Committee