2020 Legislative Update

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Deputy Comptroller

October 8, 2020
2020 Legislative Update

- Comptroller Legislation
- State of the State
- Financial Health in Challenging Times
- Kudos
2020: New Year, New You

Going into the New Year with 2020 Vision
2020: TORNADO IN MIDDLE TN

March 2-3, 2020
2020: COVID-19
This year we:

- Worked with legislators to pass nine bills.
Public Chapter 720

- The creation of any city or county water and/or wastewater system must be approved by the Water & Wastewater Financing Board.

- Consistent with Utility District creation.

Purpose: Ensures new utility systems are set up for financial sustainability.
Public Chapter 572

- Requires utility districts, water and/or wastewater systems to submit annual information to the Comptroller’s Utility Boards.

- Information will include contact info.

Purpose: Ensures utilities will receive correspondence and Board orders.
Public Chapter 576

- Specifies that a county legislative body shall provide the revenue estimates for preparing the county school budget.

- The local Board of Education must prepare its budget using the revenue estimates provided by the county legislative body.
Public Chapter 696

- Makes permanent the current mixed-drink tax distribution methodology.

- This methodology has been in place for several years and has worked well.
Let’s Talk About
Tennessee’s Financial Health

- $40.5 Billion Budget
- $1.45 Billion Rainy Day Fund
- No tax increases
- Provided $210.5 Million in state money for local governments
A Positive Outlook

- #1 for Fiscal Stability
- Low Debt Burden
- Low Taxes
- Among Best States for Business
- AAA Bond Rating
Local Government Fiscal Health
New Comptroller’s Office Division

- Division provides support to local governments on many topics including budgets and debt obligations.
- Doubled the number of financial analysts to provide improved service to Tennessee’s local governments.

Betsy Knotts, Director
Effort designed to establish fundamentals of sound financial management

Targeted toward finance professionals, mayors, and governing bodies

Simple concepts
Building A Strong Budget for a Resilient Government

Structurally Balanced Budget
- Recurring revenues are sufficient to pay recurring expenses.

Cash Flow Management
- Budget should contain adequate reserves and cash on hand to fund the government throughout the year.

Forecasting Budgetary Amounts
- Consider economic trends and growth rates to provide reliable revenue estimates.
Planning for Unknowns

❖ Rainy Day Reserve
  ➢ Governments should have reserves for unforeseen events such as natural disasters or economic downturns.

❖ Contingency Spending Plans
  ➢ Know which part of your budget is discretionary and can be legally or practically cut if unforeseen circumstances arise.
Planning for Tomorrow

➢ Long-Term Liability Planning
  ➢ Provide adequate funding for debt, pension, and OPEB payments. These should be set amounts in the annual budget.

➢ Multi-Year Financial Planning
  ➢ Set aside money to replace aging assets, maintenance, and program expansion.
SEVEN KEYS TO A Fiscally Well-Managed Government

Videos and More Information at: tncot.cc/7keys
Budgeting Process
Counties

- Bedford County
- Benton County
- Blount County
- Greene County
- Hamilton County
- Hickman County
- Jefferson County
- Lawrence County
- Robertson County
- Scott County
- Sevier County
- Union County
- Washington County
- White County
Municipalities

- Algood
- Ardmore
- Athens
- Auburntown
- Baneberry
- Bolivar
- Brentwood
- Byrdstown
- Carthage
- Caryville
- Centerville
- Charleston
- Church Hill
- Clarksville
- Collegedale
- Columbia
- Cookeville
- Cornersville
- Covington
- Cumberland Gap
- Dandridge
- Decaturville
- Dickson
- Dover
## Municipalities

- Dresden
- Elizabethton
- Etowah
- Farragut
- Forest Hills
- Friendsville
- Goodlettsville
- Greenback
- Gruetli-Laager
- Guys
- Hollow Rock
- La Vergne
- Lakeland
- Lakesite
- Lawrenceburg
- Loretto
- Lynnville
- Madisonville
- Maryville
- Medon
- Middleton
- Monteagle
- Mount Pleasant
- Munford
Municipalities

- Newport
- Norris
- Paris
- Pegram
- Pigeon Forge
- Piperton
- Pittman Center
- Plainview
- Powells Crossroads
- Pulaski
- Ridgesside
- Ripley
- Rives
- Rockford
- Saulsbury
- Sevierville
- Shelbyville
- Smyrna
- Soddy-Daisy
- South Pittsburg
- Sparta
- Sweetwater
- Tazewell
- Townsend
Municipalities

- Trenton
- Watauga
- Westmoreland
- White House
- Winchester
- Winfield
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<th>Utility Districts</th>
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<td>• Bean Station Utility District</td>
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<td>• Blount County Fire Protection District</td>
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<td>• Castalian Springs-Bethpage Utility District</td>
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<td>• Center Grove-Winchester Springs Utility District</td>
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<td>• Chuckey Utility District</td>
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<td>• Crab Orchard Utility District</td>
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<td>• Cumberland Heights Utility District</td>
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<td>• Cumberland Utility District of Roane and Morgan Counties</td>
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<td>• Fall Creek Falls Utility District</td>
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<td>• Gladeville Utility District</td>
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### Utility Districts

- Grandview Utility District
- Hampton Utility District
- Harpeth Valley Utility District
- Hendersonville Utility District
- Hornbeak Utility District
- Horton Highway Utility District
- Huntsville Utility District
- Jefferson-Cocke Counties Utility District
- Knox-Chapman Utility District
- Laguardo Utility District
- Lakeview Utility District
- Madison Suburban Utility District of Davidson County
- Mallory Valley Utility District
- Middle Tennessee Natural Gas Utility District
- New Canton Utility District
- New Market Utility District
Utility Districts

- Nolensville-College Grove Utility District
- North Utility District of Decatur and Benton Counties, Tennessee
- North Utility District of Rhea County
- North West Utility District
- Northeast Knox Utility District
- Northwest Dyersburg Utility District
- Oak Ridge Utility District
- O’Connor Utility District
- Old Knoxville Highway Utility District
- Perryville Utility District
- Persia Utility District
- Pleasant View Utility District
- Poplar Grove Utility District
- Powell Valley Utility District
- Powell-Clinch Utility District
- Quebec-Walling Utility District
Utility Districts

- Reelfoot Lake Regional Utility and Planning District
- Riceville Utility District
- Roane Central Utility District
- Russellville-Whitesburg Utility District
- Sewanee Utility District
- Smith Utility District
- South Bristol-Weaver Pike Utility District
- South Elizabethton Utility District
- West Knox Utility District
- West Warren-Viola Utility District
- West Wilson Utility District
- White House Utility District
Distinguished Budget Presentation Award

- Bartlett
- Bradley County
- Brentwood
- Chattanooga
- Cleveland
- Collierville
- Farragut
- Franklin
- Germantown
- Hamilton County
Distinguished Budget Presentation Award

- Kingsport
- Knox County
- Knoxville
- Memphis
- Morristown
- Murfreesboro
- Nashville and Davidson County Metro Government
- Shelby County
- Tullahoma
Certificate of Achievement for Excellence in Financial Reporting – Fiscal Year ended 2018

- Alcoa
- Anderson County
- Anderson County Water Authority
- Athens
- Bartlett
- Bedford County
- Bradley County
- Brentwood
- Bristol
Certificate of Achievement for Excellence in Financial Reporting – Fiscal Year ended 2018

- Bristol Tennessee Essential Services
- Chattanooga
- Clarksville
- Cleveland
- Clinton
- Collierville
- Columbia
- Columbia Power and Water Systems
Certificate of Achievement for Excellence in Financial Reporting – Fiscal Year ended 2018

- Farragut
- Franklin
- Germantown
- Goodlettsville
- Hamilton County
- Humboldt
- Jackson
- Johnson City
Certificate of Achievement for Excellence in Financial Reporting – Fiscal Year ended 2018

- Kingsport
- Kingston
- Knox County
- Knox County and Knoxville City Public Building Authority
- Knox-Chapman Utility District of Knox County
- Knoxville
- Knoxville Metropolitan Airport Authority
- Knoxville Pension System
Certificate of Achievement for Excellence in Financial Reporting – Fiscal Year ended 2018

- La Vergne
- Maryville
- Memphis
- Memphis-Shelby County Airport
- Morristown
- Murfreesboro
- Nashville and Davidson County Metro Government
- Nashville Metropolitan Airport Authority
Certificate of Achievement for Excellence in Financial Reporting – Fiscal Year ended 2018

- Norris
- Oak Ridge
- Rutherford County
- Sevierville
- Shelby County
- Shelby County Board of Education
- Smyrna
- State of Tennessee
Certificate of Achievement for Excellence in Financial Reporting – Fiscal Year ended 2018

- Tennessee Consolidated Retirement System
- Tennessee State School Bond Authority
- Tri-Cities Airport Authority
- Tullahoma
- Washington County
- West Knox Utility District