



April 19, 2022

Honorable Bill Lee
Governor of the State of Tennessee
State Capitol, 1st Floor
600 Dr. Martin L. King, Jr. Blvd
Nashville, TN 37243

Dear Governor Lee,

We are writing to voice our support for two legislative measures intended to restore the historical revenue sharing relationship between the State and Local Governments that was altered in 2002 so that the state could address a significant state budget shortfall and avoid impending fiscal crisis.

Tennessee's municipal communities are the economic engine of the state, producing about 90% of the state's total sales tax collections each year. Such economic growth is intentional and when it occurs, it is financed largely through city taxes for police, fire, streets, water and sewer, schools, parks, libraries and other amenities that attract and retain businesses and make Tennessee's communities desirable places for people to raise a family, start a business, and visit. The State recognized this fact, and since 1947, cities have received a portion of the state sales tax to offset the local tax burden borne by city residents that is associated with promoting economic activity and generating state sales tax revenues. This relationship was altered in 2002 when the state increased the state sales tax rate from 6% to 7% and designated all resulting revenues to the State's general fund rather than continuing the historical sharing with municipalities.

In 2002, the relationship was also altered when the state increased the single article cap from \$1,600 to \$3,200 and elected to retain not only the full 7% state levy on purchases between \$1,600 and \$3,200 but also the amount historically reserved for the local option tax (2.75%) for an effective tax rate of 9.75%. As a consequence these revenues add to the state general fund rather than benefitting the local schools and communities where they are created.

In the 20 years since, nearly \$2 billion in additional sales tax collections have been realized by the state -- \$2 billion that would have benefitted local taxpayers had the historical relationship not been altered in 2002. Additionally, since 2012, the Tennessee General Assembly has enacted measures that have reduced local government revenues by more than \$100 million. Plus, the rising costs of local government expenditures continue to put pressures on our ability to respond to public safety needs, road paving projects, and other basic city services.

The leaders of our state have managed the budget with great care and vision to create eight consecutive years of surplus revenues and now also a surplus of recurring revenue. The

conditions which led to those austerity measures in 2002 have passed long ago -- yet, they still remain in place. The strong fiscal position of our state makes now the right time to act.

As local mayors, we fear the legislature will miss this opportunity to restore the revenue sharing relationship and make our communities stronger.

There is one thing that is consistent among all 345 cities – the costs associated with the provision of services and amenities and the maintenance of infrastructure increase each year. The returned revenue would provide relief to local taxpayers, allow local governments to meet funding demands that are necessary to maintain vital infrastructure, provide essential services to our citizens, fuel economic expansion, and afford the quality of life that has allowed this state to prosper.

We urge the General Assembly to pass legislation to restore the historic revenue sharing relationship with local governments by fully sharing state shared revenues from the General Fund, and by allowing local governments to receive the local share of sales tax collected between \$1,600 - \$3,200.

Letters have also been sent to Lt. Gov. Randy McNally and House Speaker Cameron Sexton.



Dr. Ken Moore
TML President, Mayor of Franklin

TENNESSEE MUNICIPAL AND METROPOLITAN MAYORS

Adams	Robert Evans	Belle Meade	Rusty Moore
Adamsville	David Leckner	Bells	Eric Jordan
Alamo	John Avery Emison	Benton	Joe Jenkins
Alcoa	Odis C. Abbott, Jr.	Berry Hill	Greg Mabey
Alexandria	Bennett Armstrong	Bethel Springs	Gary Bizzell jr
Algood	Lisa Chapman-Fowler	Bluff City	Richard Bowling
Allardt	Patricia Clark	Bolivar	Julian McTizic
Ardmore	Mike Magnusson	Braden	Chester Cocke
Arlington	Mike Wissman	Bradford	Dwayne Reynolds
Ashland City	Steve Allen	Brentwood	Rhea Little III
Athens	Bo Perkinson		Stephane Chapman-
Atoka	W. Daryl Walker	Brighton	Washam
Atwood	James Halford	Bristol	Mahlon Luttrell
Baileyton	William K Kerr	Brownsville	William D. Rawls
Bartlett	A. Keith McDonald	Bruceton	Robert T. Keeton III
Bean Station	Ben Waller	Burns	Landon Mathis
Bell Buckle	Ronnie Lokey	Calhoun	Evan Thomas

Camden	Roger Pafford	Gadsden	Randall Smith
Celina	Luke Collins	Gainesboro	Lloyd Williams
Centertown	Joel Akers	Gallatin	Paige Brown
Chattanooga	Tim Kelly	Garland	Kelley Gray
Clarksburg	Howell Todd	Gatlinburg	Mike Werner
Clarksville	Joe Pitts	Germantown	Mike Palazzolo
Cleveland	Kevin Brooks	Gilt Edge	Steve Fletcher
Clifton	Mark Staggs	Gleason	Charles Anderson
Clinton	Scott Burton	Goodlettsville	Rusty Tinnin
Collegedale	Katie Lamb	Gordonsville	John Potts
Collierville	Stan Joyner	Graysville	Charles Kaylor
Collinwood	James Glenn Brown	Greenback	Dewayne Birchfield
Columbia	Chaz Molder	Greeneville	W.T. Daniels
Cookeville	Ricky Shelton	Greenfield	Cindy McAdams
Coopertown	Becca Werner	Halls	Eugene Pugh
Copperhill	Kathy Stewart	Harrogate	Linda Fultz
Cottage Grove	Gary McCaig	Hartsville/Trousdale	
Covington	Justin Hanson	County	Stephen Chambers
Cross Plains	Barry Faulkner	Henderson	Robert King
Crump	Ricky Tuberville	Hendersonville	Jamie Clary
Cumberland Gap	Neal Pucciarelli	Henry	Dustin Odom
Dandridge	George Gantte	Hornbeak	Betty Walley
Decatur	Jeremy Bivens	Humboldt	Marvin Sikes
Decherd	Michael Gillespie	Huntingdon	Dale Kelley
Dickson	Don Weiss Jr.	Jackson	Scott Conger
Ducktown	Douglas Collins	Jasper	Jason Turner
Dyer	Ray Carroll	Jefferson City	Mitch Cain
Dyersburg	John Holden	Jellico	Dwight Osborn
East Ridge	Brian Williams	Jonesborough	Chuck Vest
Eastview	Elvis Butler	Kenton	Danny C Jowers
Elizabethton	Curt Alexander	Kingsport	Patrick Shull
Elkton	Jimmy Dean Caldwell	Kingston	Timothy Neal
Englewood	Tony R. Hawn	Kingston Springs	Francis Gross
Enville	Melinda Johnston	Knoxville	Indya Kincannon
Erin	Paul Bailey	La Grange	Earl Smith
Erwin	Glenn White	La Vergne	Jason Cole
Etowah	Edward B. Garwood	Lafayette	Jerry Wilmore
Fairview	Debby Rainey	LaFollette	Phillip Farmer
Farragut	Ron Williams	Lakeland	Mike Cunningham
Finger	Robert Heathcock	Lakesite	David Howell
Franklin	Ken Moore	Lawrenceburg	Blake Lay
Friendship	Casey Burnett	Lebanon	Rick Bell
Friendsville	Andrew Lawhorn	Lenoir City	Tony Aikens

Lewisburg	Jim Bingham	Oakland	Mike Brown
Lexington	Jeffrey H. Griggs	Oliver Springs	Omer Cox
Linden	Wess Ward	Oneida	Jack Lay
Livingston	Curtis Hayes	Paris	Carlton Gerrell
Lobelville	Robby Moore	Parkers Crossroads	Kenneth Kizer
Lookout Mountain	Walker Jones	Parsons	Tim David Boaz
Loretto	Jesse Turner	Philadelphia	Damian Crawford
Loudon	Jeff Harris	Pigeon Forge	David Wear
Louisville	Tom Bickers	Pikeville	Philip Cagle
Luttrell	Jerry Lawson	Piperton	Henry Coats
Madisonville	Augusta Davis	Pittman Center	Jerry Huskey
Manchester	Marilyn Howard	Plainview	Gary D. Chandler
Martin	Randy Brundige	Pleasant Hill	Elizabeth Patrick
Maryville	Andy White	Portland	Mike Callis
Mason	Emmitt Gooden	Puryear	David Varner
Maurycy City	Rayce Castellaw	Ramer	George Armstrong
Maynardville	Ty Blakely	Red Bank	Hollie Berry
McKenzie	Jill Holland	Ridgely	Steve Jones
McLemoresville	Phillip Williams	Ridgeside	Kirk Walker
Medina	Vance Coleman	Ridgetop	Tim Shaw
Memphis	Jim Strickland	Ripley	Craig Fitzhugh
Michie	Anthony Smith	Rockwood	Mike Miller
Middleton	Evan Mott	Rocky Top	Timothy Sharp
Milledgeville	Ricky Hollin	Rogersville	Jim Sells
Minor Hill	Tracy Wilburn	Rossville	Judy Watters
Monteagle	Marilyn Rodman	Rutherford	Sandra Simpson
Morrison	Sue Anderson	Rutledge	Fred Sykes
Morristown	Gary Chesney	Saint Joseph	Bubba Carter
Moscow	Brenda Mitchell	Saltillo	Larry Lowery
Mount Pleasant	Bill White	Sardis	J W Creasy
Mt. Juliet	James Maness	Savannah	Bob Shutt
Munford	Dwayne Cole	Selmer	Sherry Inman
Nashville	John Cooper	Sevierville	Robbie Fox
New Market	Danny Whillock	Sharon	Ali Stalter
New Tazewell	Jerry Beeler	Shelbyville	Wallace Cartwright
Newbern	Pam Mabry	Signal Mountain	Charles Poss
Newport	Roland Dykes III	Smithville	Josh Miller
Niota	Lois Preece	Smyrna	Mary Esther Reed
Nolensville	Derek Adams	Sneedville	Wayland Dean Rhea
Normandy	Charles Whitaker	Soddy-Daisy	Rick Nunley
Oak Hill	Dale Grimes	Somerville	Ronnie Neill
Oak Ridge	Warren Gooch	South Fulton	David Lamb

South Pittsburg	Samatha Rector	Troy	James Cruce
Sparta	Jeff Young	Tullahoma	Ray Knowis
Spring City	Woody Evans	Tusculum	Alan Corley
Spring Hill	Jim Hagaman	Unicoi	Kathy Bullen
Springfield	Ann Schneider	Union City	Terry Hailey
Stanton	Allan Sterbinsky	Walden	Lee Davis
Sunbright	Karen Melton	Wartrace	Cindy Drake
Sweetwater	Doyle Lowe	Watauga	Delisa LaFleur
Tazewell	Bill Fannon	Waverly	Buddy Frazier
Tellico Plains	Marilyn Parker	Waynesboro	Chris Bevis
Thompsons Station	Corey Napier	Westmoreland	James Brian Smalling
Three Way	Larry Sanders	White Bluff	Linda Hayes
Tiptonville	Cliff Berry	White House	Farris Bibb
Townsend	Michael Talley	White Pine	Fred Taylor
Trenton	Ricky Jackson	Whiteville	Gene Bowden
Trezevant	Bobby Blaylock	Williston	James Wiles
Trimble	Christy Belonio	Woodland Mills	Joseph Lewis

c: Lt. Gov. Randy McNally
House Speaker Cameron Sexton