



TENNESSEE'S NEW ANNUAL MUNICIPAL POPULATION CERTIFICATION SYSTEM

In 2025, Tennessee replaced its long-standing municipal population certification system with annual population estimates through SB 875/HB 780. Previously, cities relied on decennial census counts unless they paid for a special census, which could be costly and time-consuming.

Under the new law, the University of Tennessee Boyd Center produces annual municipal population estimates that are certified by the Tennessee Department of Economic and Community Development. As of July 1, 2026, these estimates are now used to determine state-shared tax distributions and many population-based state and federal funding allocations.

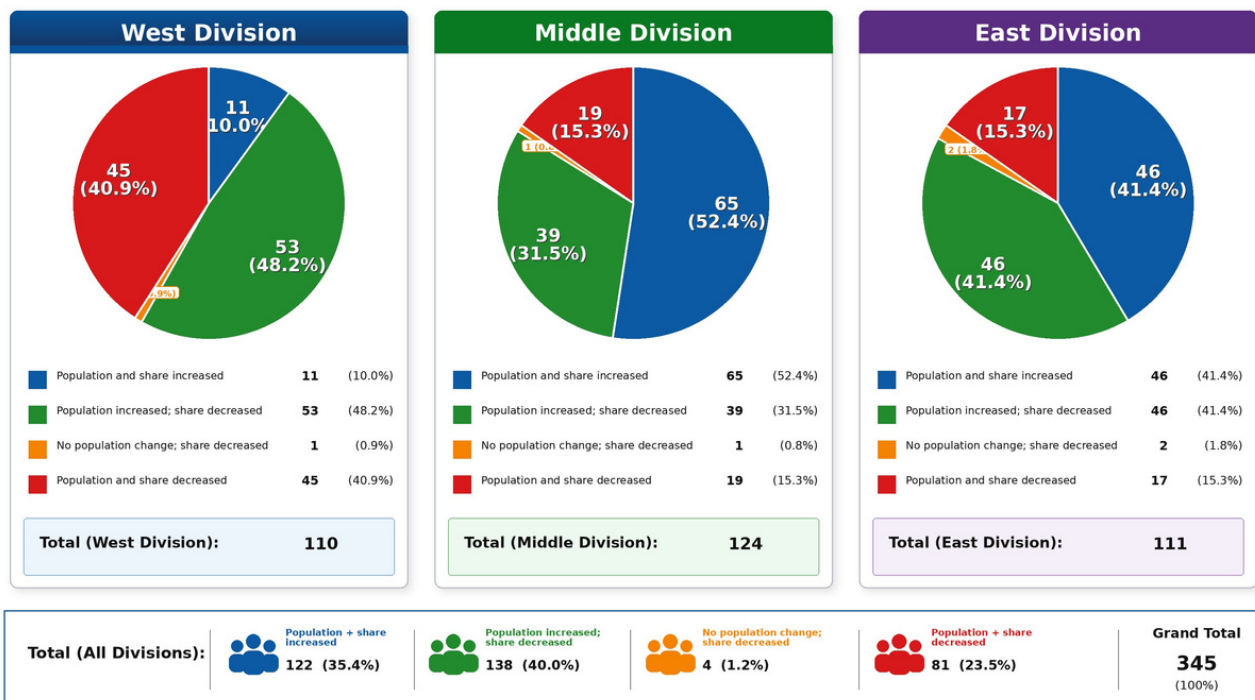
The goal is to better align funding with current population trends, allowing fast-growing communities to receive revenues that reflect their growth. At the same time, communities with flat or declining populations may see funding reductions occur more quickly.

Key Findings from the First Annual Certification

Estimated Population Changes and Impact on Per-Capita Allocations by Grand Division

2025–2026 Certified Municipal Population Comparison

The charts show whether each municipality gained or lost population and municipal-population share.



Allocation effect is directional: a higher share increases, and a lower share decreases, a municipality's per-capita allocation proportion.

Statewide Growth

Tennessee's certified municipal population increased from 4.03 million in 2025 to 4.23 million in 2026, a gain of 201,253 residents (approximately 5%).

Growth was geographically uneven:

- Middle Tennessee gained 160,693 residents (about 80% of statewide growth)
- East Tennessee gained 62,432 residents
- West Tennessee lost 21,872 residents

Municipal-Level Trends

Among Tennessee's 345 municipalities:

- 260 gained population
- 81 lost population
- 4 experienced no change

Population growth alone does not guarantee a larger share of state funding. Because statewide municipal population grew by roughly 5%, municipalities had to grow faster than that rate to increase their share of state distributions.

As a result:

- 122 municipalities gained both population and statewide share
- 138 municipalities gained residents but lost statewide share
- 223 municipalities experienced a decline in share overall

This means many communities must serve more residents while receiving a smaller percentage of population-based state allocations.

Largest Population Shifts

Of the cities with the most significant population gains, most are in Middle Tennessee:

- Nashville-Davidson Urban Services District
- Clarksville
- Murfreesboro
- Chattanooga
- Knoxville
- Spring Hill
- Smyrna
- Lebanon
- Franklin
- White House

The largest population decline occurred in Memphis, which lost 27,273 residents, accounting for approximately three-quarters of all major municipal population losses statewide. Other notable declines occurred in Bartlett and Germantown. These losses largely explain West Tennessee's overall population decrease despite most West Tennessee municipalities experiencing growth.

Impact on State-Shared Sales Tax Distributions

Because state-shared sales taxes are allocated according to certified population, the new certifications redistribute revenue across Tennessee.

Fast-growing Middle Tennessee municipalities receive the largest increases. East Tennessee experiences modest overall gains.

West Tennessee experiences the greatest collective losses. Memphis receives the largest reduction in allocation share, followed by cities such as Bartlett and Germantown.

Importantly, even as some cities gained population-- including Jackson, Collierville, and Columbia-- their growth was not as rapid as the state's overall growth. Therefore, they will receive a smaller share of sales tax revenue.

Conclusion

The first year of annual municipal population certification demonstrates three clear trends:

- Tennessee's municipal population is growing overall.
- Growth is heavily concentrated in Middle Tennessee, with moderate gains in East Tennessee and decline in West Tennessee.
- Population-based funding formulas immediately translate these demographic shifts into changes in state-shared revenues.

The new system does a better job of matching funding to current population trends, benefiting fast-growing communities. However, it can create challenges for municipalities with slower growth or population declines, especially in West Tennessee.