

Miscellaneous Capital Funds

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Table of Contents

Miscellaneous Capital Funds	3
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Miscellaneous Capital Funds

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Housing Authority

Local housing authorities are authorized to purchase mortgages and make mortgage loans to non-profit entities or corporations. To fund these undertakings, housing authorities may sell bonds by public or private sale. A maximum interest rate is not fixed. T.C.A. §§ 13-20-104, 602. An industrial development corporation is empowered to provide multi-family housing facilities to be occupied by elderly, handicapped, or low- or moderate-income people. T.C.A. § 7-53-101(11)(A)(x).

T.C.A. § 13-20-408 prescribes the appointment of a board of commissioners to govern the housing authority. Where the housing authority contains 300 or more units, at least one housing authority commissioner must be a resident of public housing. The resident must be appointed to the first vacancy on the board that occurs after May 24, 2000.

Housing authority security officers have the same powers as law enforcement officers if they meet the same qualifications and training required of full-time police officers. However, security officers may make arrests only when offenses are committed on housing authority property. T.C.A. § 13-20-419.

Local Development Authority

The Tennessee Local Development Authority was created in 1978 as a central state agency to handle a variety of state loans to city governments and other public entities.

The governor chairs the authority. Its members include the secretary of state, state treasurer, comptroller, commissioner of finance and administration, an appointee by the speaker of the Senate chosen from three people nominated by the Tennessee County Services Association, and an appointee by the speaker of the House of Representatives from three people nominated by the Tennessee Municipal League.

The authority may make loans to counties, cities, metropolitan governments, and special districts to finance construction of sewage treatment facilities, waterworks, correctional facilities, and resource and energy recovery facilities. Although prior legislation authorizing other means of financing some of these projects has not been repealed, the legislature declared that this program should be used preferentially. The loan agreements are made between the Department of Environment and Conservation and the local governmental unit. T.C.A. §§ 4-31-101, *et seq.*

Unfunded Pension Obligations

Any local government may issue general obligation bonds for certain unfunded pension obligations if the office of the comptroller recommends the issuance and the state funding board approves it. Certain unfunded pension obligations mean pension benefits for local government employees whose jobs resulted from the local government taking over another local government's responsibilities. T.C.A. § 9-21-127.

Zone Academy Projects

The Tax Cuts and Jobs Act repealed the authority to issue tax credit bonds after December 31, 2017. With the passage of this legislation the authority to issue Qualified Zone Academy Bonds (QZABs) has been repealed.

Restoration of Historic Theaters

T.C.A. § 67-4-409(j)(2)(A) allows funds in the state land acquisition fund to be used to restore historic theaters owned by municipalities that are listed on the National Register of Historic Places.

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