



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT

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Comptroller of the Treasury

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August 14, 2006

MEMORANDUM

TO: All Local Governments

FROM: Dennis F. Dycus, CPA, CFE, Director
Division of Municipal Audit

Art Alexander, CGFM, Director
Division of County Audit

SUBJECT: Local Government Joint Ventures

NOTE: Municipal Audit Phone numbers and address changed 3-24-08. See Contact Us on the main web page for current contact information.

The Tennessee General Assembly recently passed Public Chapter 923, Acts of 2006. This act requires "local government entities" to make certain disclosures to the Comptroller of the Treasury concerning any inter-local agreements which they have entered into that created a "local government joint venture entity." A "local government entity" is defined by the act to be "any city, town, municipality, county, including any county having a metropolitan form of government, local education agency, development district, utility district, human resource agency or other political subdivision of this state." A "local government joint venture entity" is defined by the act to be "any entity created pursuant to this chapter including, but not limited to, a self-insurance pool, trust, joint venture, nonprofit organization, or any other type of organization that is sponsored, owned, operated, or governed by two (2) or more local government entities as a separate and specific activity." A copy of Public Chapter 923 is attached for your information. Many of you have entered into inter-local government agreements which did not create a "local government joint venture entity." An example of this type of agreement would be one between governmental entities where one entity agrees to provide fire protection to another entity. This act does not require these types of inter-local agreements to be reported to the Comptroller of the Treasury.

Those governments that have entered into inter-local agreements that created a “local government joint venture entity” as defined by the act are required to make certain disclosures to this office. In accordance with the act these disclosures for any **existing local government joint venture entities** must be made to this office by **October 18, 2006**. Local government officials will need to file with this office a copy of the inter-local agreement creating the “local government joint venture entity” together with information requested on the enclosed form. The same disclosures will need to be made to the Comptroller of the Treasury for any **future inter-local agreements** that create a “local government joint venture entity”. These disclosures should be made within **ninety (90) days** from the effective date of the agreement creating the entity.

If your government has entered into inter-local agreements which have created more than one “local government joint venture entity,” please file a copy of both the attached form and inter-local agreement for each “local government joint venture entity” created. Copies of this form may be found on our web site at, <http://www.comptroller.state.tn.us/forms.htm>. If you have any questions please contact:

David Sturtevant Division of County Audit 615-401-7851
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Enc. Notification Form
Public Chapter 923