



November 22, 2024

---

# Budget System

---

Dear Reader:

The following document was created from the CTAS website ([ctas.tennessee.edu](http://ctas.tennessee.edu)). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county 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 county 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 CTAS website material.

Sincerely,

The University of Tennessee  
County Technical Assistance Service  
226 Anne Dallas Dudley Boulevard, Suite 400  
Nashville, Tennessee 37219  
615.532.3555 phone  
615.532.3699 fax  
[www.ctas.tennessee.edu](http://www.ctas.tennessee.edu)

Table of Contents

<b>Budget System .....</b>	<b>3</b>
<b>Private Acts of 1939 Chapter 502 .....</b>	<b>3</b>

# Budget System

## Private Acts of 1939 Chapter 502

**SECTION 1.** (a) That a County Finance and Budget Commission, composed of three members be created for all counties in the State of Tennessee having a population of not less than 12,690, nor more than 12,800, according to the Federal Census of 1930, or any subsequent Federal Census, said Finance and Budget Commission to be selected and to perform the duties hereinafter imposed.

(b) Beginning April 1, 2003, the county finance and budget commission (hereinafter, "commission") shall consist of five (5) members. The county executive shall be one (1) member of this commission. The three (3) incumbent members on that date shall continue in office for the remainder of their terms. The county executive shall appoint one (1) member of the commission subject to the approval of the county legislative body to serve with the commission members who are incumbents on April 1, 2003, for the balance of their terms. Thereafter, the county executive shall appoint, subject to the approval of the county legislative body, four (4) members of the commission each year, at the January meeting or as soon thereafter as is practicable. Members of the commission appointed after the end of the terms of the three (3) incumbent members as of April 1, 2003, and the one (1) other member appointed to serve with these incumbent members for the balance of the incumbent's term, shall serve until their successors are appointed by the county executive and approved by the county legislative body.

(c) The members of the commission need not be members of the county legislative body, but may be members of the county legislative body.

(d) The county executive shall be ex officio the chair of the commission. The county executive may employ a secretary for the commission or assign this duty to a county employee.

(e) The county legislative body may in its discretion allow members of the commission such compensation for their service as the county legislative body deems proper.

(f) Any provision for compensation, as well as provision for printing, publicity, notices, supplies and other necessary expenses of the commission shall be payable from the county general fund and shall be included in the appropriations for the annual operating budget of the county.

(g) The commission shall perform all the duties respecting county budgets and appropriations, tax levies and finance that may otherwise have been assigned to other committees of the county legislative body.

As amended by: Private Acts of 2003, Chapter 30

**SECTION 2.** The commission may meet as often as necessary to prepare an annual budget and conduct the other business assigned to it by this act, general law or resolution of the county legislative body. The commission shall meet at the call of the chair and according to any resolutions adopted by the county legislative body on this subject.

As amended by: Private Acts of 2003, Chapter 30

It shall be the duty of said Commission to make a thorough investigation of each department or branch of the county government and for said purpose the said Commission shall have the authority to examine the records and books of all county officials, to issue subpoenas and compel attendance of witnesses.

**SECTION 3.** The fiscal year of Grainger County and of each office, department, institution, agency and activity thereof shall begin on July 1 of each year and shall end on June 30 next following. The fiscal year shall constitute the budget year, and the year for accounting and reporting of each and every fund, department, institution, activity and agency of the county government; but the aforementioned provision shall be in addition to, and not in lieu of, any accounting and reporting required of any official by general law.

As amended by: Private Acts of 2003, Chapter 30

**SECTION 4.** (a) The superintendent of roads of Grainger County shall, on or before April 1 of each year or such date as may be set by the county legislative body, file with the county executive an itemized statement of the funds estimated to be required for the county road program for the ensuing fiscal year and for the construction, operation, repair and administration of the county road system and for the general administration of the highway department, together with an estimate of the highway and road funds, including any bridge funds, expected to be received during such fiscal year.

(b) The county board of education, after preparing its annual budget as now provided by law, shall file such budget with the county executive for inclusion in the complete budget document to be presented to the commission.

(c) Each of the other county operating departments, institutions, offices and agencies shall file with the county executive on or before April 1 of each year, or such date as may be set by the county legislative

body, a detailed estimate of its requirements for expenditures from the county's funds for the ensuing fiscal year, together with any estimate of any county revenue to be received by such department, institution, office or agency.

(d) The county executive shall prepare, on or before April 1 of each year or such date as may be set by the county legislative body, an itemized statement of the amounts which the county executive estimates are necessary to be expended from the county general fund, the debt service funds and from all other funds (excluding highway funds and school funds, and funds derived from the sale of bonds), together with an estimate of the revenue to be received during the next fiscal year.

(e) The county executive, on or before May 1 of each year or such date as may be set by the county legislative body, shall file a consolidated budget document with the commission showing an itemized statement of the amounts estimated by the various officials and department heads to be required for the efficient operation of the county government from the county general fund, the debt service funds, highway funds, school funds and all other funds, together with an estimate of the revenues estimated to be received by each of the funds during the next fiscal year and an estimate of the unencumbered balance of each of the funds at the beginning of the fiscal year.

(f) It is the duty of each official, office, department, institution, agent or employee of the county government to furnish in writing such information, in such form and at such times, as may be requested by the county executive or the commission.

As amended by: Private Acts of 2003, Chapter 30

**SECTION 5.**

(a)

(1) At least forty-five (45) days prior to the beginning of each fiscal year or by such date as may be set by the county legislative body, the commission shall review and propose an annual budget and submit a complete budget document for publication.

(2) The budget document shall contain an itemized and classified plan of all proposed expenditures and estimated receipts for the ensuing fiscal year, and shall conform to the uniform classification of accounts established by the county.

(3) The classification of accounts shall be subject to the approval of the comptroller of the treasury.

(4) It is expressly provided that the classification of expenditures and receipts of any and all county school funds for any purpose administered by the county board of education and the county director of schools shall conform in all respects to the classification of accounts as prescribed by the commissioner of education.

(b) Opposite each item of estimated revenue, the budget document shall show in opposite parallel columns the amount actually collected for the last completed fiscal year, a revised estimated amount for the current fiscal year and the estimate for the ensuing fiscal year.

(c) Likewise, opposite each item of proposed expenditure, the budget document shall show the amount actually expended for such item during the last completed year, the probate amount which will be spent during the current fiscal year and the proposed appropriations or expenditure estimate for the ensuing fiscal year as well, and the estimated fund balance for each fund at the beginning and end of the ensuing fiscal year.

(d) In preparing the budget, the commission may revise, as it deems necessary, the estimates or requests made by the various departments, officials, offices, institutions and agencies of the county, but any county official or head of any office, department, institution or agency of the county shall be entitled to a hearing before the commission with reference to any contemplated changes in the budget of such person's office, department, institution or agency; provided, however, in accordance with general law, line items in the school board budget may not be changed by the commission.

(e) The commission shall certainly and fully provide in the budget document for all requirements for debt service, interest and maturities, and for any deficit in any fund balance at the beginning of the fiscal year, and shall propose a tentative property tax rate for the ensuing fiscal year as well as recommend any other taxes or fiscal measures that the commission deems necessary or prudent.

As amended by: Private Acts of 2003, Chapter 30

**SECTION 6.**

(a)

(1)

(A) The commission shall conduct a public hearing after submitting a complete budget document. At least ten (10) days before the commission conducts a public hearing as

provided in subdivision (a)(3), the county executive shall cause the proposed annual operating budget document to be published in a newspaper of general circulation in the county.

(B) This budget shall also contain a summary budgetary comparison for the general fund, highway fund, general purpose school fund, debt service funds and other funds of the county that shall include a comparison of the proposed budget with that of the current year and the prior year.

(C) The budgetary comparisons shall be by individual fund and shall summarize revenues by local, state, federal and other sources. Expenditures shall be summarized by salaries and other costs. The budgetary comparison shall also present estimated beginning and ending fund balances and estimated employee positions.

(2) The publication shall also contain a notice of a public hearing to be conducted by the commission at which any citizen of the county shall have the right to appear and state such citizen's views on the budget.

(3) Such public hearing shall be held by the commission not later than ten (10) days prior to the beginning of the fiscal year.

(b) Following such public hearing, the commission shall make any revisions to the proposed budget document that the commission deems necessary or prudent and file the final proposed budget document with the county clerk and present copies of such document to each member of the county legislative body.

As amended by: Private Acts of 2003, Chapter 30.

**SECTION 7.**

(a)

(1) The commission shall present the final proposed budget document to the county legislative body at the regular July meeting each year or at a special meeting called for this purpose during the month of July.

(2) The final proposed budget document shall be accompanied by a budget message from the commission explaining the financial program and outlining the services, work and activities to be financed by the proposed budget and a brief discussion of the means proposed for financing the expenditure program set forth in the budget.

(3) With the final proposed budget document, the commission shall deliver to the county legislative body a budget appropriation resolution and a property tax levy resolution.

(b)

(1) The county legislative body may alter or revise the final proposed budget except as to provision for debt service requirements, line item changes to the school board budget and other expenditures required by law, but the county legislative body shall finally adopt a budget not later than the third Monday in July or as soon thereafter as is practicable.

(2) Pending such final adoption of a budget by the county legislative body, the county executive is authorized to make temporary allotments for expenditures for essential county services, in amounts not in excess of the comparable allotment for an average quarter of the preceding fiscal year.

(c) The budget, the appropriations resolution and the property tax levy resolution, as adopted, shall be spread upon the minutes of the county legislative body.

As amended by: Private Acts of 2003, Chapter 30

**SECTION 8.** (a) The appropriations made in the appropriation resolution, or any amendment thereto, shall constitute the limit to expenditures for the various purposes and from the several funds of Grainger County for the fiscal year covered by the resolution, and no expenditure shall be made or obligation created in excess of such limitation.

(b) Any resolution presented to the county legislative body in any fiscal year, after the original appropriation resolution has been adopted and the property tax rate for the year fixed by that body, which provides for an appropriation in addition to those made in the original budget appropriation resolution, shall specifically provide sufficient revenue or other funds to meet expenditures to be made in consequence of such additional appropriation.

(c) If at any time during the fiscal year it shall become apparent that the revenues of any of the county's funds, together with its unencumbered fund balance, will not be sufficient to equal the amount of the original appropriations, it shall be the duty of the county executive to impound the appropriations from such fund in such amount as shall appear necessary, subject to the written approval of the commission.

(d) The appropriations made by the county legislative body, as provided above, shall constitute authorization for expenditures, and expenditures may be made and obligations created against any appropriation to an aggregate total of the amount appropriated for such item.

(e) Expenditures from all funds of the county, except school funds and highway funds, shall be made by disbursement warrants on the county trustee signed by the county executive, and no other official, department, institution or agency of the county shall issue negotiable warrants or vouchers for such expenditures.

As amended by: Private Acts of 2003, Chapter 30

**SECTION 9.** (a) The county executive shall make a report to the commission after the end of each month showing the condition of the budget.

(b)

(1) The report shall show for each item of appropriation, or allotment thereof, the total expenditures for the month and the year to date, the amount of outstanding encumbrances and the amount of the unencumbered balance.

(2) The report shall also show for each fund an itemized statement of the revenues and receipts estimated for the year, the amount of the collections of each item for the month and the year to date and the unrealized portion of the estimate.

(c)

(1) The most recent of such reports shall be presented by the county executive at each regular session of the county legislative body.

(2) At such time, the county executive shall advise the county legislative body of the condition of the budget and of any adjustments or reduction of appropriations that may be recommended by the commission, and shall recommend any other action which, in the county executive's opinion, the county governing body should take in order that the budget shall be kept in balance.

As amended by: Private Acts of 2003, Chapter 30

**SECTION 10.** Any official or employee of the county, or any institution or agency thereof, who fails or refuses to perform the duties required of that official or employee by this act, or who fails or refuses otherwise to conform to the provisions of this act, is subject to a civil penalty as set by the county legislative body pursuant to Tennessee Code Annotated, Section 5-1-121. Furthermore, the performance of a duty incumbent upon an official or employee pursuant to this act may be enforced by mandamus from the circuit court, upon petition brought by the county executive. Also, any employee of the county who fails or refuses otherwise to conform to the provisions of this act is subject to removal from the employee's position.

As amended by: Private Acts of 2003, Chapter 30

**SECTION 11.** The provisions of this act shall not apply to county school funds for any purpose, the county board of education or the director of schools, unless approved by the commissioner of education.

As amended by: Private Acts of 2003, Chapter 30

**SECTION 12.** That all purchases or contracts made in excess of any item of the budget shall be void and unenforceable against such county, either by quantum meruit or under the contract, and any such official exceeding his budget shall be liable individually on his official bond therefor.

**SECTION 13.** That any word, phrase, paragraph, section or part of this Act that may be declared unconstitutional shall not render void the remaining and other paragraphs, sections, and parts.

**SECTION 14.** That all laws in conflict with this Act are hereby repealed.

**SECTION 15.** That this Act shall take effect from and after its passage, the public welfare requiring it.

Passed: February 28, 1939.

---

**Source URL:** <https://www.ctas.tennessee.edu/private-acts/budget-system-27>