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Interlocal Agreements

Dear Reader:

The following document was created from the CTAS website (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,

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Within county boundaries exist the county government, sometimes several city governments and special service districts. These entities may have contractual relationships for the provision of services with one or more of the others. A county may be part of an economic development district, a planning district, a federal regional project or it may have an agreement with an adjoining county to supply emergency medical or fire fighting services. Examined from the local level upward, the administration of government in Tennessee depends on numerous small units interacting with even smaller units as well as the large agencies and departments of the state. The sheer number of these units raises questions of their necessity, efficiency and ability to interact effectively.

Interlocal agreements, for the joint exercise of powers, may be entered into between cities, counties, and other public agencies of the state and the federal government. Under Title 12, Chapter 9, Part 1 of the Tennessee Code Annotated, local governments are permitted to cooperate with other localities in an attempt to provide services and facilities in the most efficient and mutually advantageous fashion. Pursuant to this Interlocal Cooperation Act, agreements for the joint exercise of powers may be entered into by cities, counties, and other public agencies of the state and the federal government. T.C.A. § 12-9-104. Governing bodies may enter into contracts "with any one or more public agencies to perform any governmental service, activity or undertaking which each public agency entering into the contract is authorized by law to perform". T.C.A. § 12-9-108. These contracts should set out in detail the "purposes, powers, rights, objectives and responsibilities of the contracting parties" and must be authorized by the governing body of each party to the contract. T.C.A. § 12-9-108. These contracts generally deal with ongoing services. For example, they may govern how a city and county run a joint solid waste transfer station. Also, a municipality may enter into an agreement with the sheriff, court of general sessions and the county legislative body of any county in which it is located to provide for the enforcement of the municipality's ordinances T.C.A. § 12-9-104. There are also other statutes providing specific authority for an interlocal agreement to deal jointly with a particular activity. Examples are interlocal agreements for joint jails or workhouses among adjoining counties (T.C.A. § 5-7-105) and urban-type public facilities for utilities such as water and sewer services. T.C.A. §5-16-107.

Any interlocal agreement that creates a local government joint venture must be filed with the comptroller of the treasury within 90 days of its execution. Each county participating in a local government joint venture must file an annual statement with the comptroller stating the names of the parties to the agreement, the annual revenue and expenses of any entity created under the agreement and such other information as the comptroller may require. T.C.A. § 12-9-112(a).

While the Intergovernmental Cooperation Act gives broad authority to all governmental units, T.C.A. §§ 5-1-113 and 5-1-114 give specific powers to counties. A county may contract with any city within its borders to conduct, operate and maintain services and functions of the two governments. Also, any two contiguous counties may cooperate to jointly conduct or finance necessary services. No government may agree to cooperate in any activity except one in which each government may participate separately. The Tennessee Code sets out the functions in which a government may engage. Many laws authorizing specific activity often contain permissive clauses for cooperative performance by local governing bodies (see, e.g. T.C.A. §§ 12-9-101 through 12-9-109).

Tennessee Code Annotated § 7-51-402, provides that counties, municipalities, utility districts and cooperatives of this state billing and collecting user fees, rates or charges for a utility service, including but not limited to, water, sanitary sewer and electricity, or for garbage and refuse collection and disposal services, are authorized by resolution to enter into agreements with each other to provide for this billing and collection to be done one for the other on such terms as may be agreed upon.

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