



County Technical Assistance Service  
INSTITUTE *for* PUBLIC SERVICE

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# State-Aid Highway Program

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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,

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# State-Aid Highway Program

Reference Number: CTAS-836

The state-aid highway program is a state program whereby the Tennessee commissioner of transportation, after consultation with local officials, designates those highways and roads which are considered of sufficient importance to be included in the system of state-aid highways. T.C.A. § 54-4-402. Under this program, the county highway officials are required to submit annually a program specifying the type of work to be performed locally on the state-aid highway system. The types of qualifying work may include the planning, engineering, right-of-way acquisition, construction, improvement, and rehabilitation of roads and bridges. T.C.A. § 54-4-403. State funds are appropriated to the state-aid highway program and allocated to the 95 counties as follows:

- 50% divided equally
- 25% divided according to county population
- 25% divided according to county area

Typically, under this program, the county has to match the state funds in an amount of 25%, although the county contributions may be in-kind. T.C.A. § 54-4-404. Counties are authorized to use unexpended state-aid funds for a portion of the local match. An amendment to T.C.A. § 54-4-404, enacted as the "County Road Relief Act of 2015", requires counties to provide at least 2% of the project cost from county funds or in-kind work, or a combination of both.

Upon the request of county highway officials, the department of transportation may agree to act as the agent of the county to carry out any phase of work authorized on the state-aid highway system, or all preconstruction activities may be performed by the county highway department if done according to state standards, or the county may award a construction contract to a private company in accordance with state regulations on bidding, or the county may negotiate with the department to perform the work. T.C.A. § 54-4-405. The state department of transportation (DOT) may lease its equipment to the county according to terms agreed upon by the commissioner and the county highway department. T.C.A. § 54-4-402.

All roads designated as part of the state-aid highway system must be maintained by the county highway department. If the county fails to maintain these highways according to DOT standards, then the commissioner may withhold state-aid funds until the roads are restored to proper condition. T.C.A. § 54-4-406.

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