




JASON E. MUMPOWER
Comptroller

August 26, 2024

MEMORANDUM

To: County Officials
From: Jason E. Mumpower 
Subject: New Requirements Related to the County Powers Relief Act

Effective May 21st, 2024, Public Chapter 990 updated the County Powers Relief Act to establish new eligibility requirements for counties seeking to levy a privilege tax pursuant to Tenn. Code Ann. § 67-4-2901, et seq.

Tenn. Code Ann. § 67-4-2907 now requires that counties meet one of the following criteria:

- 1. Twenty Percent (20%) Population Increase:**
A county must have experienced 20% or more increase in population from the 2010 federal census to the 2020 federal census, or growth of 20% or more between any subsequent federal decennial censuses.
- 2. Nine Percent (9%) Population Increase:**
A county may also qualify if it experiences a 9% or more increase in population over the immediately preceding consecutive four-year period, according to a special census conducted at the county's expense.

Prior to adopting a resolution or ordinance to levy this tax, a county's governing body must submit a statement to the Comptroller's Office, detailing the population growth figures that qualify the county to levy the tax. In accordance with the new law, we will verify the accuracy of this statement and notify the county whether it meets the requirements of Tenn. Code Ann. § 67-4-2901, et seq.

The Comptroller's Office has created an online Eligibility Verification Form for counties seeking to levy this tax to submit their population growth information. Please ensure all necessary data and documentation are included to verify your county's eligibility to levy this tax. Here is a link to the form:

[County Privilege Tax Verification Form \(tn.gov\)](https://tn.gov)

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If a county is levying this tax based on a 9% growth rate, it must re-verify its qualification with the Comptroller's Office every four years using federal census data to continue levying the tax.

If a county's eligibility is based on a 20% or more increase between decennial censuses, it must re-verify its qualification with the Comptroller's Office at the end of each ten-year census period to continue levying the tax.

Prior to levying this tax, we strongly advise that counties consider the future budgetary implications of the loss of this revenue stream in the event their population growth rate declines and they no longer qualify to levy the tax.

Should you have any questions or require assistance regarding submission of your county's population statements to the Comptroller's Office, please direct those inquiries to matthew.hill@cot.tn.gov. For general questions regarding the privilege tax, please contact LGA.web@cot.tn.gov