



TACIR INSIGHT

TENNESSEE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

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IMPROVING MANAGEMENT OF GOVERNMENT-OWNED REAL PROPERTY IN TENNESSEE

Background

In 2016, East Ridge, Tennessee celebrated the opening of a major retail development, bringing jobs and tax revenue to the community. Much of the site had been excess, state-owned right-of-way property, unused for years after the completion of the welcome center along Interstate 75. The successful reuse of this excess property led legislators to ask how much more unused government-owned land exists in Tennessee? And to what uses could it be put?

To answer those questions, the General Assembly passed Public Chapter 693, Acts of 2018, directing TACIR to determine the amount of non-tax-producing properties held by state and local governments and include recommendations in its report as to the highest and best use of the properties and ways for making them productive. The commission's report finds that insufficient information hinders the efforts of the Department of General Services to plan for the state's real property needs and cites examples from the federal government and other states for ways to improve upon government real property management. TACIR surveyed local governments about their property issues and found that unwanted property acquired after tax sales is a leading concern.

Findings and Recommendations

- An annual requirement for state agencies to report their current property use and plans for future property needs—made part of each agency's budget approval process—would improve the management of state-owned real property in Tennessee.
- Any unused state-owned properties with no planned future use reported for 10 years should be offered back to their prior owners or evaluated for sale as surplus.
- The Department of Transportation (TDOT) needs to complete an inventory of its right-of-way property and determine where excess is located. TDOT should collaborate with the Department of General Services to integrate right-of-way management with the state's overall property strategy.
- A full inventory of state-owned property should be made available online, but the state could benefit further by expanding its use of geographic information systems (GIS) and integrating property data statewide and should develop a full-featured, public-facing GIS property map.
- Tennessee could help local governments manage excess property by allowing any government to create a land bank, allowing local governments to advertise their surplus property on the state's website, formally notifying local officials when the state has surplus real property in their jurisdiction, and by offering property-management training for local officials.

See TACIR's full report at the following link for additional information:

<https://www.tn.gov/content/dam/tn/tacir/2019publications/2019ImprovingMgmtGovtOwnedRealProperty.pdf>.