



University of Tennessee, Knoxville
Trace: Tennessee Research and Creative
Exchange

MTAS Publications: Hot Topics

Municipal Technical Advisory Service (MTAS)

6-1-2009

Hot Topic: Local Government Electronic Technology Act of 2009

Josh Jones

Municipal Technical Advisory Service, jonesj@tennessee.edu

Follow this and additional works at: https://trace.tennessee.edu/utk_mtastop

 Part of the [Public Administration Commons](#)

The MTAS publications provided on this website are archival documents intended for informational purposes only and should not be considered as authoritative. The content contained in these publications may be outdated, and the laws referenced therein may have changed or may not be applicable to your city or circumstances.

For current information, please visit the MTAS website at: mtas.tennessee.edu.

Recommended Citation

Jones, Josh, "Hot Topic: Local Government Electronic Technology Act of 2009" (2009). *MTAS Publications: Hot Topics*.
https://trace.tennessee.edu/utk_mtastop/36

This Bulletin is brought to you for free and open access by the Municipal Technical Advisory Service (MTAS) at Trace: Tennessee Research and Creative Exchange. It has been accepted for inclusion in MTAS Publications: Hot Topics by an authorized administrator of Trace: Tennessee Research and Creative Exchange. For more information, please contact trace@utk.edu.

June 1, 2009

LOCAL GOVERNMENT ELECTRONIC TECHNOLOGY ACT OF 2009

Josh Jones, Legal Consultant

Public Chapter No. 96 enacts the Local Government Electronic Technology Act of 2009. This act requires local governments to file a plan with the office of the Comptroller of the Treasury before implementing any new electronic technology with a financial component. The stated intent is to encourage local governments to use their existing technological resources before purchasing new and likely costly systems. The burden of justifying new expenses to the comptroller presumably will discourage new purchases unless absolutely necessary.

Specifically, the bill requires a plan to be filed if the new technology is “associated with the disbursement of public funds; purchasing; or the sale of local government assets; or the collection of various taxes, fines, fees or payments.” This rather broad definition covers a myriad of new technologies, including credit card processing systems, computerized billing systems, and accounting systems with check processing capability, and it likely encompasses all financial functions of a municipality.

Upon determining that the new technology meets the definition, the municipality must then file a plan with the comptroller at least

30 days prior to implementation. There is no requirement that the comptroller’s office approve the plan. The plan must include the following information:

1. A description of the business process and the technology to be used;
2. A description of the policies and procedures related to implementing the technology;
3. Documentation of internal controls; and
4. An estimation of the implementation costs and a statement as to whether the plan can be implemented with existing resources of the office or if additional resources are needed and prior approval has been given by the local governing body.

These requirements should pose little difficulty as each should be given full consideration before implementing a new technology, regardless of this legislative directive.

Oddly, the public chapter does not explicitly add to or amend language in any particular section of the Tennessee Code Annotated. Hence, it is unsure where these new provisions will be codified.

June 1, 2009

LOCAL GOVERNMENT ELECTRONIC TECHNOLOGY ACT OF 2009

Also notable in the bill is the lack of an enforcement mechanism or penalty for failure to comply. Seemingly, as the program is administered through the comptroller's office, that office will take some measure to ensure compliance. Whether this is done through the audit or another avenue remains to be seen.

This new requirement went into effect immediately upon the governor's signature on April 27, 2009. Hence, any new technology covered by this bill that your city purchases from that date forward must be preceded by a plan filed with the comptroller. If you have any questions, contact your MTAS municipal management consultant.

MUNICIPAL TECHNICAL ADVISORY SERVICE

Knoxville (Headquarters) . . . (865) 974-0411	Jackson (731) 423-3710
Johnson City (423) 854-9882	Nashville (615) 532-6827
(423) 282-0416	Martin (731) 881-7055

The Municipal Technical Advisory Service (MTAS) is a statewide agency of the University of Tennessee Institute for Public Service. MTAS operates in cooperation with the Tennessee Municipal League to provide technical assistance services to officials of Tennessee's incorporated municipalities. Assistance is offered in areas such as accounting, administration, finance, public works, ordinance codification, and water and wastewater management.

MTAS *Hot Topics* are information briefs that provide a timely review of current issues of interest to Tennessee municipal officials. *Hot Topics* are free to Tennessee local, state, and federal government officials and are available to others for \$2 each. Photocopying of this publication in small quantities for educational purposes is encouraged. For permission to copy and distribute large quantities, please contact the MTAS Knoxville office at (865) 974-0411.

www.mtas.tennessee.edu

The University of Tennessee is an EEO/AA/Title VI/Title IX/Section 504/ADA/ADEA institution.

MTAS1378 • E14-1050-000-055-09