OBSERVATIONS ON THE RELATIONSHIPS BETWEEN POPULATION CHANGES, TAX RATES AND LEVELS OF DEBT

A Look at the Experiences in Ten Counties and Twenty Cities in Tennessee, 1970-1986

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January 1987

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I. INTRODUCTION

From the standpoint of having to pay local property taxes, which is the better situation:

owning property in an area that is growing rapidly, or

owning property in an area that is hardly growing?

Does population growth automatically mean higher property taxes? Now? In the future?

Is a slow growth community better able to keep the lid on taxes, or does adding more taxpayers mean lower taxes for everyone?

These kind of questions always arise in any discussion about community growth, development, and change. They are as inevitable as amendments to the IRS tax code, or feathers on a chicken. The questions are clear and certain, but the answers are not.

When there are answers, they are likely to be conditional and qualified. There is good reason for this. Every community and every situation is different.

It is almost impossible to use the results of any given community experience as a valid basis for predicting what will happen in another community. The best that can be achieved is to identify critical factors, determine common patterns and establish probabilities.

This report is intentionally characterized as "Observations" in it's title. It does not pretend to be a definitive analytical study that leads to unshakable or hard conclusions. It is exactly what it claims to be, ie. "observations". This does not mean that it cannot be useful. The intent was to present appropriate information in a way that will facilitate a better understanding of an important and complex subject. The purpose was to provide a factual basis for considering the relationships between population growth, local property taxes and levels of debt in Tennessee cities and counties.

A simple straight-forward approach was used to compare areas experiencing fast growth with areas experiencing slow growth. The years 1970-1986 were used as the chronological framework. Both cities and counties were included. Ten fast growth cities were compared with ten slow growth cities, and five fast growth counties were compared with five slow growth counties. The cities and counties selected for comparison are representative of the categories to which they were assigned. No special effort was made to secure geographical distribution, or diversity in size of the units of government selected, but this occurred to some extent without planning or manipulation.

The twenty cities selected for comparison are equally divided into the "fast" and "slow" growth categories as follows:

Fast Growth Cities - Bartlett, Brentwood, Collierville, Franklin, Germantown, Hendersonville, Johnson City, LaVergne, Murfreesboro, and Smyrna.

Slow Growth Cities - Athens, Elizabethton, Greeneville, Jefferson City, Lebanon, Morristown, Paris, Pulaski, Shelbyville, and Springfield.

Likewise the ten counties selected for comparison are divided into the same categories:

Fast Growth Counties - Cheatham, Lewis, Sumner, Williamson, and Wilson.

Slow Growth Counties - Crockett, Gibson, Hancock, Hardeman, and Haywood.

It is recognized that the terms "fast" and "slow" are relative, but within the context of the range of local government population increases in Tennessee, the characterizations and classifications used are appropriate and accurate.

The indicators used in making the comparisons are two of the primary measures of local tax burdens:

1. Tax Rates and,
2. Levels of Debt

The sources for all of the information were <u>The 1986 Certified Population of Tennessee Incorporated Municipalities</u> compiled by the Department of Economic and Community Development, and <u>The 1986 Annual Survey of State and Local Government in Tennessee</u> conducted by the Tennessee Manufacturers & Taxpayers Association. Any comments, evaluations,or conclusions presented are those of the consultant that prepared this report.

II. SUMMARY

Population Changes:

During the period 1970-1986, fast growth cities increased in population at a rate of 135.4%, while slow growth cities increased in population at a rate of 6.5%. The average annual increase for fast growth cities was 8.5%, while the average annual increase for slow growth cities was 0.4%.

During the period 1970-1983, fast growth counties increased in population at a rate of 65.0%, while slow growth counties increased in population at a rate of 2.2%. The average annual increase for fast growth counties was 5.0%, while the average annual increase for slow growth counties was 0.2%.

Cities were increasing at a faster pace than counties.

Tax Rates:

In the twenty cities surveyed, both fast growth and slow growth cities reduced tax rates between 1975 and 1985. Fast growth cities reduced tax rates by 19.5%, while slow growth cities reduced tax rates by 21.5%. In general tax rates were higher in slow growth cities than in fast growth cities.

During the period 1975-1985, slow growth counties also reduced tax rates, by 35.4%, but fast growth counties increased tax rates by 23.8%. In general tax rates were higher in fast growth counties.

Equalized tax rates in the ten fast growth cities averaged $3.28 in 1985, while in the ten slow growth cities the average equalized tax rate was $3.77.

In the five fast growth counties the equalized tax rate averaged $2.45 in 1985, while in the five slow growth counties the average equalized rate was $1.57.

Equalized tax rates were higher in cities than in counties.

In 1985, per capita property taxes levied in the ten fast growth cities averaged $105.80, while in the ten slow growth cities the average was $101.04.

In the five fast growth counties, the average per capita property tax levied in 1985 was $156.63, while in the five slow growth counties the average was $86.18.

There was considerably less difference in the per capita property tax levies of fast growth and slow growth cities, than the average levies of fast growth counties when compared with slow growth counties.

<u>Net Direct Debt</u>:

During the period 1970-1985, the ten fast growth cities increased net direct debt by 722%, while the ten slow growth cities increased net direct debt by 37%.

During the period 1970-1985, the five fast growth counties increased net direct debt by 222%, while the five slow growth counties increased net direct debt by 243%.

<u>The percentage change averages for net direct debt for the two categories of cities was entirely different than the percentage change averages for the two categories of counties</u>.

In 1985 the per capita net direct debt for the ten fast growth cities was $207.97, while the per capita net direct debt for the ten slow growth cities was $152.49.

In 1985 the per capita net direct debt for the five fast growth counties was $408.66, while the per capita net direct debt for the five slow growth counties was $132.74.

<u>For both cities and counties the per capita net direct debt was considerably greater in the fast growth categories than in the slow growth categories</u>.

SUMMARY OF CITY DATA

TABLE 1 — POPULATION CHANGES

	1970-1980	1980-1986	1970-1986	Average Annual Increase
Ten Fast Growth Cities	99.9%	17.7%	135.4%	8.5%
Ten Slow Growth Cities	2.9%	3.5%	6.5%	0.4%

TABLE 2 — 1975-1985 TAX RATES

	Average Rate 1975	Average Rate 1985	Percent Change 1975-1985
Ten Fast Growth Cities	$1.90	$1.59	-19.5%
Ten Slow Growth Cities	$2.54	$2.09	-21.5%

TABLE 3 — 1985 TAX RATE DATA

Equalized Tax Rate	1985
Ten Fast Growth Cities	$ 3.28
Ten Slow Growth Cities	$ 3.77

Per Capita Property Tax Levied	1985
Ten Fast Growth Cities	$105.80
Ten Slow Growth Cities	$101.04

TABLE 4 — NET DIRECT DEBT

	Percentage Change 1970-1985	1985 Per Capita Net Direct Debt
Ten Fast Growth Cities	722%	$207.97
Ten Slow Growth Cities	37%	$152.49

SUMMARY OF COUNTY DATA

TABLE 1 — POPULATION CHANGES

	1970-1980	1980-1983	1970-1983	Average Annual Increase
Five Fast Growth Counties	56.6%	5.3%	65.0%	5.0%
Five Slow Growth Counties	4.0%	-1.7%	2.2%	0.2%

TABLE 2 — 1975-1985 TAX RATES

	Average Rate 1975	Average Rate 1985	Percent Change 1975-1985
Five Fast Growth Counties	$3.50	$4.33	23.8%
Five Slow Growth Counties	$2.41	$1.78	-35.4%

TABLE 3 — 1985 TAX RATE DATA

Equalized Tax Rate	1985
Five Fast Growth Counties	$2.45
Five Slow Growth Counties	$1.57

Per Capita Property Tax Levied	1985
Five Fast Growth Counties	$156.63
Five Slow Growth Counties	$ 86.18

TABLE 4 — NET DIRECT DEBT

	Percentage Change 1970-1985	1985 Per Capita Net Direct Debt
Five Fast Growth Counties	222%	$408.66
Five Slow Growth Counties	243%	$132.74

III. COMMENTS AND CONCLUSIONS

The data contained in the Summary and in the Tables is suggestive but not conclusive. As indicated in the Introduction of this report, the information presented does not constitute a sufficiently detailed basis for reaching final conclusions. The fact is that the statistics taken as a whole present a rather inconclusive picture. There is really only one measure that seems to reflect a clear and consistent pattern. This is contained in Table 4, and is titled, "1985 Per Capita Net Direct Debt".

Tables 2 and 3, which display information pertaining to tax rates, show a significantly higher tax rate and percent increase in tax rates in the case of fast growth counties as compared to slow growth counties. In comparing fast growth cities with slow growth cities, however, there is a very mixed picture. Tax rates have decreased in both categories over the period 1975-1985; equalized tax rates are lower in the fast growth cities; per capita tax rates are lower in slow growth cities. The conclusion must be that there appears to be consistency in the county tax rate pattern, and inconsistency in the pattern for cities. Table 4 displays two important measures: (1) Percentage Change in Net Direct Debt 1970-1985 and, (2) 1985 Per Capita Net Direct Debt. For counties the slow growth group had a slightly higher percentage increase in net direct debt during the period measured, while net direct debt in the fast growth cities was increasing several hundred times faster than in the slow growth cities.

It is in the measure of 1985 Per Capita Net Direct Debt that both counties and cities reflect the same relationships between the fast and slow growth groups. In each case the per capita debt is considerably higher for the fast growth groups. Thus one tentative conclusion that might be drawn is that the cost of growth is being reflected more in measures of per capita debt, than in measures of current per capita tax rates.

It must be emphasized again, however, that firm valid conclusions cannot be reached without the benefit of more detailed, definitive, and comprehensive analyses. This would involve factoring for inter-governmental revenues, reappraisals of property, services provided, unusual community features and other pertinent economic and social characteristics. The communities would have to be carefully selected to assure the greatest possible degree of similarity. The information presented in this report should be viewed as a useful and necessary step in developing a better understanding of the relationships between population growth, tax rates, and levels of debt.

IV. STATISTICAL TABLES
FOR
CITY DATA

TABLE 1

POPULATION CHANGES IN TEN FAST GROWTH CITIES IN TENNESSEE

CITY	1970	1980	% CHANGE	1980	EST. 1986	% CHANGE	1970	EST. 1986	% CHANGE	AVERAGE ANNUAL INCREASE
Bartlett	1,150	17,170	1,393.0%	17,170	20,818	21.2%	1,150	20,818	1,710.3%	106.9%
Brentwood	4,099	9,431	130.1%	9,431	12,003	27.3%	4,099	12,003	192.8%	12.1%
Collierville	3,651	7,839	114.7%	7,839	9,480	20.9%	3,651	9,480	159.7%	9.9%
Franklin	9,497	12,407	30.6%	12,407	14,687	18.4%	9,497	14,687	54.6%	3.4%
Germantown	3,474	21,482	518.4%	21,482	28,060	30.6%	3,474	28,060	707.7%	44.2%
Hendersonville	412	26,561	6,342.5%	26,561	29,434	10.8%	412	29,434	7,044.2%	440.3%
Johnson City	33,770	39,753	17.7%	39,753	43,854	10.3%	33,770	43,854	29.8%	1.9%
LaVergne	2,825	5,495	94.5%	5,495	6,668	21.3%	2,825	6,668	136.0%	8.5%
Murfreesboro	26,360	32,845	47.6%	32,845	37,661	14.7%	26,360	37,661	42.9%	2.7%
Smyrna	5,698	8,839	55.1%	8,839	11,378	28.7%	5,698	11,378	99.7%	6.2%
TOTAL	90,936	181,822	99.9%	181,822	214,043	17.7%	90,936	214,043	135.4%	8.5%

POPULATION CHANGES IN TEN SLOW GROWTH CITIES IN TENNESSEE

CITY	1970	1980	% CHANGE	1980	EST. 1986	% CHANGE	1970	EST. 1986	% CHANGE	AVERAGE ANNUAL INCREASE
Athens	11,790	12,080	2.5%	12,080	12,152	0.6%	11,790	12,152	3.1%	0.2%
Elizabethton	12,269	12,431	1.3%	12,431	12,460	0.2%	12,269	12,460	1.6%	0.1%
Greeneville	13,722	14,097	2.7%	14,097	14,113	0.1%	13,722	14,113	2.8%	0.2%
Jefferson City	5,124	5,612	9.5%	5,612	5,775	2.9%	5,124	5,775	12.7%	0.8%
Lebanon	12,492	11,872	-5.2%	11,872	13,123	10.5%	12,492	13,123	5.1%	0.3%
Morristown	20,318	19,570	3.8%	19,570	21,768	11.2%	20,318	21,768	7.1%	0.4%
Paris	9,892	10,728	8.5%	10,728	10,818	0.8%	9,892	10,818	9.4%	0.6%
Pulaski	6,989	7,184	2.8%	7,184	7,195	0.1%	6,989	7,195	2.9%	0.2%
Shelbyville	12,262	13,530	10.3%	13,530	13,700	1.3%	12,262	13,700	11.7%	0.7%
Springfield	9,720	10,814	11.3%	10,814	10,883	0.6%	9,720	10,883	12.0%	0.8%
TOTAL	114,578	117,918	2.9%	117,918	121,987	3.5%	114,578	121,987	6.5%	0.4%

Source: The 1986 Certified Population of Tennessee Incorporated Municipalities, compiled by the Department of Economic and Community Development, Local Planning Assistance Office, Nashville, Tennessee.

TABLE 2

1975 - 1985 TAX RATES IN TEN FAST GROWTH CITIES IN TENNESSEE*

CITY	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1975 - 1985
Bartlett	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00	0%
Brentwood	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1.00	NA
Collierville	2.00	2.00	2.00	2.00	2.00	1.70	1.70	1.70	2.08	2.08	2.08	.04%
Franklin	2.25	2.25	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75	1.75	-28.6%
Germantown	2.50	2.50	2.50	2.50	2.50	2.16	2.16	2.16	2.16	2.16	2.16	-15.7%
Hendersonville	.80	.90	.90	.90	.90	.90	.90	.90	.90	.90	.90	12.5%
Johnson City	2.80	2.80	3.05	3.05	3.05	3.42	3.90	3.74	1.85	2.10	2.10	-33.3%
LaVergne	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.00	NA
Murfreesboro	2.10	2.25	2.25	2.25	2.90	3.00	3.10	3.10	3.10	3.10	3.20	52.4%
Smyrna	.75	.75	.75	.75	.75	.75	.75	.75	.75	.75	.75	0%
Average	$1.90	$1.93	$1.87	$1.87	$1.95	$1.93	$2.03	$2.01	$1.82	$1.86	$1.59	-19.5%

1975 - 1985 TAX RATES IN TEN SLOW GROWTH CITIES IN TENNESSEE*

CITY	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1975 - 1985
Athens	$3.20	$3.20	$3.20	$3.20	$3.20	$3.35	$3.35	$1.60	$1.60	$1.60	$1.60	-100%
Elizabethton	3.55	3.55	3.55	3.55	3.35	3.35	3.65	3.80	3.80	3.80	3.80	7.0%
Greeneville	2.75	3.00	3.00	3.75	3.75	4.75	5.25	3.10	3.10	2.90	2.90	5.5%
Jefferson City	2.00	1.85	1.85	1.85	1.85	.92	.92	.92	.92	1.32	1.32	-51.5%
Lebanon	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	0%
Morristown	4.50	4.45	4.60	4.60	4.50	4.60	4.85	4.85	4.85	4.85	3.85	7.7%
Paris	1.05	1.05	1.05	1.05	1.05	1.25	1.25	1.25	1.25	1.25	.60	-75.0%
Pulaski	1.85	1.85	1.85	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	-85.0%
Shelbyville	3.00	2.00	2.00	2.00	2.00	2.73	3.00	3.00	3.00	3.00	3.00	0%
Springfield	2.25	2.25	2.25	2.25	2.70	1.18	1.00	1.00	1.43	1.55	1.65	-36.4%
Average	$2.54	$2.44	$2.46	$2.55	$2.56	$2.53	$2.65	$2.27	$2.22	$2.25	$2.09	-21.5%

*Per $100 Assessed Valuation

Source: The 1986 Annual Survey of State and Local Government in Tennessee, conducted by the Tennessee Manufacturers and Taxpayers Association, November 1, 1986.

TABLE 3

1985 TAX RATES IN TEN FAST GROWTH CITIES IN TENNESSEE

City	City Tax Rate	County Tax Rate	Total Tax Rate	Appraisal Ratio	Equalized Tax Rate	Per Capita Property* Tax Levied
Bartlett	$2.00	$3.78	$5.78	72%	$4.16	$103.57
Brentwood	1.00	3.57	4.57	57	2.60	101.61
Collierville	2.08	3.78	5.86	72	4.22	117.43
Franklin	1.75	4.46**	6.21	57	3.54	107.75
Germantown	2.16	3.78	5.94	72	4.28	174.70
Hendersonville	.90	5.09	5.99	48	2.88	34.00
Johnson City	2.10	1.97	4.07	95	3.87	154.59
LaVergne	0	3.82	3.82	47	1.80	NA
Murfreesboro	3.20	3.82	7.02	47	3.30	132.11
Smyrna	.75	3.82	4.57	47	2.15	26.47
Average	$1.59	$3.79	$5.38	61.4%	$3.28	$105.80

*Extrapolated from data provided by Source.

**Includes a special school district rate of $1.09

1985 TAX RATES IN TEN SLOW GROWTH CITIES IN TENNESSEE

City	City Tax Rate	County Tax Rate	Total Tax Rate	Appraisal Ratio	Equalized Tax Rate	Per Capita Property* Tax Levied
Athens	$1.60	$2.18	$3.78	100%	$3.78	$123.23
Elizabethton	3.80	4.27	8.07	62	5.00	144.21
Greeneville	2.90	1.76	4.66	92	4.29	242.92
Jefferson City	1.32	2.06	3.38	84	2.84	51.72
Lebanon	1.21	5.48**	6.69	48	3.21	45.19
Morristown	3.85	4.47	8.32	41	3.41	156.13
Paris	.60	2.74***	3.34	100	3.34	30.15
Pulaski	1.00	2.90	3.90	84	3.28	48.17
Shelbyville	3.00	4.22	7.22	57	4.12	99.99
Springfield	1.65	3.60	5.25	84	4.41	68.71
Average	$2.09	$3.37	$5.46	75.2%	$3.77	$101.04

*Extrapolated from data provided by Source.

**Includes a special school district rate of $0.70

***Includes a special school district rate of $0.38

Source: The 1986 Annual Survey of State and Local Government in Tennessee, conducted by the Tennessee Manufacturuers and Taxpayers Association, Nashville, Tennessee, November 1, 1986

TABLE 4

NET DIRECT DEBT IN TEN FAST GROWTH CITIES IN TENNESSEE (1970-1985)

	Net Direct Debt* 1970	Net Direct Debt* 1985	Percentage Change 1970-1985	1985 Per Capita Net Direct Debt
Bartlett	$ 32,000	$ 7,102,556	2,209%	$341.17
Brentwood	NA	NA	NA	182.66
Collierville	0	2,008,819	100%	211.90
Franklin	62,000	0	-100%	0
Germantown	444,000	14,540,000	317%	518.18
Hendersonville	0	3,335,000	100%	124.42
Johnson City	3,840,800	10,530,152	175%	241.93
LaVergne	0	0	0%	0
Murfreesboro	1,743,000	15,090,000	766%	459.43
Smyrna	275,000	0	-100%	0
Average	$ 711,000	$ 5,845,000	722%	$207.97

NET DIRECT DEBT IN TEN SLOW GROWTH CITIES IN TENNESSEE (1970-1985)

	Net Direct Debt* 1970	Net Direct Debt* 1985	Percentage Change 1970-1985	1985 Per Capita Net Direct Debt
Athens	$1,975,000	$4,845,189	145%	$398.72
Elizabethton	2,654,839	2,512,683	-5%	201.66
Greeneville	4,068,655	4,059,000	-0.2%	287.61
Jefferson City	145,000	41,400	-254%	7.20
Lebanon	635,548	173,677	-266%	13.72
Morristown	4,538,557	8,000,000	76%	403.04
Paris	75,000	330,684	341%	30.57
Pulaski	176,026	0	-100%	0
Shelbyville	1,595,580	384,000	316%	28.03
Springfield	210,000	1,679,516	700%	154.32
Average	$1,608,000	$2,203,000	37%	$152.49

*Net Direct Debt consists of the total of general obligation bonded debt, plus bonded debt which is both revenue and general obligation, less those bonds which are both revenue and general obligation where principal and interest requirements are paid from the revenue of their respective systems, less any cash or investments designated as debt service funds plus any unfunded debt such as notes payable, which the city may have as of November 1, 1986.

Source: The 1986 Annual Survey of State and Local Government in Tennessee, conducted by the Tennessee Manufacturers and Taxpayers Association, Nashville, Tennessee, November 1, 1986

V. STATISTICAL TABLES
FOR
COUNTY DATA

TABLE 1

POPULATION CHANGES IN FIVE FAST GROWTH COUNTIES IN TENNESSEE (1970-1983)

COUNTY	1970	1980	% CHANGE	1980	EST. 1983	% CHANGE	1970	EST. 1983	% CHANGE	AVERAGE ANNUAL % INCREASE
Cheatham	13,199	21,616	63.8%	21,616	22,500	4%	13,199	22,500	70.5%	5.4%
Lewis	6,761	9,700	43.5%	9,700	10,200	5.2%	6,761	10,200	50.9%	3.9%
Sumner	56,256	85,790	52.5%	85,790	89,100	3.9%	56,256	89,100	58.4%	4.5%
Williamson	34,423	58,108	68.8%	58,108	63,500	9.3%	34,423	63,500	84.5%	6.5%
Wilson	36,999	56,064	51.5%	56,064	58,300	3.9%	36,999	58,300	57.6%	4.4%
TOTAL	147,638	231,278	56.6%	231,278	243,600	5.3%	147,638	243,600	65.0%	5.0%

POPULATION CHANGES IN FIVE SLOW GROWTH COUNTIES IN TENNESSEE (1970-1983)

COUNTY	1970	1980	% CHANGE	1980	EST. 1983	% CHANGE	1970	EST. 1983	% CHANGE	AVERAGE ANNUAL % INCREASE
Crocket	14,402	14,941	3.7%	14,941	14,200	-5.2%	14,402	14,200	-0.1%	0%
Gibson	47,871	49,467	3.3%	49,467	48,600	-1.8%	47,871	48,600	1.5%	0.2%
Hancock	6,719	6,887	2.5%	6,887	6,800	-1.3%	6,719	6,800	0.1%	0.1%
Hardeman	22,435	23,873	6.4%	23,873	23,400	-2.0%	22,435	23,400	4.3%	0.3%
Haywood	19,596	20,318	3.7%	20,318	20,500	-0.1%	19,596	20,500	4.6%	0.4%
TOTAL	111,023	115,486	4.0%	115,486	113,500	-1.7%	111,023	113,500	2.2%	0.2%

Source: The 1986 Certified Population of Tennessee Incorporated Municipalities, compiled by the Department of Economic and Community Development, Local Planning Assistance Office, Nashville, Tennessee.

TABLE 2

1975 - 1985 TAX RATES IN FIVE <u>FAST</u> GROWTH COUNTIES IN TENNESSEE*

COUNTY	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1975 - 1985
Cheatham	$4.30	$4.25	$4.40	$5.03	$2.45	$2.45	$3.10	$3.10	$3.35	$3.58	$3.98	-8.0%
Lewis	2.30	2.75	2.75	2.57	2.30	2.80	2.80	2.80	2.80	2.80	2.80	21.7%
Sumner	3.25	3.88	3.88	3.88	3.88	4.25	4.25	4.23	4.23	4.23	5.09	56.6%
Williamson	4.49	5.10	2.55	2.82	2.82	3.53	3.53	3.53	3.99	3.99	4.09	- 9.8%
Wilson	3.14	3.44	3.78	3.78	4.13	5.05	5.25	5.25	5.38	5.38	5.71	81.8%
Average	$3.50	$3.88	$3.47	$3.62	$3.12	$3.62	$3.79	$3.78	$3.95	$4.00	$4.33	23.8%

1975 - 1985 TAX RATES IN FIVE <u>SLOW</u> GROWTH COUNTIES IN TENNESSEE*

COUNTY	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1975 - 1985
Crockett	$1.80	$1.95	$2.20	$2.20	$2.90	$4.10	$1.80	$1.80	$1.80	$1.80	$1.80	0%
Gibson	2.30	2.50	3.10	3.10	3.54	3.54	1.54	1.54	.74	.80	.80	-187.5%
Hancock	3.62	3.62	3.62	3.62	3.62	3.62	3.93	3.62	1.75	1.92	1.92	-88.5%
Hardeman	2.18	2.55	2.78	2.78	1.43	1.82	2.17	2.17	2.22	2.10	2.10	-3.8%
Haywood	2.14	2.33	2.38	1.33	1.50	1.77	1.90	1.90	2.00	2.29	2.29	7.0%
Average	$2.41	$2.59	$2.82	$2.61	$2.60	$2.97	$2.27	$2.27	$1.70	$1.78	$1.78	-35.4%

*Per $1 Assessed Valuation

Source: <u>The 1986 Annual Survey of State and Local Government in Tennessee</u>, conducted by the Tennessee Manufacturers and Taxpayers Association, November 1, 1986.

TABLE 3

1985 TAX RATE DATA FOR FIVE FAST GROWTH COUNTIES IN TENNESSEE

County	Actual Tax Rate	Appraisal Ratio	Equalized Tax Rate	Per Capita Property* Tax Levied
Cheatham	$3.98	78%	$3.10	$147.36
Lewis	2.80	59%	1.65	66.54
Sumner	5.09	48%	2.44	169.54
Williamson	4.09	57%	2.33	236.85
Wilson	5.71	48%	2.74	162.86
Average	$4.33		$2.45	$156.63

1985 TAX RATE DATA FOR FIVE SLOW GROWTH COUNTIES IN TENNESSEE

County	Actual Tax Rate	Appraisal Ratio	Equalized Tax Rate	Per Capita Property* Tax Levied
Crockett	$1.80	98%	$1.76	$106.94
Gibson	.80	98%	0.78	37.44
Hancock	1.92	93%	1.79	66.24
Hardeman	2.10	88%	1.85	89.63
Haywood	2.29	74%	1.69	130.65
Average	$1.78		$1.57	$ 86.18

Source: The 1986 Annual Survey of State and Local Government in Tennessee, conducted by the Tennessee Manufacturers and Taxpayers Association, November 1, 1986.

* Extrapolated from data provided by Source

TABLE 4

NET DIRECT DEBT IN FIVE <u>FAST</u> GROWTH COUNTIES IN TENNESSEE (1970-1985)

County	Net Direct Debt* 1970	Net Direct Debt* 1985	Percentage Change 1970-1985	1985 Per Capita Net Direct Debt
Cheatham	$ 5,786,610	$13,892,954	140%	$617.46
Lewis	261,540	1,805,504	589%	177.01
Sumner	11,802,986	19,922,582	69%	223.60
Williamson	5,770,329	37,510,952	550%	590.72
Wilson	6,990,057	25,332,457	262%	434.52
Average	$ 6,122,000	$19,693,000	222%	$408.66

NET DIRECT DEBT IN FIVE <u>SLOW</u> GROWTH COUNTIES IN TENNESSEE (1970-1985)

County	Net Direct Debt* 1970	Net Direct Debt* 1985	Percentage Change 1970-1985	1985 Per Capita Net Direct Debt
Crockett	$ 407,571	$ 3,465,752	750%	$244.07
Gibson	322,092	5,582,341	1,634%	114.86
Hancock	368,623	238,153	-55%	35.02
Hardeman	2,088,508	3,335,439	60%	142.54
Haywood	3,074,820	2,607,504	-18%	127.20
Average	$1,252,000	$3,046,000	243%	$132.74

*Net Direct Debt consists of the total of general obligation bonded debt, plus bonded debt which is both revenue and general obligation, less those bonds which are both revenue and general obligation where principal and interest requirements are paid from the revenue of their respective systems, less any cash or investments designated as debt service funds plus any unfunded debt such as notes payable, which the city may have as of November 1, 1986.

Source: <u>The 1986 Annual Survey of State and Local Government in Tennessee</u>, conducted by the Tennessee Manufacturers and Taxpayers Association, Nashville, Tennessee, November 1, 1986