



County Officials Orientation Program 2026

Hosted by University of Tennessee County Technical Assistance Service
*in coordination with the Tennessee County Services Association and the
County Officials Association of Tennessee*

ETHICS LAWS AFFECTING LOCAL GOVERNMENT OFFICIALS



Ethical Standards for Officials & Employees Conflicts of Interest

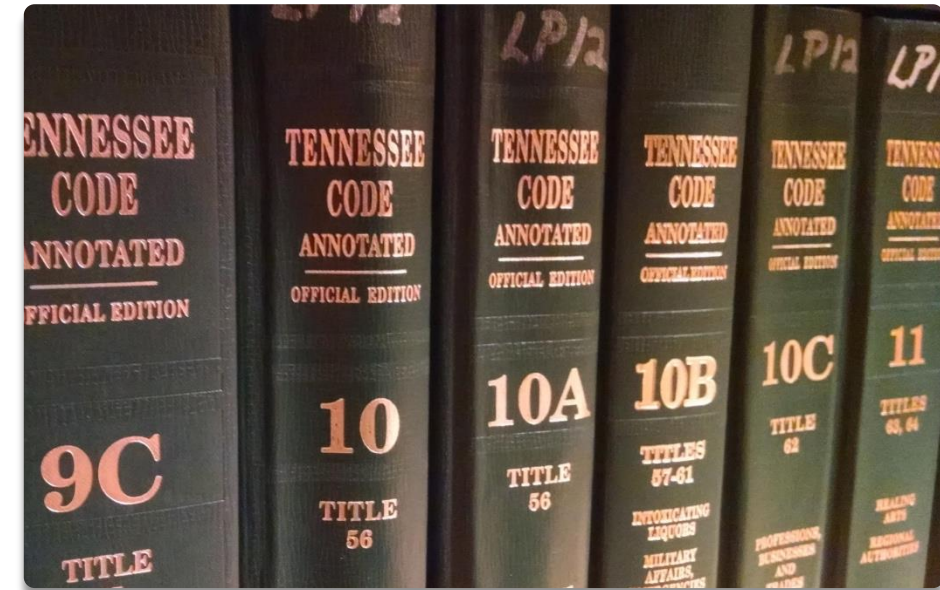
COUNTY ETHICS POLICY

ETHICS REFORM ACT OF 2006

The “Comprehensive Governmental Ethics Reform Act of 2006” is codified in T.C.A. § 8-17-101 *et seq.*

The Ethics Reform Act requires local governments to adopt ethical standards related to the acceptance and disclosure of gifts and disclosure of conflicts of interest.

Provisions of state law, to the extent they are more restrictive, shall control.



COUNTY ETHICS POLICY

- The policies are required to cover two things:

disclosure
and/or limits
on gifts

disclosure of
conflict of
interests

- The policies cannot include personnel, employment, or operational regulations of local government offices.

COUNTY ETHICS POLICY

IMPORTANT POINTS IN THE LEGISLATION

The policies apply broadly to all officials and employees in all offices, agencies, and departments of the county and to the members, officers, and employees of all boards, commissions, authorities, corporations, or other instrumentalities of a county.



UTILITY DISTRICTS, SCHOOLS & E911

The County Ethics Policy

DOES NOT apply to utility districts,
schools or the
local E911 District.



COUNTY ETHICS POLICY

Ethical standards adopted by a county cannot be less restrictive than the general law or county private acts.



COUNTY ETHICS COMMITTEE

COUNTY ETHICS COMMITTEE

Ethics legislation passed in 2005 & 2006 does not require a county to have an ethics committee.



COUNTY ETHICS COMMITTEE

In 2026 there was legislation that would have required all counties to have an ethics committee.

The legislation failed.

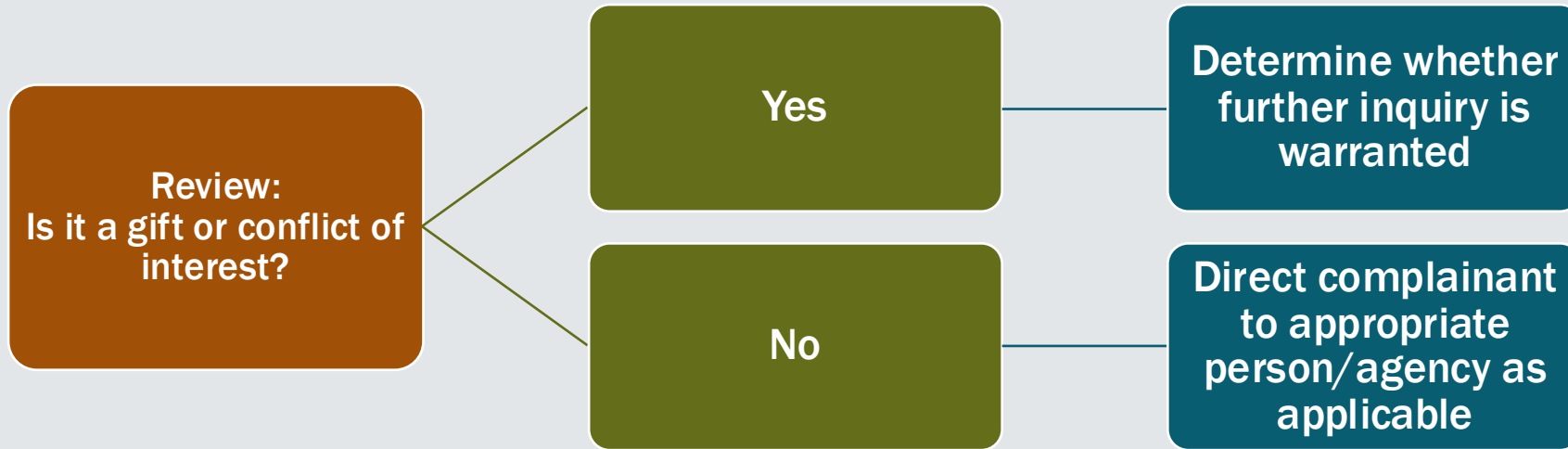
(SB 2257 - HB 1451)

COUNTY ETHICS COMMITTEE

Any complaints received by your county ethics committee that do not address either the acceptance of gifts or a conflict of interest need not be pursued by the ethics committee.



County Ethics Committee

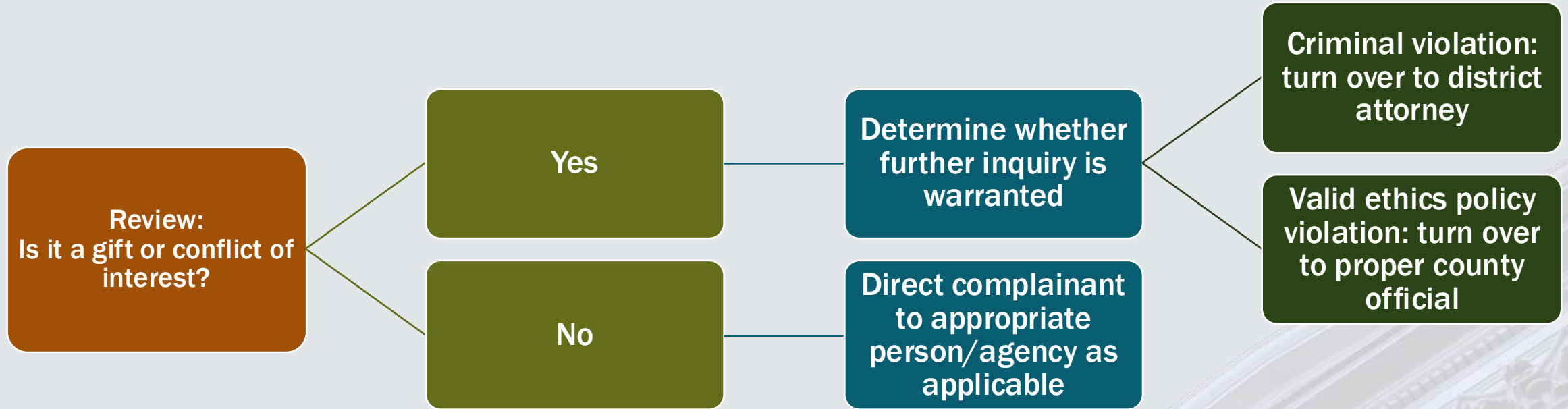


We advise county officials who serve on a county ethics committee to review ethics complaints to make sure that the complaint first addresses either the acceptance of a gift or a conflict of interest.

If the ethics complaint does not address one of these two issues, we advise that they direct the complainant to the appropriate person or agency (if applicable) and proceed no further.

If the complaint does address an appropriate issue, we advise the committee to try to determine if the complaint bears further inquiry.

COUNTY ETHICS COMMITTEE



If the complaint states a valid criminal violation, we advise they turn the matter over to the district attorney's office.

If the complaint states a valid violation of the county ethics policy, we advise they turn the complaint over to the proper county official.

Depending upon the stated complaint, that could be a county office holder if the complaint is against an employee, or the county attorney if the complaint is against an elected county official and the ethics committee needs further clarification of the law.

COUNTY ETHICS COMMITTEE

Because the statutes in question do not mandate that a county have an ethics committee, we advise ethics committee members that they have no authority other than to make recommendations to the appropriate county official who could take action in the event that an actual violation of the county ethics policy is presented to the ethics committee.

COUNTY ETHICS COMMITTEE

Notice Sunshine Law – Meetings of the County Ethics Committee are subject to the Open Meetings Act and applicable public notice requirements. T.C.A. § 8-44-102.

Minutes - All bodies subject to the open meetings act are required to keep minutes. T.C.A. § 8-44-104.

Voting - All votes of any such governmental body shall be by public vote or public ballot or public roll call. T.C.A. § 8-44-104.

Public Comment Period - The county ethics committee must reserve a period for public comment at each meeting. T.C.A. § 8-44-112.

The county ethics committee is not like a Grand Jury
The county ethics committee is not a quasi-judicial body

IT HAS NO AUTHORITY TO:

Compel attendance

Issue subpoenas

Investigate violations of state criminal laws

Investigate violations of federal laws

Hire an investigator

Meet in executive session

CONFLICT OF INTEREST LAWS

CONFLICT OF INTEREST

T.C.A. § 12-4-101

The general conflict of interest statute that applies in all counties.

CONFLICT OF INTEREST

T.C.A. § 12-4-101

Under T.C.A. § 12-4-101(a)(1), it is unlawful for a public official, or other person, whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract with the county, to be directly interested in any such contract.



CONFLICT OF INTEREST

T.C.A. § 12-4-101

“Directly interested” means any contract with the official personally or with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest.



CONFLICT OF INTEREST

T.C.A. § 12-4-101

**County commissioners cannot
do business with the county.**

CONFLICT OF INTEREST

T.C.A. § 12-4-102

An official who violates the provisions of T.C.A. § 12-4-101 shall forfeit all pay and compensation under the contract and shall be dismissed from office and shall be ineligible for the same or a similar position for 10 years



CONFLICT OF INTEREST

T.C.A. § 12-4-101



Besides prohibiting direct conflicts of interest, the statute also requires the disclosure of any indirect financial interests.

CONFLICT OF INTEREST

T.C.A. § 12-4-101

“Indirectly interested” means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality or county.

CONFLICT OF INTEREST

T.C.A. § 12-4-101



The Attorney General has opined that when spouses commingle assets, a person has an indirect interest in any contract directly affecting his or her spouse's employment.

Op. Tenn. Atty Gen. 05-017 (February 3, 2005).

CONFLICT OF INTEREST

T.C.A. § 12-4-101

Accordingly, if a county commissioner and his spouse commingle assets he is “indirectly interested” in any contract his spouse’s company may enter into with the county.

CONFLICT OF INTEREST

T.C.A. § 12-4-101

Under T.C.A. § 12-4-101, the commissioner must disclose any indirect pecuniary interest in a contract with the county if he has the duty to vote for, let out, or superintend that contract.

COUNTY PURCHASING LAW OF 1957

CONFLICT OF INTEREST PROVISIONS

T.C.A. § 5-14-114

CONFLICT OF INTEREST

T.C.A. § 5-14-114

County Purchasing Law of 1957 – Direct Interest

Prohibits the county purchasing agent, members of the county purchasing commission, members of the county legislative body, and other officials of the county from having a direct interest in a contract or purchase order for supplies, materials, equipment, or contractual services used by or furnished to a department or agency of the county government.

CONFLICT OF INTEREST

T.C.A. § 5-14-114

County Purchasing Law of 1957 – Indirect Interest

Prohibits the county purchasing agent, members of the county purchasing commission, members of the county legislative body, and other officials of the county from having an indirect interest in the purchase of supplies, materials, equipment, or contractual services for the county unless the person publicly acknowledges the interest.

GIFTS - PROHIBITED

T.C.A. § 5-14-114

County Purchasing Law of 1957

Prohibits the same group of individuals from accepting or receiving, directly or indirectly, from a person, firm, or corporation to which a contract or purchase order may be awarded, by rebate, gift, or otherwise, money or anything of value whatsoever, or a promise, obligation, or contract for future reward or compensation.



COUNTY FINANCIAL MANAGEMENT SYSTEM OF 1981

CONFLICT OF INTEREST PROVISIONS

T.C.A. § 5-21-121

CONFLICT OF INTEREST

T.C.A. § 5-21-121

County Financial Management System of 1981

Prohibits the director, purchasing agent, members of the committee, members of the county legislative body, other officials of the county, members of the board of education, members of the highway commission, and employees of the finance department and purchasing department from having a direct interest in the purchase of supplies, materials, equipment, or contractual services for the county.

CONFLICT OF INTEREST

T.C.A. § 5-21-121

County Financial Management System of 1981

Such persons shall not have an indirect interest in the purchase of supplies, materials, equipment, or contractual services for the county unless the person publicly acknowledges the interest.

GIFTS - PROHIBITED

T.C.A. § 5-21-121

County Financial Management System of 1981

Prohibits the finance director, purchasing agent, and employees in those depts from accepting anything of value, directly or indirectly, from anyone who furnishes supplies, materials, equipment or contractual services to the county.

COUNTY UNIFORM HIGHWAY LAW

CONFLICT OF INTEREST PROVISIONS

T.C.A. § 54-7-203

CONFLICT OF INTEREST

T.C.A. § 54-7-203

Purchasing Regulations of Highway Depts

In counties under the County Uniform Highway Law, a very strict conflict of interest statute applies.

Applies to:

- The chief administrative officer
- County highway commissioners
- Members of the county governing body
- Employees of the county road department



CONFLICT OF INTEREST

T.C.A. § 54-7-203

They cannot be financially interested in or have any personal interest, either directly or indirectly, in the purchase of any supplies, machinery, materials, equipment or contractual services for the department or system of roads for the county, nor in any firm, corporation, partnership, association or individual selling or furnishing such machinery, equipment, supplies and materials.



CONFLICT OF INTEREST

T.C.A. § 54-7-203

A violation of this section constitutes official misconduct and is a Class C misdemeanor and is grounds for removal from office.

THE END

