



2022

# Pork Report





## Betraying Taxpayers

Few people have a positive view of lobbyists and even fewer enjoy paying taxes. But paying more in taxes to pay for lobbyists? That's just downright insulting. But few Tennesseans realize their hard-earned tax dollars go towards paying lobbyists to talk to elected officials. From city and county government to public universities and utilities, Tennessee tax dollars pay for these entities to hire private lobbyists to influence the legislature. Open records requests to local government entities show over \$1 million a year in tax dollars funds lobbying efforts at the state legislature. The truth is, it is likely higher, as government employees who lobby are not required to disclose information that for-profit lobbying firms and non-profits do. Even worse, some government entities responded to requests saying they didn't know exactly how much went to lobbying. Tennesseans elect representatives and senators to be their voice in the legislature. They should not have even more of their tax dollars go to line the pockets of special interests or against their own interests.

### Solution

Forbid taxpayer-funded lobbying, as elected officials are already at the capitol to be the voice for their community. At the very least, local government entities should be required to disclose all information on lobbying contracts and government employees who lobby.

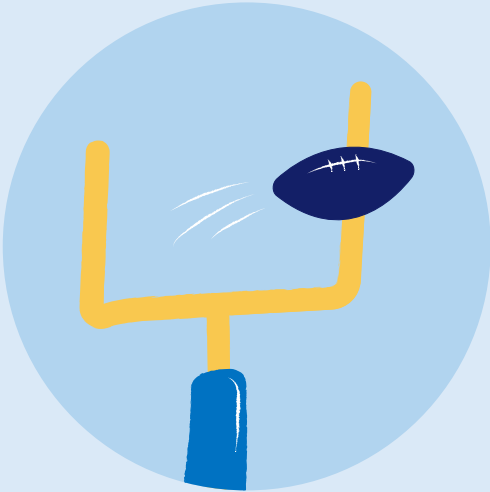


## The Contact Contract

For the last three years, there has been a common theme in Beacon's *Pork Reports*: no-bid contracts. The 2020 *Pork Report* detailed how the state spent \$8 million on a no-bid contract for masks made by a sock manufacturer. The 2021 *Pork of the Year* "winner" was Metro Nashville Public Schools, which spent millions of taxpayer dollars on a no-bid contract for a barebones website and other items that journalists and the public still have questions about. For this year's annual no-bid contract feature, it was uncovered that the state ended a no-bid contract for contact tracing with a company that had no experience in the matter...after giving them \$65 million in tax dollars. It was also uncovered that the company didn't reach out to some patients until after their infectious period had ended or after the point they had to quarantine. The company also didn't publish any data to show the productivity of the tens of millions the state had given it.

### Solution

When it comes to no-bid contracts, the solution is obvious: the government should not enter into them except in rare circumstances. Any contract paid with taxpayer dollars should always be detailed and transparent, and show exactly what taxpayers are getting for their dollars. Any no-bid contracts that were made during the throes of the pandemic should be audited.

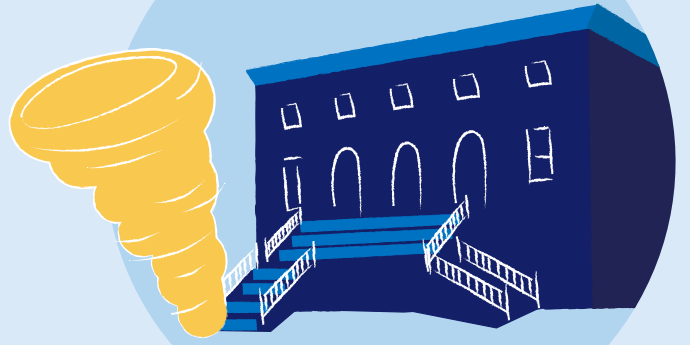


## Moving The Goalposts

The proposed Tennessee Titans stadium is reported to be the highest public subsidy for an NFL stadium in history. The first tax dollars committed to the project came from the state legislature by offering up \$500 million to help fund a new stadium. Let's not forget that taxpayers are still paying off the original 25-year-old Nissan Stadium. But Nashville wasn't the only city to get taxpayer dollars for stadiums. Across the state, team owners were happy to take taxpayer-funded handouts offered by the government. Chattanooga and Hamilton County are giving millions in taxpayer dollars and tax incentives to build a new stadium (despite being nowhere close to filling up their current stadium) for their minor league baseball team the Lookouts, while in Knoxville, city leaders expanded the special tax district for their minor league team's new stadium. And West Tennessee wasn't left out in taxpayer stadium funding, with Memphis giving \$2 million to upgrade Liberty Stadium. The city also began talks with the state for hundreds of millions of dollars and an increase in their hotel-motel tax to fund renovations at current stadiums and the construction of a new stadium for the Memphis soccer team. Despite what government officials say, studies have shown sports stadiums do not create new tax revenue, but only shift a tax base from one area to another.

### Solution

Government should not be in the business of funding stadiums for sports teams, but it seems political leaders in the state capitol and in each Grand Division have grandiose delusions that giving taxpayer dollars to millionaire and billionaire owners of sports teams is a good thing for taxpayers. Government should get back to the basics instead of handing over a blank check to owners of sports franchises who, by the way, have yet to bring any professional championship trophy back to Tennessee.



## If You Build It, They Will Come

After a devastating tornado destroyed much of Dresden's municipal property, the city no doubt needed a new city hall and municipal complex. Without submitting it to the city council for consideration, Dresden Mayor Jeff Washburn hired a firm to produce architectural drawings, which seems like a good idea theoretically, but it was for a building on property that the city did not own. To make matters worse, once the mayor learned that the city would not acquire the land, he allowed the firm to produce a second set of drawings for about \$80,000. At the city board meeting, Mayor Washburn passed the blame on to the aldermen. When asked by a city alderman why money was spent on drawings for a building that could not be built, the mayor responded that it was a "good question." This was just a city official using tax dollars as monopoly money. Unfortunately for taxpayers, this entire process will have to be repeated once the city identifies land that it can actually build on. Mayor Washburn owes taxpayers an apology and a way to make all of this right.

### Solution

Elected officials should review all contracts, and make sure basic checks are complete (like asking if the government owns the land) before spending taxpayer money.



## Bonding with The Heartbreak Hotel

Government bonds in default is something that you won't hear government officials bragging about. The economic development agency of Memphis and Shelby County (EDGE), which is a perennial nominee for the *Pork Report*, issued over \$104 million in bonds for projects at Graceland in 2017, but now, about \$20 million of that is in default. When these bonds were issued, some of them were high-risk and even unrated. Nonsensical and inconsistent COVID lockdowns that we've previously covered hurt Graceland's revenue so much that these bonds have dropped to "junk" status. A "junk" bond is one that carries a high-risk of default or not being able to pay its interest payments to investors.

To make up for the taxpayer-funded "heartbreak" hotel and auto museum, Elvis Presley Enterprises and EDGE officials are banking on the King's return in the new Elvis movie. When asked what will happen to the investors that hold the defaulted bonds, EDGE said that investors will "have to be patient." Only the government would sideline its responsibilities to taxpayers to make sure tourists from all over the country have a great experience at a privately held venue.

### Solution

Government doesn't need to be in the business of rescuing private entertainment venues and sticking taxpayers with the bill to expand them.



## Lesser with ESSER

The federal government gave billions of tax dollars to Tennessee public education in response to the pandemic. Though these funds were meant to get students to return safely to the classroom and help them recover from learning loss, some school districts budgeted funds on items that look more like a rich kid's Christmas list than a plan for students. In West Tennessee, three districts budgeted funds on retractable bleachers, walk-in coolers, virtual reality goggles, and in the case of Shelby County Schools, nearly \$34 million on "indirect costs," with no information provided on how the funds would be used. A historic influx of funds for public education was the answer for so many who called for increasing education funding, yet it seems when those dollars were given to districts, students weren't always the focus.



### Solution

Require school districts be transparent about federal pandemic funding by making it easily accessible to view contracts, plans, and descriptions of where these dollars are going and exactly how they relate to helping students. Tennessee legislators could look to Wisconsin, which passed a law requiring school districts to make receipt and expenditure data available on district websites.



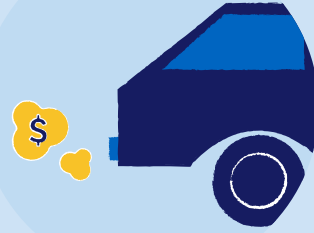
## Homeless Homeless Pods

Nashville has become known for a lot of things, but one that we wish it wasn't known for is Metro Nashville Government's remarkable ineptitude to utilize taxpayer dollars for any coordinated purpose. Currently, Brookmeade Park has a large homeless population. The area is plagued with violence, drugs, and overdoses. This has all happened while \$1.2 million worth of taxpayer-funded emergency pallet pods remain unused in storage. The official statement from the Homeless Impact Division to Fox 17 said, "The pods in question were provided for emergency use during COVID and the state has not authorized their use for other purposes." It is not clear if the city has actually asked the state to use the pods for other purposes. Either way, they continue to sit in storage unused. This is yet another example of the government seemingly having good intentions to try to help with the homeless issue in Nashville but not even enough common sense to know how to follow through.

With a Nashville spokesperson saying the pods can be used for other emergencies, as long as it does not hamper the ability to house people with COVID, Metro leaders should work towards getting these pods as emergency shelters for the city's homeless, instead of wasting taxpayer dollars on products that serve no one. With the city recently approving \$50 million to address homelessness, Metro leaders need to ensure these funds actually serve the people and don't become another boondoggle, being spent on items that sit unused or underutilized.

**Solution**





## Fees Are Exhaust-ing

Rutherford County residents and others don't have to waste time and gas idling in those long lines to test emissions ever again now that Tennessee's air quality has increased and emissions testing requirements have ended. Yet, the previous \$9 emissions fee and line that rivals Nashville's Pancake Pantry has been replaced by a \$4 vehicle registration increase. Emissions testing was to ensure clean Tennessee air. Now that the air is clean, why are taxpayers still on the hook for a fee increase? Something stinks and it ain't those lifted trucks rolling coal down the interstate. It is now clear that emissions testing was never about the air quality and all about local governments filling up their coffers under the guise of environmentalism.

### Solution

Vehicle emissions requirements and fees were supposed to go towards "clean Tennessee air" and not county coffers. Using a burdensome regulation to raise revenue should give us all righteous road rage. Local governments should focus on cutting wasteful spending and using less exhausting ways to balance their books.



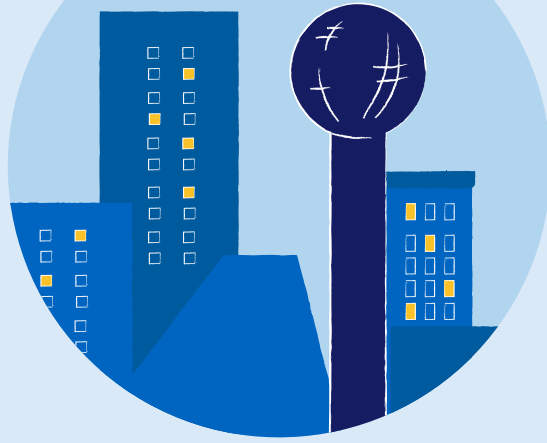
## “It” City? More Like “Throw A Fit” City.

In the latest news of government overreach to pander to a population: Nashville City Council passed a bill allocating \$500,000 to Planned Parenthood to provide sex education and access to contraceptives. We’ve heard for years that Nashville’s budget is in a bad place—almost going into receivership just a few years ago. The mayor’s office said prior to the passage of the bill that it would be difficult to find the money to fund the grant, but they did it...by taking \$90,000 from the police department, \$60,000 from the parks, library, transportation, and health departments, and smaller (by comparison) amounts from nine other departments.

In a recent statewide poll, Beacon found that the majority of people in Middle Tennessee want the government to get back to basics. This begs the question: is this a politically-motivated stunt at the expense of taxpayers, and is it something that we think would genuinely improve the lives of Nashvillians?

### Solution

Local governments should be focused on things like crime prevention, quality education, and infrastructure. Temporary political plays using taxpayer dollars should not fall within the role of government.



## Netflix and Bill

The city of Knoxville is continuing its streak of nickel and diming taxpayers when it comes to broadband and streaming services. After the Knoxville Utility Board appeared in the *Pork Report* last year for committing \$700 million for government-run broadband despite the fact that 98 percent of Knoxville residents have multiple choices in broadband, the city may have one-upped itself this year. In an astonishing lawsuit, the city of Knoxville is suing streaming services Netflix and Hulu because of the city's loss of revenue due to residents' cord cutting (getting rid of cable).

Instead of celebrating new technology that gets rid of a monopoly and makes it cheaper and easier to watch your favorite shows, Knoxville is intent on punishing these providers with a frivolous lawsuit that will cost taxpayers one way or another. Either the city loses the lawsuit and taxpayers are on the hook for all the time and resources used by the city for the lawsuit, or the city wins the lawsuit and streaming services inevitably raise prices on consumers to cover the tax increase that cities like Knoxville are forcing on them.

*\*Update: On November 22nd, the Tennessee Supreme Court sided with Netflix and Hulu ruling that they do not need to pay franchise fees to localities.*

### Solution

Governments should not punish technological innovations that provide consumers with better ways to watch their favorite shows. Cable taxes are allowed by federal law because companies can run cable in public rights-of-way. And residents are already taxed on their broadband internet. Additionally, with satellite internet growing across the country, lawsuits that demand taxes based on cables in the ground will eventually be washed away in the stream of technology.

# Double The Money, Double The Grief for Taxpayers

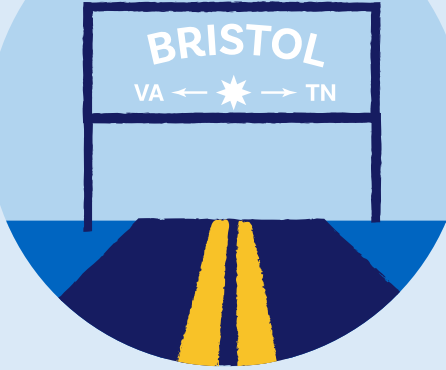
One of the main reasons we write the *Pork Report* every year is to shine much-needed sunlight on some of the worst uses of taxpayer money in hopes that some bad press and public opposition will make the assailants think twice before wasting tax dollars again. Unfortunately for residents of Johnson City, it appears that your city commission has no shame and has decided to double down on their bad decisions when it comes to spending taxpayer money. After making the *Pork Report* last year by spending a whopping \$13 million dollars on five baseball diamonds, they have allotted another \$4.4 million of tax dollars to build two synthetic turf softball fields and two grass soccer fields that even the commission seems to be confused about after already voting to approve it.

The fact that Johnson City keeps pretending that these fields represent some kind of positive economic development to the area is misleading at best. This is just another example of Johnson City using bogus economic impact numbers. Pie in the sky scenarios are being used to justify spending inordinate amounts of taxpayer money on an unnecessary, costly venture that the government shouldn't be involved in.



## Solution

Elected officials need to stop making unforced errors by spending money on unnecessary luxuries like baseball and softball fields in the name of economic development and should instead focus on core government services.



## Bristol Puts Taxpayers in A Pickle

Johnson City isn't the only place in the Tri-Cities wasting tax dollars on athletic facilities under the guise of "economic growth." The city of Bristol has set aside \$1 million to spend on pickleball courts, which will end up costing taxpayers a cool \$50,000 per court. Using the same unsound economic logic of Johnson City, hoping to potentially attract national tournaments, this is yet another example of trying to "build it and hope they will come." If the West Tennessee megasite, which was empty for nearly two decades, has taught us anything, it's that spending a ton of tax dollars on potential projects with no guarantee of economic return is both irresponsible and not the role of government. If there was a need for pickleball courts in Bristol, it would be a profitable venture and the government wouldn't have to do it. At least shoot taxpayers straight and say these pickleball courts will likely lose money but that you think it's something the community needs. Even though if there was a demand the government wouldn't have to step in anyways. Just like with government-run golf courses across the state, this is almost doomed to lose money from the start.

### Solution

Elected officials need to stop putting taxpayers in a pickle by building stadiums, courses, and courts better left to the private sector.

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