Center for Local Planning
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Compliance with Public Chapter 1044: A New Mandate for a Coordinated and Timely Development Plan Review Process

A Policy Guide for Local Governments and Planning Agencies

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Purpose

This document provides guidance to Tennessee local governments on implementing Public Chapter No. 1044, which establishes new statutory timelines and procedures for the review of development applications, site inspections, and project surety releases. This guide summarizes the law's key requirements, explains its practical implications, and identifies best practices for achieving compliance before its January 1, 2027, effective date.

Key Takeaways

1. The primary objective of Public Chapter No. 1044 is to ensure that development plans are either administratively approved or are quickly forwarded to the decision-making body. **Public Chapter No. 1044 does not require mandatory approvals by the planning commission or governing body; only that applications are placed on an agenda in a timely manner.**
2. To accomplish this objective, Public Chapter No. 1044 requires local government professional staff to provide written comments within 30 business days and either fully approve or advance applications to the decision-making body within 60 business days of submittal. Missing these deadlines results in automatic approval of the application as submitted, creating real accountability for staff responsiveness.
3. Further, Public Chapter No. 1044 requires that local governments are capped at issuing two (2) written notices of deficiencies. After that, professional staff of the local government must either deny the application (and refund 50% of application fees), conditionally approve it if authorized to do so, or place it on the next available agenda of the decision-making body.
4. Public Chapter No. 1044 also creates a new statewide baseline for surety release in situations in which there is a formal contract in place between the developer and the local government. In such situations, the local government has 120 business days to release surety or escalate it to a board agenda once a report is submitted by an independent engineer certifying that work required by the contract has been completed. The local government must respond in writing within 20 business days with specific reasons for any delay. **Again, Public Chapter No. 1044 does not mandate surety release; only that the item be forwarded to a public decision-making body in a timely manner.**
5. Compliance will demand cross-departmental coordination, centralized record-keeping,

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and likely the designation of a single development administrator. This individual should have cross-departmental authority granted by the city manager/administrator, or the city/county mayor as applicable.

Background

Multiple sections of Tennessee state law establish the respective authority of elected bodies, planning commissions, appeals boards and professional staff regarding the review and approval of development related applications. The distinction between legislative and administrative processes is key to understanding the extent of authority and discretion granted to each group over development applications, which may include zoning map amendments, site plans, subdivision plats, variances and exceptions, drainage and utility construction plans, and others. The distinction between legislative and administrative review was defined by the Tennessee Supreme Court in the landmark 1990 case *McCallen v. City of Memphis*.

Broadly speaking, development plan application review by the legislative body that involves property annexation, rezoning, or a zoning ordinance text amendment is considered a **legislative process** and is afforded wide latitude and broad discretion by the courts. However, development plan applications that involve subdivision plat, site plan, building permit, or other similar review are an **administrative process,** in which the discretion of the review body (or professional staff where authorized) is far more limited. All decisions related to administrative applications must be based on material evidence and findings of fact and not speculations, expressions of fears or considerations of a political nature.

Administrative applications are generally non-discretionary because they are reviewed for compliance with standards that have already been established in adopted zoning ordinances and maps, subdivision regulations, major road plans, design guidelines, and local codes governing utilities and stormwater management. It is important to note that the legislative body may in certain circumstances act in an administrative, rather than a legislative capacity, such as when it reviews site plans, final development plans, and other documents that do not require the amendment of the zoning map or ordinance. In those cases, the discretion of the elected body is just as limited as it would be for a planning commission or other administrative body.

Public Chapter No. 1044 addresses the length of time permitted for administrative applications. It establishes a defined process with clear timelines for professional staff, planning commissions,

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and governing bodies to manage development applications, site development inspections, and project surety release requests. Public Chapter No. 1044 makes two distinct changes to the law:

- **Change #1:** Adds a new section to T.C.A. § 7-51-2204 addressing the review and approval of development applications, development plans, and site inspections.
- **Change #2:** Adds a new chapter at T.C.A. § 7-70-101 addressing the release of bonds and other sureties held by the local government as part of the land development process pursuant to a contract between the developer and the local government.

Key Terms Used in this Document

Project Development Team: Property owners, contractors, developers, professional design engineers and surveyors, and engineering and site inspectors.

Project Surety: A bond, letter of credit, or other method of financial assurance posted to guarantee completion of development improvements, including performance and maintenance bonds as described at T.C.A. § 13-3-403(b) and T.C.A .§ 13-4-303(b).

Governing Body: An elected city or county governing body, including counties with a metropolitan form of government.

Notice of Deficiencies: The listing of staff comments from professional city or county staff, or a hired third-party reviewer, that notes necessary corrections needing to be made to development plans so that they comply with adopted local requirements.

Planning Commission: Municipal and regional planning commissions, including planning commissions serving metropolitan counties.

Professional Staff: City and county staff members involved in development plan review, administration, and approval, including any planning and engineering service consultants.

Key Requirements and Implications

1. Public Chapter No. 1044 will become effective January 1, 2027, and will apply to every city, county and metropolitan government in the state of Tennessee. The statute impacts all local government departments involved in development plan review and approval, including planning, engineering, codes, fire and police, city and county utility

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departments, plan review consultants, streets and public works, and county highway departments.

2. Written comments or requests for additional information must be provided to the developer within 30 business days of submittal; the statute encourages all comments across departments to be contained in a single document. Failure to provide staff comments to the project development team within 30 business days of submittal results in automatic approval.

3. If professional staff issues a written report noting all plan comments and corrections and subsequently receives documentation that each deficiency was satisfactorily resolved, the application must be approved or added to the next available agenda of the planning commission or governing body within 30 business days of receipt of documentation from the applicant. Failure to do so will result in automatic approval of the development plan as submitted.

4. Local governments must approve the development application administratively or add it to next available planning commission or local governing body agenda within 60 business days of submittal.

5. If authorized by locally adopted regulations to do so, staff may issue the project development team a notice of plan approval, including any conditional approval with a list of remaining required alterations, within 60 business days of application submittal.

6. The local government reviewing a development application is not allowed to issue more than two (2) written notices of deficiencies. The statute strongly encourages, but does not require, that these staff comments be combined into one single document or set of documents. If the deficiencies identified are not satisfactorily resolved, the professional staff must either:

    a. Deny the application and refund 50% of the fees paid by the developer to the local government; or

    b. Conditionally approve the application; or

    c. Place it on the next available agenda of the planning commission or governing body, potentially with a recommendation for denial for not meeting applicable regulations.

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7. If an application is incomplete, the local government must notify the developer within 30 days of incompleteness. A notification of "incompleteness" is not the same as a written notice of deficiency and does not count toward the two (2) notice of deficiency maximum. Communities should ideally make a decision related to the completeness of the application immediately after submittal, prior to formal acceptance of the application and any associated fees.

8. If a licensed professional engineer, following an "independent inspection," certifies in writing that all work required under a development project contract has been completed, the local government must review the certification and determine whether the surety should be released. The following requirements also apply:

    a. Within 20 days of receiving the engineer's report, the local government must provide written notice of any incomplete or deficient work that justifies withholding the surety.

    b. Within 120 business days of receiving the report, the local government must either release the surety or place the matter on the agenda of the planning commission or governing body for consideration.

    c. The "independent inspection" called for by the statute is defined as any inspection completed by a professional engineer who is registered with the state board of examiners for architects and engineers.

9. Public Chapter No. 1044 does not alter any development projects with previously approved plans, unless the project's vested rights lapse per T.C.A. § 13-3-413 and 13-4-310.

10. Regulated development plans include all applications that do not require a legislative process, such as property annexations or zoning amendments. Covered plan types include preliminary plats/plans, site plans, final master plans, road and drainage construction plans, and similar development plans. Other regulated processes include driveway and utility connection permits and similar permit requests that do not require a prior formal plan review and approval.

11. In addition to development plan applications, Public Chapter No. 1044 establishes timeline requirements for site development inspections. Examples of such site development inspections include roadway subgrade, rock base, binder and surface asphalt repairs, sidewalk construction, utility installation, concrete curb installation and repairs,

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stormwater piping, detention and water quality features, erosion control, construction entrance installation, and landscaping.

12. Professional staff who conduct field inspections must provide a written notice of any site inspection deficiencies or issue an inspection approval within 30 business days of the inspection request. Failure to either approve the inspections or provide staff comments within 30 business days of the request will result in automatic approval of the inspection.

13. If a site inspection cannot, or will not, be approved by professional staff within 60 business days, the statute requires it to be placed on the next available agenda of the planning commission or local governing body within 60 business days of the inspection request.

14. Public Chapter No. 1044 does not alter the maximum time limits for final subdivision plat review and approval under T.C.A. Sections 13-3-404 and 13-4-304.

15. Public Chapter No. 1044 does NOT apply to:

    a. Building, fire, mechanical, plumbing, and electrical permits and inspections, which are regulated under T.C.A. § 68-120-101 and 68-120-123 and carry shorter response periods. NOTE: While Public Chapter No 1044 does not address timelines for building codes and fire codes, Public Chapter No. 771 (2024) DOES require acceptance of third-party inspections for plans review and building or fire code related inspections. If an applicant chooses to exercise the option of third-party inspections, then there are similar turnaround time limitations and penalties per Public Chapter No 771 (2024).

    b. State agencies, including the Tennessee Department of Environment and Conservation, the Tennessee Department of Transportation, and utility districts operating independently of local governments.

    c. Local government–funded and contracted projects, including public roadways, sidewalks, parks and recreation, buildings and facilities, and utility projects.

16. The timeframes established by this Public Chapter exclude any day on which a local government's offices are closed during a state of emergency declared under present law (T.C.A. § 58-2-107).

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Best Practices for All

1. **Designate a local development administrator.** Compliance with these new requirements will require mandatory coordination across multiple departments. Planning staff may not have the authority to ensure that all departments work together to comply with Public Chapter No 1044. Local mayors and city managers should identify **and empower** a single development administrator and any associated staff to coordinate the local development plan application process including receiving submittals and fees, scheduling inspections, and maintaining all project records. The development administrator should coordinate plan review across all relevant local government departments, compile all review comments into a single consolidated comment and correction list, and transmit that list to the project development team within **30 business days** of application receipt. Ideally, the administrator should also issue plan approval notices and project surety release notices.

   Depending on the size of the jurisdiction and current development pressures, this function may entail the hiring of additional professional staff, or the reallocation or reassignment of existing professional staff members. Permitting software platforms can make this job easier, and can be modified to accommodate these new statutory requirements. However, experience shows that technology alone will not replace the need for a single point of contact charged with coordinating the development review process across departments.

2. **Verify application contact information.** Staff should review existing development application forms to confirm they include spaces for complete contact information for all project team members, including property owners, developers, contractors, professional engineers, surveyors, architects, landscape architects, and others involved in project design and site inspections. This information should be reviewed for completeness each time an application is submitted. Missing information may result in delays and should be provided prior to the acceptance of the application.

3. **Ensure the developer is included in all correspondence.** Public Chapter No. 1044 requires that staff comments and other items be provided **to the developer**. Staff should ensure that all comments and correspondence provided include the developer, in addition to any surveyors, engineers, or other professionals who are responsible for the content of the plan documents. Including the developer on correspondence will help prevent

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miscommunication and delays on the part of the project development team and professional staff.

4. **Encourage/require pre-submittal/pre-application meetings.** Staff should encourage the project development team to request and attend a pre-submittal meeting before any development plan application is submitted. These meetings help communicate submittal expectations and review process requirements. Any pre-submittal policy generally would not require a formal application, application fee, or plan submittal simply to schedule the meeting. Many jurisdictions make a pre-submittal meeting between local staff and members of the project development team mandatory prior to the submittal of any significant application, via requirements placed in their subdivision regulations and/or zoning ordinance. Such mandatory presubmittal/preapplication meetings between professional staff and the applicant's development team are strongly encouraged as a means of organizing staff to ensure compliance with Public Chapter No. 1044. It should be noted that presubmittal meetings which include members of the planning commission or governing body may be subject to open meetings requirements of state law.

5. **Review any contracts in place for 3rd party plans reviewers.** If the local government maintains a contract with a 3rd party engineer or other professional for the review of construction plans, plats, traffic studies, and other development-related applications, the staff should review any contracts to ensure that review timelines comply with these new statutory requirements. Contracts without clear expectations or that may conflict with the statute's timelines should be referred to the community's legal counsel for analysis. The community should also review the pros and cons of either requiring the developer to pay the third-party plan reviewer directly or allowing a "pass through" approach in which the community is reimbursed for the costs of the third-party plan review.

6. **Establish a defined administrative review process.** Professional staff should ensure there is a documented process for receiving and reviewing plans, including submittal requirements based on locally adopted regulations. It is recommended that any corrected plan resubmittal require the development team to provide a written response to each plan review comment. Communities should clarify in local regulations when staff-level approval is sufficient versus when planning commission or governing body review and approval is required. Specific statutory requirements for administrative staff level approvals exist for subdivision plats and special exceptions. Other items such as site plan

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applications are afforded broad discretion for staff level administrative review. However, the governing body must clarify the bounds of any such professional staff authority within the locally adopted zoning ordinance and/or subdivision regulations. **The creation of an Administrative Manual or Standard Operating Procedures is recommended to ensure staff, elected and appointed bodies, design professionals, and developers clearly understand the procedural process for each community associated with compliance with Public Chapter No. 1044.**

7. **Be thorough in checking plans for substantial completeness prior to acceptance.** State vested property rights law (as amended via Public Chapter No. 465 and Public Chapter No. 440 in 2025) requires that plans vest upon submittal of plans that "substantially comply" with existing local regulations. The law indicates that this "substantial compliance" should be defined in local development regulations. Staff should be thorough in conducting a sufficiency review for each application in order to ensure that plans meet these minimum requirements prior to acceptance. Plans that are missing key components may be rejected as incomplete along with any application fee payment that might be due. Public Chapter No. 1044 indicates that a notification of incompleteness does not count toward the two (2) written reports of deficiency limit.

8. **Include comment history in planning commission staff reports.** Planning commission meeting staff reports should summarize the plan review comments and deficiencies previously transmitted to the project development team. A timeline of staff contacts with the project development team may also be provided. Staff comments and the written responses from the project development team should be included as attachments to staff reports and meeting packets.

9. **Post meeting calendars and submittal deadlines online.** Staff should ensure that planning commission meeting schedules and plan submittal calendars are publicly available on the local government's website. Upcoming annual meeting and submittal calendars should ideally be adopted by resolution of the relevant board or committee in the months prior to the start of each calendar year.

10. **Review board authority over site inspection reports.** Public Chapter No. 1044 seems to require that inspections that cannot, or will not, be approved by inspection staff be placed on planning commission or governing body agendas. This is a new responsibility that those bodies have not traditionally possessed. Staff and legal counsel should review

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current planning commission and governing body review requirements to determine whether a regulation amendment is needed to include site inspection reports, or at minimum, denied staff inspection reports, on board agendas. Other committees, such as zoning and stormwater boards of appeals, may already have authority to review and decide on certain inspection questions. Public Chapter No. 1044 is not clear as to its impact on the existing authority of those bodies.

11. **Establish a comprehensive project surety process.** Staff should ensure there is a clearly defined surety process that includes surety calculation methods, site development inspection requirements, and surety modification and acceptance procedures. This should include a defined maintenance surety period for public and private project improvements such as street paving, curbs, landscaping, and water and sewer mains. This information can be added to an Administrative Manual or Standard Operating Procedures to help ensure compliance with Public Chapter No. 1044.

12. **Maintain centralized surety records.** Professional staff should maintain project development surety records in a designated location, with identified staff responsible for administering surety submittals, releases, board approvals, and correspondence, and for ensuring sureties remain active until formally released.

13. **Define surety amount calculation methods.** Staff should confirm that local regulations specify how surety amounts are calculated. Surety amounts should generally be based on an engineering estimate of total project costs per the approved plans, plus a supplemental percentage (typically 110% or 125%) to account for contingencies. Staff should review all cost estimates for completeness and may require a unit cost breakdown. Some communities also require an annual inflationary adjustment tied to the Consumer Price Index or another indicator. The surety process should distinguish between performance sureties and maintenance sureties, with maintenance amounts set as a defined percentage of the original improvement cost estimate. These procedures should be incorporated into an Administrative Manual or Standard Operating Procedures..

14. **Document the site inspection scheduling process.** Staff should establish a clear process for receiving, scheduling, and documenting site development inspections. Inspection reports should be standardized, required for all inspections, and maintained in a central database. Because Public Chapter No. 1044 makes written and pictorial documentation of site deficiencies essential, communities should also define a process for

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receiving and responding to "independent inspection" reports submitted by engineers as described in the statute. These procedures should be incorporated into an Administrative Manual or Standard Operating Procedures.

15. **Add statutory approval notation to plan approvals.** Staff should work with their legal counsel to review the process for issuing automatic approvals in the event staff should fail to meet the requirements of Public Chapter No. 1044. In the event this should occur, plan approvals and permit approvals should include a notation that the application has been approved automatically pursuant to the applicable T.C.A. citation.

16. **Review staffing levels and the local fee schedule.** Pursuant to Public Chapter No. 140, adopted by the General Assembly in 2025, development fees and fee amounts must be justified in writing. Communities may wish to evaluate staffing levels in light of new requirements imposed by Public Chapter No. 1044. Any increased expenses due to additional required staffing can potentially be offset by increased application fees. However, the basis for any such increase must be provided and maintained for public review by the local government. Fee increases without sufficient analysis and justification may be subject to legal challenge.

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Conclusion

Public Chapter No. 1044 will impact nearly every phase of development administration by local governments across the state. Beyond application review, the legislation also directly or indirectly establishes procedures for inspections, deficiency notices, agenda placement, project surety releases, maintenance bonds, and vested rights protections. These new requirements have the potential to fundamentally reshape how local governments manage development projects from submittal through construction completion. However, it is important not to lose sight of the fact that the bill's aim and its likely result will be more timely, efficient, and consistent review. Public Chapter No. 1044 should result in development applications either receiving expeditious administrative review or getting their hearing before the relevant decision-making body more quickly, resulting in fewer delays, and improved delivery of private development projects across the state.

Need Assistance?

The Center for Local Planning stands ready to provide advice to local governments as they work to comply with these statutory requirements by improving meeting practices, updating rules of procedure and creating updated internal processes. Communities with questions may submit a request for assistance to planning@tennessee.edu.

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State of Tennessee

PUBLIC CHAPTER NO. 1044

HOUSE BILL NO. 2552

By Representatives Lamberth, Cochran, Williams, Rudd, Howell, Warner, Tim Hicks, Boyd, Bricken, Hale, Travis, Hawk, Davis

Substituted for: Senate Bill No. 2237

By Senators Johnson, Briggs, Mr. Speaker McNally, Stevens

AN ACT to amend Tennessee Code Annotated, Title 7, relative to local governments.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 51, Part 22, is amended by adding the following as a new section:

7-51-2204. Local development services.

(a) As used in this section, "local government" means a municipality, county, or county having a metropolitan form of government.

(b)

(1) Notwithstanding another law to the contrary, a local government responsible for reviewing a development application, development plan, or a site inspection submitted by a developer for the purpose of developing real property in this state shall:

(A) Within sixty (60) business days of the submission, either approve the development application, development plan, or site inspection, or add the submission to the next available agenda of either the planning commission or the governing body;

(B) Within thirty (30) business days of the submission, provide the developer with a written report of deficiencies with the development application, development plan, or site inspection. A local government shall make all efforts to consolidate all change requests pertaining to a single application into a single deliverable document or set of documents when sending change requests to an applicant; or

(C) Within thirty (30) business days of the submission, request additional information necessary to ensure compliance with applicable regulations.

(2) For purposes of the timeframes established in subdivision (b)(1), a day on which a local government's offices are closed for business during a state of emergency declared under § 58-2-107 does not count as a business day.

(3) If a local government fails to take any of the actions listed in subdivision (b)(1) within the timeframes established, then the submission is deemed approved.

(c) If a local government issued a written report of deficiencies and subsequently received documentation that each deficiency has been satisfactorily resolved, then the local government must either approve the development application, development plan, or a site inspection, or place the submission on the next available agenda of either the planning commission or the governing body within thirty (30) business days of receipt of documentation that each deficiency has been satisfactorily resolved.

(d) A local government reviewing a development application, development plan, or site inspection shall not issue more than two (2) written reports of deficiencies. If deficiencies identified in a second written report are not satisfactorily resolved, then the local government must either:

(1) Deny the application and provide written justification of the denial based upon specific evidence of noncompliance with one (1) or more statutory or regulatory requirements, and return to the developer fifty percent (50%) of the total amount of fees the developer paid to the local government during the review process; or

(2) Conditionally approve the development application, development plan, or site inspection, or place the development application, development plan, or site inspection on the next available agenda of either the planning commission or governing body for conditional approval.

(e) If an initial development application, development plan, or a site inspection submitted by a developer is incomplete, then the local government must notify the developer of such incompleteness in writing within thirty (30) business days of receipt of the submission. Notification of incompleteness does not constitute a written report of deficiency pursuant to subsection (d).

SECTION 2. Tennessee Code Annotated, Title 7, is amended by adding the following as a new chapter:

7-70-101. Chapter definitions.

As used in this chapter, unless the context otherwise requires:

(1) "Contractor" has the same meaning as provided in § 62-6-102;

(2) "Developer" means a party to a contract with a local government to improve real property within the jurisdiction of the local government;

(3) "Independent inspection" means an inspection completed by a professional engineer who is registered with the state board of examiners for architects and engineers pursuant to title 62, chapter 2;

(4) "Local government" means a municipality, county, or county having a metropolitan form of government; and

(5) "Required bond" includes a bond, letter of credit, or other method of assurance posted for completion of development improvements, as described in §§ 13-3-403(b) and 13-4-303(b).

7-70-102. Release of bond.

(a) Notwithstanding another law, if a professional engineer determines upon conducting an independent inspection that a contractor or developer has completed all work required by a contract between the contractor or developer and the local government, then:

(1) No later than one hundred twenty (120) business days after receiving the written inspection report, the local government must either place the release of the bond on the next available agenda of either the planning commission or governing body, or approve the release; or

(2) No later than twenty (20) business days after receiving the written inspection report, respond in writing with its reason or reasons for not releasing the contractor or developer from its required bond, and specify what work is required by the contract that the local government asserts has not been completed by the contractor or developer.

(b) For purposes of the timeframes established in subsection (a), a day on which a local government's offices are closed for business during a state of emergency declared under § 58-2-107 does not count as a business day.

SECTION 3. The headings in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 4. This act must not be construed to repeal, modify, or apply to any contract existing on December 31, 2026, or repeal or modify any other law except as specified in this act.

SECTION 5. This act takes effect on January 1, 2027, the public welfare requiring it.

HOUSE BILL NO. 2552

PASSED: April 22, 2026

CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 22nd day of May 2026

BILL LEE, GOVERNOR