

Document: Tenn. Code Ann. § 7-53-301

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[Tennessee Code Table of Contents](#) [PAW- ET TABLE OF CONTENTS](#) [Title 7 Consolidated Governments and Local Governmental Functions and Entities](#) [Local Government Functions](#) [Chapter 53 Industrial Development Corporations](#) [Part 3 Operation and Powers](#)

7-53-301. Board of directors – Conflict of interest statements.

(a) The corporation shall have a board of directors in which all powers of the corporation shall be vested and which shall consist of any number, not less than seven (7). The directors shall serve as such without compensation, except that they shall be reimbursed for their actual expenses incurred in and about the performance of their duties, unless otherwise authorized by local ordinance or resolution. No director shall be an officer or employee of the municipality. The directors shall be elected by the governing body of the municipality, and they shall be so elected that they shall hold office for staggered terms. At the time of the election of the first board of directors, the governing body of the municipality shall divide the directors into three (3) groups containing as near equal whole numbers as may be possible. The first term of the directors included in the first group shall be two (2) years, the first term of the directors included in the second group shall be four (4) years, the first term of the directors included in the third group shall be six (6) years, and thereafter the terms of all directors shall be six (6) years; provided, that if at the expiration of any term of office of any director a successor to the director shall not have been elected, then the director whose term of office shall have expired shall continue to hold office until a successor shall be so elected. Except for corporations acquiring any hotel, motel or apartment building in the center-city areas of a

municipality that has created a central business improvement district pursuant to chapter 84 of this title, if at the time of the election of any directors there shall be in existence in the municipality a chamber of commerce, board of trade, or other similar civic organization, the directors elected shall be chosen by the governing body from the membership of any one (1) or more of such organizations, unless, in the judgment of the governing body, there are no members of such organizations who are both suitable and available to serve as directors of the corporation; provided, that if the municipality has within its boundaries a closed or substantially downsized federal facility, including, but not limited to, a facility formerly operated by the United States department of defense or department of energy, a minority of the directors may be chosen from persons who are not residents of the municipality.

(b) Each director of an industrial development corporation board shall complete a conflict of interest statement acknowledging that the director has received a copy of § 12-4-101. The statement must include acknowledgements that the director understands that the director is required to refrain from voting on matters in which the director is directly interested and that the director must disclose any matter in which the director is indirectly interested before voting on the matter. The Tennessee ethics commission shall publish a sample conflict of interest statement on its public website.

History

Acts 1955, ch. 210, § 7; 1978, ch. 739, § 5; T.C.A., § 6-2807; Acts 1998, ch. 983, § 2; 2001, ch. 125, § 1; 2021, ch. 228, § 1; 2023, ch. 128, § 1.

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