

2026 Legislative Update CCFO and CMFO Training Event

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Session Overview and Objectives

- Briefly discuss the legislative process in Tennessee
- Highlight Governor's bills and legislation filed by the Comptroller's office
- Review selected legislation of interest from the Second Session of the 114th General Assembly

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114th General Assembly

- Second regular session convened on January 13, 2026
- Second regular session adjourned on April 23, 2026
- 2671 House Bills Filed
 - 10 Per Member Limit
- 2733 Senate Bills Filed
- 1142 Public Acts
- 74 Private Acts

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Legislative Process

- 99 House Members
- 33 Senate Members
- Rule of 50 and 17 – Passed by a majority of the members to which the body is entitled.

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Legislative Process

- House: Subcommittee > Full Committee > Calendar and Rules > Floor
- Senate: Full Committee > Calendar > Floor
- 90 legislative days across the two-year General Assembly

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Legislative Process – Public Acts

- Passed by legislature and signed by governor after 3 readings on 3 days.
- If unsigned by Governor more than 10 days, becomes law.
- Governor can veto, but can be overridden by simple majority.
- Create general statutory law (Tennessee Code Annotated)
- Original act is filed with the Secretary of State's Office.
- Numbered in sequential order over 2-year General Assembly term.
- Published by Secretary of State in bound volumes.

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Legislative Process – Private Acts

- Passed by legislature and signed by Governor.
- Not general law
- Affect only local government
- Must be adopted by the local governing body or by popular vote to be effective.
- Not part of Tennessee Code Annotated
- Original filed in Secretary of State's Office.
- Published by Secretary of State in separate bound volumes.

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Legislative Process – Resolutions

- Does not require 3 readings, but may be handled like a bill.
- Can be joint-passed by both House and Senate.
- Individual chamber resolutions cannot be vetoed.
- Do not become part of Tennessee Code Annotated
- Can be memorializing, congratulatory, or directory.
- Published by Secretary of State with Public Acts.

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2026 LEGISLATION OF INTEREST

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Legislation of Interest – Budget

- Approximately 58 Bills Filed
- **PC1142 – The Appropriations Bill**
 - \$58.3 Billion (\$59.8 Billion in Prior FY)
 - \$170M increase in TISA K-12 Funding
 - \$112M for 15,000 additional Education Freedom Scholarships (New 35,000 Cap)
 - \$40M Public Charter School Facilities
 - \$20M K-12 Facilities Maintenance
 - \$1.7M Memphis Shelby County Schools Forensic Audit
 - \$400M New and Existing Road Projects



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Legislation of Interest – Budget

- **PC1142 – The Appropriations Bill - Continued**
 - \$58.3 Billion (\$59.8 Billion in Prior FY)
 - \$58.3M SNAP Administrative Costs due to federal cuts
 - \$7M Summer Food Aid
 - \$83M Army Aviation Support Facility in Rutherford County
 - \$50M Public Safety Grants for Crime Prevention in Memphis
 - \$37.5M for 50 new state troopers
 - \$20M capital improvements for Juvenile Justice Centers



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Legislation of Interest – Budget

- **PC1142 – The Appropriations Bill - Continued**
 - \$58.3 Billion (\$59.8 Billion in Prior FY)
 - \$7M UT Knoxville National Cancer Institute Designation
 - \$91.6M for 4 new state parks
 - \$30M Zoo Grants
 - \$165M Renovation and replacement of welcome and rest centers
 - \$20M Volunteer Fire Department Grants
 - \$10M Property Tax relief Program
 - \$20M Rainy Day Fund (\$2.2B Total Reserve)



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Legislation of Interest – Comptroller Bills

- **PC0825** – Mineral Severance Tax Reporting Requirements
- **PC0694** – Local government operating loans in response to non-FEMA certified natural disasters
- **PC1071** – Municipal Budgets
- **PC0952** – Tennessee Board of Utility Regulation Omnibus
- **PC0610** – Health Provider Review confidential records

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Legislation of Interest – Local Governments

- **PC0596** – Prohibits elected official of a local government from holding another elected office in the state.
- **HB2319/SB2591** – Prohibits an employee of a local government from serving on the legislative body of the local government for which the employee works.
- **PC0599** – Requires county legislative bodies to adopt local rules of procedure within 90 days of new body. Robert's Rules of Order as default.

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Legislation of Interest – Local Governments

- **PC620** – Requires local governing body to reserve a period of public comment on any matter germane to the jurisdiction of the governing body.
- **PC0699** – Requires LEAs and other appropriating local governing bodies to make meeting agendas available to the public in advance of such meeting.
- **PC0895** – Authorizes local governing bodies to allow participation in community meetings by electronic means of communication.

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Legislation of Interest – Local Governments

- **PC0985** – Authorizes a county legislative body operating under the County Purchasing Law of 1957 to set the compensation for the director of accounts and budgets
- **PC1048** – Authorizes governing bodies to conduct executive sessions for the purpose of interviewing applicants for employment of director-level staff.
- **PC0863** – Authorizes a local government meeting a certain revenue threshold to use any project delivery method for the construction of qualified local projects.

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Legislation of Interest – Local Governments

- **PC0591** – Exempts disaster grants administered by TEMA from statutory requirements related to procurement.
- **PC1049** – Authorizes payment of a property tax refund through annual installments, to be applied as credits against future property taxes.
- **PC1083** – Annual attestation of not implementing a discriminatory preference to increase DEI.
- **PC1101** – Essential Governmental Employee Housing Act

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Legislation of Interest – Caption Bill

HOUSE BILL 2085
By Boyd

SENATE BILL 1672
By Johnson

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 5; Title 6; Title 7; Title 8; Title 9 and Title 67,
relative to government finances.

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

SECTION 1. Tennessee Code Annotated, Section 9-23-104, is amended by deleting
"thirty (30) days" and substituting "forty-five (45) days".

SECTION 2. This act takes effect upon becoming law, the public welfare requiring it.

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Legislation of Interest – Caption Bill

- **PC1079** – Nashville Tourism Development Zone (TDZ)
 - Creates the Joint Capital Tourism Board and attaches to the Comptroller's Office
 - Establishes policies and procedures for Comptroller to administer excess revenues collected in the TDZ.
 - Requires Comptroller to report quarterly on payment or funding of costs.
 - Establishes allocation of excess revenues and allowed costs:
 - The higher of \$30M (3% annual increase) or 40% of excess revenues to the Comptroller to pay the costs of attracting, promoting, and hosting significant tourism events (STE) within the metropolitan government; and
 - Costs for public safety and cleanliness services related to STSs or enhancement of tourism in the TDZ; capital city economic assistance to eligible businesses and commercial property owners in the TDZ; capital improvement funding for eligible facilities; and debt service for eligible facilities or development.

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Legislation of Interest - Education

- **PC0818** – Prohibits LEA or PCS from using public funds to challenge a school or district accountability measure.
- **PC1007** – LEA and PCS planning and budgetary report to OREA and TDOE
- **PC1057** – Schools Intervention (Memphis-Shelby County Schools)

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Legislation of Interest – Emergency Communications

- **SJR0048** – Increases 911 surcharge to \$1.86 **(Vetoed)**
- **PC1099** – Authorizes emergency communications district boards to participate in board meetings electronically

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Legislation of Interest – Courts

- **PC0743** – Requires court clerks to report quarterly on the amount of litigation and conviction taxes collected and remitted.
- **PC1115** – Authorizes court clerk to increase victims assistance assessment up to \$125.

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Legislation of Interest – Pennies

- **PC0602** – Authorizes a private entity that is engaged in business with the public and accepts cash payments to round off all figures used in the transaction amount to the nearest nickel, if exact change is not available.
- Comptroller released guidance following penny discontinuance in January 2026.
<https://comptroller.tn.gov/news/2026/1/20/comptroller-releases-guidance-following-penny-discontinuance.html>

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Legislation of Interest – Open Records

- **PC0592** – Adds confidentiality to names and locations of financial institutions as well as names, taxpayer identification numbers, and addresses associated bank account information held by a state agency.
- **PC0612** – Makes state board members' personal mailing addresses and telephone numbers confidential.
- **PC0672** – Deletes expiration dates of certain public records exceptions.
- **PC0711** - Authorizes non-Tennessee citizen to inspect or receive a copy of any law enforcement record or report pertaining to that individual.

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Legislation of Interest – New Funds

- PC0940 – Family Caregiver Grant Fund
- PC0964 – Law Enforcement Training Academy Sales Facility Fund
- PC0997 – Promising Futures Fund
- PC1035 – TennCare Buyback Fund and Teacher Internship Fund
- PC1031 – Volunteer Firefighter Vehicle Grant Program Fund
- PC1142 – Small Reactor Grant Fund

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Legislation of Interest – Property Taxes

- Limits on the increase in property taxes that exceed specified thresholds
- Referendum to approve property taxes that exceed specified thresholds
- Taxes based on the value of property as the most recent price paid for the property"
- Replacement of property taxes with a surtax on the sale of goods and services

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Legislation of Interest – Sales Tax Exemptions

- Bills that would exempt or reduce sales tax on:
 - All groceries
 - Groceries for those aged 65 and older
 - Food and food ingredients
 - Generic food products
 - Fruits and Veggies
 - School supplies
 - Books on the tax-exempt holiday only

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Legislation of Interest – Officially Official

- **PC0676** – Designates October 11th of each year to be observed as “General Pulaski Memorial Day”
- **PC0729** – Designates the annual winner of the Old Time Bluegrass and Fiddlers’ Jamboree as the state champion fiddler in this state.
- **PC0674** – Designates and adopts cast iron cookware as the official frontier cookware of this state.
- **PC0667** – Designates Lake County as the “Eagle Capital of Tennessee”
- **PC0623** – Designates November 2nd of each year as “James K. Polk Day”

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Legislation of Interest – Officially Official

- **PC0593** – Designates February to be observed as “Tennessee Songwriters Month”
- **HJR0800** – Commemorates March 2026 as Certified Government Financial Manager Month
- **PC0588** – Designates the month of April as “Tennessee Native Plant Month”
- **PC0665** – Designates August 8th of each year as “Clog Dancing Day in the Volunteer State”
- **PC0668** – Designates “Tennessee” by Drew Holcomb as an official state song
- **PC0809** – Allows for a racoon to be possessed without payment of a personal possession permit fee

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