

Tennessee County Services Association

Legislative Conference 2023

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Recap of the 2023 Legislative Session

of the

Tennessee General Assembly

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Key

Monitor – associations monitored the legislation for potential impact on counties



Support – associations supported the legislation as favorable to counties



Oppose – associations opposed due to negative impact on counties



Worked On – associations worked with legislators to improve the legislation



County Government

1. SB87/HB48 Cap on Size of Metro Councils



This bill caps the number of members of a metropolitan governing body at 20. Of the three metropolitan governments in Tennessee (Davidson, Moore and Trousdale counties), only Davidson currently has a governing body in excess of 20 members. The metro Nashville/Davidson County council has 40 members (35 from districts and 5 at large).

Outcome: ENACTED as Public Chapter 21, Effective March 9, 2023. (However, an injunction postpones the implementation of this legislation in Davidson County until after this year's scheduled election.)

2. SB217/HB563 Fees for Performing Marriages



Creates a class C misdemeanor for certain local public officers, including a county mayor, county clerk, or a municipal mayor, who charge a fee or demand compensation for solemnizing a marriage.

Outcome: ENACTED as Public Chapter 185, Effective April 24, 2023.

3. SB463/HB168 Employees as Commissioners



Prohibits a county employee from serving on the county legislative body of the county for which the person is employed.

Status: DID NOT PASS, remains in committee.

4. SB548/HB286 Sale of Fireworks in a County



Allows the sale of fireworks in a municipality or county unless the municipality or county passes a law that prohibits the sale of fireworks in that area. Current law only allows sales in jurisdictions that have authorized the sale.

Status: DID NOT PASS, remains in committee.

5. SB586/HB346 Eliminates Officials Raises



Eliminates the automatic salary increases for county officials based on the previous year's state employee raise.

Outcome: FAILED in committee.

6. SB600/HB90 Prohibits Local Governments from Financially Supporting Abortions.



Prohibits a county, municipality, or metropolitan government from using funds to assist a person in obtaining an abortion,

including the travel to a state where abortion is legal. As amended, the bill clarifies that it prohibits expending funds for a criminal abortion, including expending funds to assist an employee in traveling to another state for an abortion if the procedure would be criminal under Tennessee law.

Outcome: ENACTED as Public Chapter 0168 effective April 17, 2023.

7. SB681/HB774 Regulation of Businesses



Prohibits a local government from adopting or enforcing an ordinance, regulation, resolution, policy, or another legal requirement that regulates or imposes a requirement upon an employer pertaining to hours worked, scheduling that an employer is required to provide employees, or employee output during work hours. Prohibits a local government from imposing a wage or employment benefit mandate unless required by state or federal law. Prohibits a local government from discriminating based on a wage or employment benefits set by a private company if that company meets state and federal employment laws.

Outcome: ENACTED as Public Chapter 0309 effective April 28, 2023.

8. SB918/HB1319 Flying of Flags



As introduced, requires the United States flag and the official state flag to be displayed continuously on all property owned, operated, or controlled by this state or a political subdivision of this state, including educational institutions and public school buildings. Restricts the display of flags other than the United States flag and the official state flag on said property to only those periods of time for which an entity represented by the flag is meeting or performing an authorized function on the property, with certain exceptions. As amended, deletes the requirement that the United States flag and the official state flag must be displayed continuously and instead provides that those are the only types of flags that may be continuously flown, subject to certain exceptions.

Status: Passed the House as amended. Senate deferred to 2024.

9. SB926/HB1430 Industrial Development Boards



Removes the requirement that members of the board of directors for an industrial development corporation be qualified electors and taxpayers in the county or city that created the corporation.

Outcome: ENACTED as Public Chapter 0128 effective April 4, 2023.

10. SB959/HB699 Serving as City & County Official



Prohibits a person in Montgomery, Williamson, Rutherford, Hamilton, Knox, Davidson, or Shelby County from holding office as a county commissioner and as a city council member of a municipality located in whole or in part within such respective county or that shares a coterminous or contiguous boundary with such respective county.

Status: DID NOT PASS, remains in committee.

11. SB990/HB884 Retirement



Gives local governments wishing to establish a benefit improvement the option of amortizing the unfunded accrued liability over a period of time not to exceed ten years. Current law requires the employer to either pay a lump sum or increase the employer's contribution rate in the fiscal year following the adoption of the benefit improvement.

Outcome: ENACTED as Public Chapter 0132 effective July 1, 2023.

12. SB1034/HB1134 Officials' Bonds



Revises the process of procuring officials' bonds following their election. Preserves the ability of the county commission to pass a resolution to require a greater amount than statutorily required but eliminates the requirement of the county commission to approve the bonds before they take effect.

Outcome: ENACTED as Public Chapter 207, effective July 1, 2023.

Education

13. SB12/HB433 E.S.A.s (Private School Vouchers)



This bill amended the Education Savings Account (or private school voucher) program to add Hamilton County to the list of counties where the program applied. As originally passed in 2019, the legislation applied in

Davidson and Shelby County. There was an effort to add Knox County in the House of Representatives, but the Senate refused to concur in this amendment. The program will take effect in Hamilton County for the 2023-2024 academic year.

Outcome: ENACTED as Public Chapter 328, Effective May 5, 2023.

14. SB197/HB809 Class Sizes



As introduced, repeals the maximum class sizes, maximum class size averages, student-teacher ratios, and the prohibition against split-grade classes established by law. Authorizes each local education agency (LEA) and public charter school to establish the maximum class sizes for schools under its control and jurisdiction. Requires the state board of education, in consultation with the department of education, to develop guidance for LEAs and public charter schools in establishing maximum class sizes. As amended, requires each local education agency (LEA) and public charter school to adopt a policy that student-teacher ratios must not exceed the maximum class sizes, as opposed to the maximum class-size averages established. Requires the student-teacher ratios, as opposed to the average student-teacher ratios, to establish the minimum number of regular classroom teaching positions in a school. Requires the maximum class size, as opposed to the average size specified for the grade levels involved in split-grade classes, to be the maximum size allowed for such classes. Upon request of an LEA or public charter school, expands the authority of the Commissioner of DOE to grant a waiver from the maximum class sizes set in this section, rather than only in the event of a natural disaster that results in the enrollment of displaced students.

Outcome: FAILED in committee.

15. SB249/HB68 Summer Learning Camps



Requires LEAs to conduct summer learning camps and after-school learning mini-camps for priority students annually rather than summers only. Updates the definition of "priority student" to include additional "at-risk" children and students entering certain grade levels to participate in after-school learning mini-camps, learning loss bridge camps, and summer learning camps. Provides that an "at-risk" student is a student who will be entering first, second, or third grade in the upcoming school year and who scored below proficient in math or English language

arts on the student's most recent state-approved screenings or certain other assessments. For purposes of a learning loss bridge camp, an at-risk student is defined as a student who will be entering the fourth, fifth, sixth, seventh, eighth, or ninth grade in the upcoming school year and who scored below proficient in math or English language arts on the student's most recent TCAP test or state-adopted benchmark assessment. For summer learning camps, an at-risk student is one who will be entering kindergarten, first, second or third grade and who attends a public school or public charter school in with fewer than 50 percent of students in grades three through five scored proficient in math or English language arts on the most recently administered TCAP test. An "at-risk" student is further defined as one who will be entering kindergarten through third grade and who is eligible for TANF. Provides guidelines for determining program requirements. The governor's budget provided funding for the costs of these programs through a combination of department of education funding and TANF funds.
Outcome: ENACTED as Public Chapter 144, effective April 13, 2023.

16. SB274/HB322 School Security



This bill revised the Schools Against Violence in Education (SAVE) Act. It moves the state level safety team from the Dept. of Education to the Dept. of Safety and restructures the team. The legislation requires school systems to review safety plans annually and requires LEAs to provide law enforcement and the Depts. of Safety and Education their district-wide school safety plan, the building-level plan for each school (including charter schools) and the floor plans for all school buildings. The bill also extends the requirements for plan adoption to private and church-affiliated schools. The bill updates requirements for armed intruder drills, incident command drills and emergency safety bus drills. The bill requires each LEA to ensure that all exterior doors to a school building are locked at all times with access limited to the school's primary entrance. The bill authorizes law enforcement to inspect entrances and provides for notification and penalties for non-compliance, which include requiring the LEA to provide a full-time SRO or armed school security officer and the potential to withhold state funds. The bill establishes certain baseline security requirements for newly constructed or remodeled school buildings. Requires LEAs to have a mandatory threat assessment team. The bill makes all

reports and information regarding school safety plans and security reports confidential records.

Outcome: SIGNED by the Governor, awaiting public chapter number.

17. SB281/HB329 Teacher Salary Schedule



As amended, this bill requires that the state minimum salary schedule for teachers have a base salary of \$42,000 for the 2023-2024 school year, \$44,500 for the 2024-2025 school year, \$47,000 for the 2025-2026 school year; and (4) \$50,000 for the 2026-2027 school year. The bill also prohibits LEAs from deducting dues for professional associations from employee paychecks. To increase the salary schedule, the TISA formula requires the state to earmark additional funds added into the base funding.

Outcome: PASSED both chambers. Sent to Governor.

18. SB315/HB1456 Private School S.R.O.s



Authorizes a private school and a local government to execute a contract or memorandum of understanding to allow the law enforcement agency of the local government to provide school resource officers to the private school.

Outcome: ENACTED as Public Chapter 87, effective March 31, 2023.

19. SB910/HB1244 Elected Directors of Schools



Allows for the establishment of the office of elected superintendent of schools. Adjusts duties of local boards of education in school systems in which the office of elected superintendent of schools is established.

Outcome: FAILED in committee.

20. SB973/HB959 Non-Resident Students



Requires an LEA to adopt a policy to establish a process for non-resident students to participate in open enrollment if space is available. Authorizes an LEA to deny a non-resident student permission to enroll in a particular program or school within the LEA only if: there is a lack of space or teaching staff within a particular program or school requested; the student does not meet the established eligibility criteria for participation in a particular program; a desegregation plan is in effect for the school district; or the student is expelled from school.

Status: DID NOT PASS, remains in committee.

21. SB1194/HB1214 Charter Schools



As amended, establishes that public charter schools authorized by the Public Charter School Commission may be formed to provide residential or boarding programs for all at-risk students in grades six through twelve residing within this state, and that hybrid public charter schools may be formed to provide quality educational options for all home school students residing within this state. A sponsor seeking to establish a public charter residential or boarding program could apply either to a local board of education or directly to the Commission. Requires the sponsor seeking to establish a hybrid public charter school to apply directly with the Commission. Authorizes hybrid public charter schools and public charter schools providing residential or boarding programs to enroll students residing outside the geographic boundaries of the LEA regardless of the LEA's out-of-district enrollment policy. Authorizes tuition to be charged for certain out-of-district students by the LEA in which the hybrid public charter school is located and to which the student transfers. Prohibits public charter schools providing residential or boarding programs from charging registration fees, enrollment fees, or tuition.

Status: DID NOT PASS, remains in committee.

22. SB1216/HB1088 High Growth School Systems



Allows an LEA to be eligible for an infrastructure stipend for the 2023-2024 school year, if the LEA experienced average daily membership (ADM) growth in non-virtual schools exceeding two percent in the 2019-2020, 2022-2023, and 2023-2024 school years. Essentially allows the system to disregard the year during the pandemic when virtually all school systems saw a decline in enrollment.

Status: Passed the House, remained in committee in the Senate.

23. SB1458/HB983 Maternity Leave



Requires LEAs to provide licensed employees of the LEA six paid workweeks after a birth or stillbirth of the employee's child or the employee's adoption of a newly placed minor child. Requires the state to reimburse an LEA that provides paid leave pursuant to the bill in an amount equal to the leave paid.

Outcome: PASSED both chambers. Signed by Governor.

Elections

24. SB405/HB262 Partisan Local Elections



Requires all state and local elections for public office to be partisan elections. Current law allows county parties to determine which offices have primary elections.

Status: DID NOT PASS, remains in committee.

25. SB580/HB118 Term Limits



Establishes a referendum process by which the electorate of a local government in this state may vote to establish 16-year term limits for the public officials of the local government.

Outcome: FAILED in committee.

26. SB783/HB847 Election Administrator Salaries



Increases the minimum compensation for certified administrators of elections from 90 percent of the compensation of the county assessor of property to 100 percent of the compensation of the county assessor of property.

Status: DID NOT PASS, remains in committee.

27. HJR13 Timing of Elections



Proposes an amendment to the Tennessee constitution to change the date of elections for judicial and other civil officers, including all county officials except for assessors of property, from the first Thursday in August to the first Tuesday after the first Monday in November beginning in 2028.

Status: House adopted on third reading. Must also pass the Senate next year and then be passed by both chambers by a two-thirds majority in the next legislative session (2025-2026). Then the question would be posed to the voters by referendum.

Emergency Medical Services

28. SB457/HB155 Training Supplement



Specifies that a licensed Tennessee ambulance service with full-time employed emergency medical services personnel who successfully complete in each year an in-service training course, appropriate to the emergency medical services personnel's rank and responsibility, of at least 40 hours duration must receive from the board of emergency medical

services a pay supplement of \$800 for each emergency medical services personnel who completes the in-service training course to be paid to the emergency medical services personnel in addition to the personnel's regular salary. Supplement is funded by the state.

Outcome: PASSED both chambers. Signed by Governor.

29. SB1315/HB530 TennCare Reimbursement



Requires the TennCare bureau to reimburse air-based ambulance service providers, along with ground-based ambulance service providers, at a rate of no less than 67.5% of the federal Medicare program's allowable charge for participating providers.

Status: REFERRED to committee.

Environment

30. SB271/HB319 Brownfields



Establishes a brownfield redevelopment area fund to be used by the department of environment and conservation to administer a brownfield redevelopment area grant program. Requires the department to establish criteria and guidelines for the brownfield redevelopment area grant program and to publish the criteria and guidelines on its website. Creates a franchise and excise tax credit equal to the remediation costs for a brownfield property for a qualified development project in a tier 3 or tier 4 enhancement county. Makes other related revisions.

Outcome: ENACTED as Public Chapter 86, effective July 1, 2023.

Firefighters

31. SB856/HB976 Presumption of PTSD



Creates the legal presumption that an injury was incurred in the line of duty if a firefighter is diagnosed with post-traumatic stress disorder by a mental health professional as a result of responding to one or more incidents involving certain factors. Requires the department of commerce and insurance to establish and administer a grant program to mitigate the costs to an employer of providing workers' compensation for firefighters diagnosed with post-traumatic stress disorder by a mental health professional.

Outcome: Passed both chambers. Sent to Governor.

Land Use/Planning/Zoning/Codes

32. SB75/HB28 Growth Plans



As originally filed, this bill deletes all statutes regarding county comprehensive growth plans and would have removed urban growth boundaries around cities. That change would have eliminated restrictions on where a municipality could annex. The bill also would have eliminated planned growth areas, rural areas, certain requirements for incorporating a new municipality, and limitations on where non-contiguous annexation can occur.

Status: DEFERRED to 2024.

33. SB490/HB560 Property Rights



As introduced, would have enacted the private property protection act to provide a method for a property owner to seek just compensation for a diminution in value of the property caused by the enactment or enforcement of land use regulations on the property. Created the potential for liability for cities and counties for routine zoning or planning decisions.

Status: DID NOT PASS, remains in committee.

34. SB367/HB483 Household Appliances



Prohibits political subdivisions from prohibiting, based on the type or source of energy to be delivered to an individual customer, the sale or installation of an appliance utilized for cooking, space heating, water heating, or another end use.

Outcome: ENACTED as Public Chapter 45, effective March 14, 2023.

35. SB723/HB296 Building Inspections



Requires a person entering into employment as a municipal or county building, plumbing, mechanical, or electrical inspector in a jurisdiction that is exempt from the State Fire Marshal's Office (SFMO) statewide building standards, to obtain either a commercial or residential certification, or both, in their respective discipline within 12 months of the date of employment. Authorizes a local government by a majority vote to accept an electrical inspection whether residential or commercial, issued by an electrical engineer so long as the engineer is registered with the SFMO and such inspection is performed by the engineer on a form approved by the

SFMO. Requires the local government to review and approve such an inspection performed by an engineer and to provide written notice of any deficiencies, within five business days from the date the inspection was received by the local government or appropriate local governmental official or entity. Further requires the local government to maintain a record of such inspection performed by an engineer for no less than three audit years. Requires the state fire marshal to publish and maintain a list of engineers registered to conduct such inspections and authorizes the SFMO to promulgate rules relative to such inspections. Prohibits a local government from accepting an inspection from an engineer with a conflict of interest, as defined in the bill.

Outcome: PASSED both chambers. Signed by Governor.

36. SB1377/HB799 Energy Conservation Standards



Provides that, for one-family and two-family construction, local governments may not adopt energy conservation codes that are more stringent than the state minimum standard.

Outcome: ENACTED as Public Chapter 312, effective July 1, 2023.

Law Enforcement

37. SB491/HB1351 Suits Against Deputies



Provides that actions brought against a county by anyone who has incurred any wrong, injury, loss, damage, or expense resulting from any act or failure to act on part of the deputy appointed by the sheriff must be filed within one year after the cause of action accrued. Provides that the county has 60 days in which to answer or otherwise respond to any action brought pursuant to such action; and if, at the end of the 60-day period, the county has failed to answer or otherwise respond to the complaint, then the county must not be in default but rather is deemed to have denied the factual allegations of the complaint.

Outcome: PASSED both chambers. Sent to Governor.

38. SB514/HB724 Constables



Requires a person seeking the office of constable to file with the county election commission a letter from a licensed psychologist who has conducted a cognitive and psychological test on the candidate stating that the candidate is mentally and cognitively

fit to perform the duties of a constable. Requires the same letter to be filed with the county clerk prior to the election if the person is seeking to fill a vacancy in the office of constable through election by the county legislative body. Exempts constables in office on and elected prior to July 1, 2023. Specifies that candidates are responsible for covering the costs of testing.

Outcome: ENACTED as Public Chapter 65, effective July 1, 2023.

39. SB562/HB452 Work Release



Requires that a prisoner of a county workhouse or jail who is released from custody on work release or otherwise allowed to leave the grounds of the county workhouse or jail for employment or to perform community service must use an electronic monitoring device at all times during the period the prisoner is not at the county workhouse or jail. Requires the entity utilizing the prisoner's labor, whether the work is paid or unpaid, pay the costs for the device. Specifies that the requirement does not apply in circumstances in which the prisoner is being supervised by an armed officer and remains in the direct eyesight of the officer.

Outcome: ENACTED as Public Chapter 0301, effective April 28, 2023, but requires compliance for prisoners on work details beginning January 1, 2024.

40. SB606/HB706 Employment After Retirement



Provides that a retired member of the Tennessee consolidated retirement system (TCRS) or a superseded system, or a local retirement fund may be reemployed in a position covered by the retirement system as a law enforcement officer without the loss or suspension of the retired member's benefits so long as the following conditions are met: (1) The retired member, as of the date of reemployment, must have successfully completed annual training required by state law and as required by the Tennessee peace officer standards and training commission; (2) The retired member is not reemployed until the expiration of at least 60 calendar days from the member's effective date of retirement; (3) During the reemployment, the retirement benefit payable to the retired member must be reduced to 70 percent of the retirement allowance the member would have otherwise been entitled to receive; (4) The retired member's reemployment must not exceed one year so long as the retired member may be reemployed for additional one-year periods if the

conditions contained in this bill are met for each period of reemployment; (5) To fund the liability created by this bill, the retired member's new employer must pay to TCRS during each period of reemployment the greater of either a payment equal to the amount the employer would have contributed to the retirement system had the retired member been a member of the retirement system during the period of reemployment; or an amount equal to five percent of the retired member's pay rate; (6) The retired member is not eligible to accrue additional retirement benefits as a result of the member's reemployment; (7) Upon the reemployment of the retired member, the retired member's new employer must notify the retirement system of the member's reemployment with any documents or information required by the retirement system; and certify in writing to the retirement system that the retired member has the requisite experience and training for the position filled and that no other qualified persons are available to fill the position; and (8) The retiree is not drawing disability retirement benefits under this bill. This amendment further provides that within a one-year period, a retiree who is reemployed in a position covered by TCRS pursuant to this bill must not switch from one reemployment provision to another; or simultaneously be reemployed under more than one reemployment provision.

Outcome: PASSED both chambers, signed by Governor.

41. SB776/HB1070 Drones



Prohibits a state agency, local agency, or law enforcement agency from purchasing, or acquiring a drone produced by a manufacturer banned under the National Defense Authorization Act of 2019. Applies to contracts or agreements entered into after 7/1/2023.

Outcome: ENACTED as Public Chapter 0223 effective July 1, 2023.

42. SB790/HB813 County Resolutions



Requires a sheriff to enforce the resolutions of the county, if the county has expressed its intent to have the sheriff enforce its resolutions, and the county has filed a certified copy of its resolutions with the sheriff and the general sessions court of the county.

Status: DID NOT PASS, remains in committee

43. SB855/HB794 Electronic Monitoring



Restructures the funding and administration of portions of the Electronic Monitoring Indigency Fund (EMIF). Establishes a grant program within the EMIF to assist local governments with up to 50 percent of the eligible costs for transdermal monitoring devices, global positioning monitoring devices, or other alternative alcohol or drug monitoring devices. Requires a person who has been ordered to wear an alternative device and has been determined by the court to be indigent to pay a minimum of \$30 per month for the service of the alternative device, with the remainder of such costs to be paid from the EMIF up to an additional \$170. Establishes criteria and process to determine indigency. Requires alternative device providers to submit claims and invoices to local governments for reimbursement for eligible costs for indigent clients. Requires each local government participating in the alternative device account of the EMIF to administer, process, and pay its own claims submitted by alternative device providers for an indigent person's eligible costs. Establishes that a provider is not required to provide services if the defendant fails to pay the defendant's portion of the costs if certain requirements are met.

Outcome: PASSED both chambers, sent to Governor.

44. SB927/HB1484 Inmates with HIV



Provides that, subject to availability, federal or state funds may be used to pay for the cost of medication for inmates in local jails which are HIV positive. Relieves the county of the responsibility for paying these costs if the medication can be paid for with state or federal funds.

Outcome: PASSED both chambers, sent to Governor.

45. SB1002/HB708 Correctional Pay Supplement



Creates a supplemental pay incentive program for county correctional officers who receive 40 hours or more of in-service training per calendar year.

Status: DID NOT PASS, remains in committee.

Open Meetings

46. SB27/HB23 **Notice of Meetings**



This bill requires a county or city legislative body to make the agenda for its meeting available at least 48 hours in advance of the meeting in a place accessible to the public. Posting the agenda on a website is not required, but making the agenda available online will satisfy the requirement of making it publicly available. The bill specifies that the legislative body may deliberate or act upon matters not listed on the agenda if the body follows its bylaws or rules and procedures and complies with all other applicable state laws for bringing up new business. However, a local government legislative body is prohibited from circumventing the spirit or requirements of this act by withholding items from a public agenda for the purpose of avoiding disclosure of business to be considered by the legislative body in advance of the meeting.

Outcome: ENACTED as Public Chapter 213, Effective April 25, 2023

47. SB294/HB389 **Electronic Participation**



This bill proposed to allow a member of a local government legislative body to participate in a meeting by electronic means if the member is experiencing a family or medical emergency, has been called into military service or is unable to attend due to inclement weather. Requires a physical quorum to be present in order to conduct a commission meeting with electronic participation and stipulates that no more than three members may participate electronically. Makes provisions for keeping meetings open to the public by requiring real-time audio or video access be provided. Outlines other conditions for conducting public meetings with electronic participation.

Outcome: FAILED in committee.

48. SB550/HB449 **Public Notice on Website**



Authorizes a governmental entity to publish notices of public meetings on a website of the governmental body. Allows a person to request an electronic or hard copy of an e-newsletter or notice published by the governmental body if the governmental body provides such documents electronically.

Outcome: FAILED in committee.

49. SB551/HB448 **Public Comment at Meetings**



Requires governmental entities to provide a period of public comment for public meetings. Authorizes the governmental entities to place reasonable restrictions on the period for public comment including the length of the period, the number of speakers, and the length of time of the speaker. clarifies that the provisions of this bill do not apply to a meeting of a governing body, or a portion thereof, where the governing body is conducting a disciplinary hearing for a member of the governing body or a person whose profession or activities fall within the jurisdiction of the governing body; or a meeting for which there are no actionable items on the agenda.

Outcome: ENACTED as Public Chapter 300, effective July 1, 2023.

Opioids

50. SB637/HB1367 **Opioid Settlements**



Adds additional companies to the statewide opioid settlement agreement for which the attorney general and reporter has the authority to release pending or future claims. Maintains the same distribution of the funds in accordance with the state/subdivision agreement entered into by the state and county governments.

Outcome: PASSED both chambers. Signed by Governor.

Taxation (General)

51. SB275/HB323 **Tax Relief**



Enacts the Tennessee Works Tax Act to provide a three-month grocery tax holiday, a paid family leave tax credit for companies and certain tax relief for businesses. The bill eliminates state and local sales tax on food and food ingredients sold in grocery stores from August 1, 2023, to October 31, 2023. Holds local governments harmless for any reduction in collections. Provides, for the next two years, a franchise and excise tax credit for companies offering paid family leave. Increases the business tax filing threshold to \$100,000 per jurisdiction. Holds local governments harmless by adjusting the percentage distribution between state and local governments of the business tax to offset any reduction in collections.

Action: Worked with legislators to ensure local governments were held harmless by the state for any reduction in revenue.

Outcome: **SIGNED by the Governor, awaiting public chapter number.**

52. SB791/HB954 **Uses of Sports Gaming Tax**



Authorizes local governments to use tax revenue received from the Sports Gaming Act to be used for emergency services as well as for local infrastructure projects.

Outcome: **ENACTED as Public Chapter 0202, effective July 1, 2023.**

53. SB820/HB1206 **Development Taxes and Impact Fees**



As amended, would have authorized certain local governments to impose impact fees and development taxes on residential development.

Outcome: **FAILED in committee.**

54. SB1415/HB1118 **Tourism Development Zones**



Revises the manner in which “base tax revenues” are calculated under the Convention Center and Tourism Development Financing Act of 1998. Would shift more than \$53 million in local revenues from general purposes to the debt repayment of tourism development zones.

Status: **DID NOT PASS, stays in committee.**

Taxation (Property)

55. SB148/HB130 **Assessment Appeals**



Removes the authority of the state board of equalization to create an assessment appeals commission to hear and act upon complaints and appeals regarding the assessment, classification and value of property. This legislation was brought by the Comptroller’s Office, as a means to streamline the appellate process.

Action: County associations supported this legislation.

Outcome: **ENACTED as Public Chapter 184, effective July 1, 2023.**

56. SB171/HB565 **Property Tax Referendum**



Requires a local governmental entity to hold a referendum to approve a property tax increase that would cause the local government to realize an increase in total

revenue exceeding inflation plus two percent or would cause the local government to realize an increase in total revenue exceeding inflation plus six percent over the preceding three tax years.

Status: **DID NOT PASS, referred to committee.**

57. SB384/HB804 **Business Personal Prop. Taxes**



Changes present law relative to business personal property reporting. Present law provides that, in lieu of detailing acquisition cost on the reporting schedule, the taxpayer may certify that the depreciated value of tangible personal property otherwise reportable on the form is \$1,000 or less and pay the appropriate tax. This bill raises the minimum depreciated value of tangible personal property otherwise reportable on the form from \$1,000 to either \$2,000 or less, and adds an additional category for businesses with greater than \$2,000 but less than \$10,000 of tangible personal property. These changes were a part of recommendations made by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) to simplify administration of the tax for assessors and compliance with the tax for small businesses. The bill requires TACIR to monitor implementation of this bill and to periodically report its findings on the impact of this bill on collections and administration of the business personal property tax to the General Assembly.

Action: County associations participated in the study of the issue as it was considered by TACIR and were involved in negotiations on the language of the bill.

Outcome: **ENACTED as Public Chapter 341, effective July 1, 2024.**

58. SB397/HB33 **Property Affected by Disaster**



Provides that for property damaged as a result of a disaster declared by the president of the United States, the annual assessment of an affected building or improvement included in the presidential declaration is prorated as otherwise provided in present law for the actual time the building or improvement is destroyed and not replaced, or the actual time the building or improvement is substantially damaged, notwithstanding the building or improvement is replaced or restored by September 1, if the total time the building or improvement is destroyed or damaged and not replaced or restored, exceeds 30 days. The owner must apply for this relief to the assessor by September 1 of the following year. These provisions only take effect as to a particular county or municipality if approved by two-thirds vote of the

county legislative body following a disaster or other specified occurrence. This bill applies to the tax year beginning on January 1, 2023. Special legislation had been enacted in the past to provide this relief on a case-by-case basis. This makes these provisions available statewide at the discretion of the local governing body.

Outcome: ENACTED as Public Chapter 259, effective April 28, 2023.

59. SB711/HB898 Greenbelt Property



Requires that the assessor of property, in determining whether the land is agricultural land for purposes of property taxes, consider whether: (1) The land is enrolled in a conservation program administered by the United States department of agriculture; (2) The land is in a conservation easement; or (3) The land is restricted pursuant to the Hazardous Waste Management Act of 1983, if, at the time of its enrollment, the land was classified as agricultural land by the assessor of property. This amendment also requires the assessor of property, in determining whether the land is forest land for purposes of property taxes, to consider the same factors.

Outcome: PASSED both chambers, sent to Governor.

60. SB871/HB366 Prop. Tax Freeze Income Limit



Makes revisions to the Property Tax Freeze Act. Under current law, for those counties that have adopted the Act, the income threshold to qualify is the greater of the weighted average median household income for age groups 65-74 and 75 and over, or the limit set for state funded tax relief. This bill gives the legislative body of any county or municipality the alternative to set the limit at \$60,000, provided that a municipality for whom the county trustee administers the program must use the income limit adopted by the county.

Outcome: ENACTED as Public Chapter 0271, effective July 1, 2023.

61. SB1192/HB1209 Property Tax Study



As amended, creates a property tax study committee to study property tax rates; methods of valuing and appraising property for purposes of levying property taxes; and policies and methods regarding statutory limits on tax increases, including an evaluation of such policies and methods and any expected effects in the short-term and long-term. Requires the committee to study the current method of valuing and appraising property for purposes of levying residential property taxes in this

state and similarly situated states and to study examples of states that have enacted limits on property tax increases, including, but not limited to, creating a statewide property tax rate, capping rate increases at a certain percent, or locking in property values to the purchase price or the market value at the time of transfer or material improvement to the property. Requires the committee to report its findings on or before February 1, 2024.

Status: DID NOT PASS, remains in committee.

Taxation (Sales)

62. SB385/HB419 Sales Tax Administrative Fee



This bill was a caption bill filed at the request of county associations which could have been used to reduce the administrative fee charged by the Department of Revenue for administering the local option sales tax. The bill was not funded by the budget and remains in the finance committees for consideration next year.

Action: County associations lobbied in support of this legislation and will continue to advocate for it to be funded next year.

Status: DID NOT PASS, remains in committee.

Transportation

63. SB273/HB321 Trans. Modernization Act



As amended, enacts the Transportation Modernization Act of 2023. Transfers \$3 billion in general fund surplus to transportation projects in the state's four regions. Provides an additional one-time investment of \$300 million in state aid funds to county highway departments. Authorizes alternative delivery systems for TDOT. Authorizes choice lanes for some projects that would require a fee or subscription to use. Increases fees on hybrid and electric vehicles to replace the equivalent lost revenue from not paying or paying less in fuel taxes. Shares that revenue with local governments in the same manner as fuel taxes. Indexes those fees in future years.

Action: County associations supported this legislation. We worked with the administration early in the process to have provisions included in the bill that were beneficial to county highway departments.

Outcome: ENACTED as Public Chapter 159, effective April 17, 2023.

64. SB1089/HB507 **State Surplus & Infrastructure**



Requires ten percent of state tax revenue over-collections from the prior fiscal year to be deposited into an infrastructure and building fund reserve account in the general fund beginning July 1, 2024. Authorizes appropriations from the infrastructure and building fund account only for capital improvement and infrastructure projects, including county road and bridge construction and maintenance.

Status: DID NOT PASS, remains in committee.

65. SB1357/HB616 **Transporting Logs**



Requires a motor vehicle or trailer transporting a load of logs or pulpwood that protrudes at least four feet beyond the end of the body or bed of the vehicle or trailer to have securely affixed to the end of the projecting load one amber strobe-type lamp or amber blinking light, or one amber LED strobe light or amber LED blinking light, which must be operating while affixed to the load and at least two red flags or at least two fluorescent orange flags, which must be in good condition and visible while affixed to the load.

Outcome: ENACTED as Public Chapter 0287, effective October 1, 2023.

Utilities

66. SB782/HB798 **Underground Utility Board**



Increase the membership of the executive committee for the underground utility damage enforcement board from three to five members by adding two additional board members to the committee.

Outcome: ENACTED as Public Chapter 0224, effective April 25, 2023.

67. SB845/HB947 **Utility Regulation**



Merges the water and wastewater financing board and the utility management review board into a new Tennessee board of utility regulation within the office of the Comptroller. Adds authorization for utility systems pursuing a voluntary merger, consolidation or acquisition to apply to the board for grants.

Outcome: PASSED both chambers. Sent to Governor.