



## **Capitol Update: Week of April 20, 2026**

### **General Assembly Adjourns for the Year**

After a tumultuous final few days, the General Assembly adjourned around 8:00 p.m. Thursday this week. With rules suspended, frayed nerves, and a flood of bills trying to make it across the finish line before adjournment, several attempts were made to drastically change bills to include more controversial measures. TCSA was on hand to monitor these developments and raise concerns about proposals that were harmful to counties.

### **Last Minute Attempt to Circumvent Cap on Vouchers Fails**

Even after the General Assembly voted to expand Governor Lee's Education Freedom Scholarship (EFS) program by 15,000 additional scholarships, pro-school choice groups attempted to get legislators to circumvent the cap using a bill ([HB1881/SB1585](#)) that reduces the testing requirements for private school students who accept a voucher. An amendment offered in the House Finance Committee would have provided that once the full allotment of 35,000 EFS scholarships is awarded, additional applicants could automatically be moved into the older Education Savings Account (ESA) program currently operating in Davidson, Shelby, and Hamilton Counties. The amendment also attempted to add Knox County into this original voucher program.

Unlike the newer EFS program, the ESA program has income limits and allows students currently enrolled in public school to leave and go to private school. Because of those limitations, it has never been fully utilized. The other significant distinction between the two programs is that EFS scholarships are paid for strictly using state dollars and funded outside the TISA formula. The ESA program that this amendment attempted to expand awards both state

and local TISA funding associated with a student to that student for use toward the costs of private education. These differences were not discussed when the bill was rushed through committees in the House early this week.

When Senator Jack Johnson presented the bill on the floor, including only the language relative to testing requirements, Senators raised concerns about what they had heard the House was considering. There was fear that the bill might pass the Senate only to be amended in the House to include the voucher expansion in an attempt to force a conference committee. Because of these concerns, the bill fell one vote shy of passing on Wednesday and was returned to the calendar committee. It is reported that Senator Johnson pledged to his colleagues the next morning that he had no intention to go along with what the House was considering. On Thursday, the bill was brought back to the floor and passed the Senate only related to the testing requirements. When it was presented in the House a little later, the amendments to alter the voucher programs were withdrawn and the bill narrowly passed the House in the same form as the Senate.

## **County Employees on the County Commission**

After the House passed legislation ([SB2591/HB2319](#)) last week to prohibit county employees from serving on the county commission, the bill ran into problems in the Senate. A new amendment was proposed to say that employees of the county school system would not be considered county employees for the purposes of these prohibitions. That would have meant that teachers in the county school system could have continued to run for and serve on the county commission, but deputy sheriffs, employees of the highway department, and other county employees couldn't. Some Senators objected to creating two classes of county employees and moved to table that amendment. Others talked about the challenges of finding good candidates willing to serve on the commission in smaller, rural counties. Senators also simply argued that they felt the voters should have a right to decide who they want serving in local offices. After extensive debate, the bill failed 9-23.

## **Maintenance of Effort for County Mayors Budget**

A bill moving through the House that simply authorized two counties to participate in a land bank program was hijacked to propose changes to which counties were covered by a recently enacted law that prevents cuts to certain items in the county mayor's budget. The Senate included some language in an amendment to ([SB2367/HB2328](#)) that would have pulled the mayor's office in Davidson and Shelby County out from under those protections. House sponsor Rep. Michael Lankford, a recent Montgomery County Commissioner and the newest member of the General Assembly, stripped those provisions out when the bill returned to the House amended. The Senate did not want to cooperate and even forced a conference committee on what had started as a simple, local bill. When the conference committee met, the House sponsor held strong that he didn't want his bill used for totally unrelated provisions. The language regarding the county mayor's budget was removed, and the bill passed in the simple form to allow Montgomery and Tipton County to participate in land bank programs.

## Property Taxes on Low-Income Housing Projects

After the House re-opened committees last week to hear a bill that had previously never been put on notice related to tax breaks for low-income housing projects, [HB 753/SB539](#) passed both chambers this week. The bill proposes changes to the way low-income housing properties are assessed to discount the value of tax credits that are associated with the property. Under an amendment added to the bill in the Senate State and Local Committee, the provisions only apply in a city or county that adopts the law by resolution or ordinance. So there are some protections on the local tax base, but cities and counties should anticipate a push from developers of these types of properties asking to be granted this tax break in the future.

## The Importance of Having a Presence

Comptroller Jason Mumpower often uses the quote “if you don’t have a seat at the table, you’re on the menu.” The validity of that aphorism was on full display over the last couple of weeks. Legislators, lobbyists, and special interest groups are willing to use every trick in the book to gain an advantage in the chaos that is the end of a Tennessee General Assembly session. Organizations that do not have a presence in the halls of the legislature are at risk of experiencing significant harm at the stroke of a pen. By monitoring committees, reviewing amendments and calendars, and analyzing legislation, TCSA was able to identify multiple new threats to county government funding and operations that arose over the last couple of weeks and raise concerns with legislators. While some of these attempts are nefarious, others were simply mistakes or omissions. In the pace of the legislative session, Senators and Representatives rely on and expect organizations like ours to protect the interests we represent and identify threats and concerns. We hope you continue to support the association with your membership, your engagement and your presence.

Thanks for all the many ways you reached out to legislators and advocated for county government this year. We hope to see many of you [soon in Gatlinburg at the TCSA Legislative Conference](#). We will provide much more information about what did and did not pass this year at the upcoming conference.