

Legislative Express

Session 2025 | Issue 1

The Tennessee General Assembly's 2025 Legislative Session Has Begun

The 114th Tennessee General Assembly convened its Regular 2025 Session on January 14, 2025. It recessed on January 16, 2025, until January 27, 2025, when it convened its First Extraordinary Session. The legislature has passed two bills in the First Extraordinary Session of interest to TAUD members.

[SB6003/HB6003 – Creation of Hurricane Helene Interest Payment Fund and Governor's Response and Recover Fund](#)

This bill creates a Hurricane Helene interest payment fund which can be used to pay the interest costs of local governments for up to three years on money borrowed to pay eligible disaster recovery costs related to Hurricane Helene. This fund will be administered by the Tennessee Emergency Management Agency (TEMA).

This bill creates a Governor's Response and Recovery Fund which can be used to respond to or recover from a declared emergency including, but not limited to agricultural recovery efforts, unemployment assistance, and business recovery assistance. TEMA will administer this fund by making grants or loans to third parties in response to Hurricane Helene or other events for which the Governor declares a state of emergency or makes disaster declaration.

[SB6004/HB6002 – TEMA Disaster Relief Grants to Public Agencies](#)

This bill authorizes TEMA to assist a political subdivision or local emergency management agency with recovery from disasters and emergencies on public property at the request of the political subdivision or agency. TEMA is authorized to use funds to address the cost share obligations of local governments for the non-federal share of disaster recovery costs.

The Legislature will return to begin its Regular Session on Monday, February 3rd. Approximately, 500 bills have been filed to date. Summaries of these bills of interest to TAUD members are included in this first edition of the 2025 Legislative Express.

The deadline for filing bills for this session is February 6, 2025. Therefore, we have a lot more to go. Hold on...

[SB87/HB265](#)

Sponsors Sen. Roberts, Kerry; Rep. Lafferty, Justin
Category Government Organization
Senate Status 01/14/25 - Introduced in the Senate
House Status 01/27/25 - Introduced in the House
Comment This bill extends the Tennessee board of utility regulation to June 30, 2029.

[Sunset - Tennessee board of utility regulation.](#)

[SB114/HB136](#)

Sponsors Sen. Harshbarger, Bobby; Rep. Atchley, Fred
Category Public Finance
Senate Status 01/14/25 - Introduced in the Senate
House Status 01/28/25 - Referred to House Cities & Counties Subcommittee.
Comment This bill broadens the financial disclosure obligations of state and local governmental entities to include the disclosure of bond covenant violations and credit rating downgrades to the comptroller of the treasury or the comptroller's designee.

[Debt reporting requirements - state and local governmental entities.](#)

[SB162](#)

Sponsors Sen. Hensley, Joey
Category Utilities
Senate Status 01/16/25 - Introduced in the Senate
Comment This bill prohibits public water systems from adding fluoride to their water systems.

[Prohibits public water system operators from adding fluoride to water systems.](#)

[SB178/HB22](#)

Sponsors Sen. Lowe, Adam; Rep. Davis, Elaine
Category Public Employees
Senate Status 01/16/25 - Introduced in the Senate
House Status 01/28/25 - Referred to House Public Service Subcommittee.
Comment This bill requires a governing body subject to the open meetings act to reserve a period of public comment on any matter germane to the jurisdiction of the governing body regardless of whether the matter is listed on the agenda for the meeting. Under current law, public comment is limited to matters germane to items on the meeting's agenda.

[Governing body to provide public with opportunity to comment at meeting.](#)

SB212

Agendas for meetings of governing bodies.

Sponsors

Sen. Gardenhire, Todd

Category

Public Employees

Senate Status

01/27/25 - Introduced in the Senate

Comment

This bill requires the governing body of any political subdivision of Tennessee: (1) to make available to the public at no charge the agenda for an upcoming regular meeting in a place accessible to the public at least 48 hours before the regular meeting; (2) to only deliberate or act upon items not listed in the agenda unless its bylaws or properly adopted rules permit such actions and complies with all other applicable state laws permitting such action; and (3); to not circumvent this requirement by withholding items from the agenda to avoid public disclosure of business to be considered. The bill further provides that publishing the agenda on the political subdivision's website is considered a place of public access. Currently, only the legislative bodies of cities, towns, counties, and metro governments must do the above.

SB258

Definition of public water system under the TN Safe Drinking Water Act - inclusion.

Sponsors

Sen. Pody, Mark

Category

Environment & Nature

Senate Status

01/27/25 - Introduced in the Senate

Comment

This bill seems to remove from the definition of public water system a treatment facility which is used solely for softening of water.

SB307

Construction project delivery methods.

Sponsors

Sen. Briggs, Richard

Category

Local Government

Senate Status

01/27/25 - Filed for Introduction

Comment

This bill authorizes a local government having a population of 100,000 or more according to the 2020 census and having centralized purchasing with a full-time purchasing agent to use any of the following project delivery methods for the construction of local projects or additions to existing buildings: (1) construction manager at-risk; (2) design-bid-build; (3) design-build; or (4) design-build-finance-operate. While the definition of local government includes utility districts and authorities, these utilities may not be able to use these methods. The federal census does not include population information for utility districts and authorities. Having central purchasing and a full-time purchasing agent are concepts which only seem to apply to cities and counties not utility districts and authorities.

SB369

Quotes required by local governments for purchases.

Sponsors

Sen. Briggs, Richard

Category

Local Government

Senate Status

01/28/25 - Filed for Introduction

Comment

When a city or county increases its threshold for competitive bidding over \$10,000, it must do so by resolution or ordinance passed by the governing body. If a purchase falls between 40% of the new bid threshold or some lower amount as may be established by the governing body by resolution or ordinance, the purchase can be made in the open market without publishing a notice in a newspaper of general circulation, but the city or county must attempt to obtain at least three written price quotes to ensure competitive pricing.

SB370

Taxes and fees collected by merchants and sellers.

Sponsors

Sen. Briggs, Richard

Category

Taxes General

Senate Status

01/28/25 - Filed for Introduction

Comment

This bill provides that when the amount of a state or local tax or fee (including sales tax) is calculated as a percentage of an electronic payment transaction amount and is listed separately on the payment invoice or other demand for payment, this amount must be excluded from the interchange fee charged for that electronic payment transaction. The bill defines “interchange fee” as a fee established, charged, or received by a payment card network for the purpose of compensating the issuer for its involvement in an electronic payment transaction.

SB377/HB548

Tennessee Procurement Protection Act.

Sponsors

Sen. Rose, Paul; Rep. Cochran, Mark

Category

State Government

Senate Status

01/28/25 - Filed for Introduction

House Status

01/29/25 - Filed for Introduction

Comment

This bill creates the Tennessee Procurement Protection Act (the Act). This Act prohibits the public procurement of final products or services from a foreign adversary company, whether those products or services are sold directly by the foreign adversary company or through a third-party vendor. This Act permits the public procurement of products and services from a company that has operations, affiliates, and subsidiaries in a foreign adversary so long as the company is not a foreign adversary company. This Act prohibits a foreign adversary company from bidding on or submitting a proposal for a contract with a state agency or political subdivision of this state for goods or services. The Act further mandates a state agency or political subdivision require a company that submits a bid or proposal for a contract for goods or services to certify that the company is not a foreign adversary company.

[SB378/HB549](#)

[Tennessee Critical Infrastructure Act.](#)

Sponsors

Sen. Rose, Paul; Rep. Cochran, Mark

Category

State Government

Senate Status

01/28/25 - Filed for Introduction

House Status

01/29/25 - Filed for Introduction

Comment

This bill enacts the "Tennessee Critical Infrastructure Protection Act." This Act prohibits a governmental entity from entering into a contract or other agreement relating to critical infrastructure in this state with a company that is a foreign principal from a foreign adversary country if the agreement would allow such foreign principal to directly or remotely access or control critical infrastructure in this state. A governmental or non-governmental entity may enter into a contract or agreement relating to critical infrastructure with a foreign principal from a foreign adversary country or use products or services produced by such foreign principal if: (1) there is no other reasonable option for addressing the need relevant to state critical infrastructure; (2) the contract is pre-approved by the department of finance and administration; and (3) not entering into such a contract or agreement would pose a greater threat to the state than the threat associated with entering into the contract.

[SB380/HB421](#)

[Continuing education for utility district commissioners.](#)

Sponsors

Sen. Walley, Page; Rep. Marsh, Pat

Category

Public Employees

Senate Status

01/28/25 - Filed for Introduction

House Status

01/28/25 - Filed for Introduction

Comment

This bill does two things. First, it reduces the number of required hours for continuing education for governing board members of utilities from 12 hours to 6 hours for each three year continuing education period. Second, it permits a person who has become ineligible to serve as a utility district commissioner due to the failure to timely get the required initial training or continuing education to file a petition for reinstatement of the person's eligibility to serve as a utility district commissioner with the TBOUR.

[SB418/HB4](#)

[Actions brought against a local governmental entity under the TN Governmental Tort Liability Act - recovery amounts.](#)

Sponsors

Sen. Akbari, Raumesh; Rep. Bulso, Gino

Category

Tort Liability

Senate Status

01/28/25 - Filed for Introduction

House Status

01/28/25 - Referred to House Civil Justice Subcommittee.

Comment

This bill increases the amount that a person may recover in an action brought against a local governmental entity under the Tennessee Governmental Tort Liability Act for claims brought on or after July 1, 2025, to \$750,000 for the bodily injury or death of one person in one accident, \$1,500,000 for the bodily injury or death of all persons in one accident, and \$250,000 for the injury or destruction of property of others in one accident. The current limits which were set in 2007 are \$300,000 for the bodily injury or death of one person in one accident, \$700,000 for the bodily injury or death of all persons in one accident, and \$100,000 for the injury or destruction of property of others in one accident.

[SB425/HB66](#)

[Confidential records - exceptions.](#)

Sponsors

Sen. Reeves, Shane; Rep. Sparks, Mike

Category

Local Government

Senate Status

01/28/25 - Filed for Introduction

House Status

01/28/25 - Referred to House Public Service Subcommittee.

Comment

This bill makes the residential information of local government employees such as street address, city, state and zip code confidential under the public records act. This is really not much a change since existing law already makes the "residential street address for any county, municipal or other public employee" confidential.

[SB518/HB561](#)

[Authorizes certain utility systems to borrow money in anticipation of revenue collections.](#)

Sponsors

Sen. Reeves, Shane; Rep. Capley, Kip

Category

Local Government

Senate Status

01/30/25 - Filed for Introduction

House Status

01/29/25 - Filed for Introduction

Comment

This bill authorizes water and wastewater systems operated by municipalities and counties, municipal energy authorities, water and wastewater treatment authorities, and utility districts to borrow money in anticipation of revenue collections to provide emergency cash flow for such systems. The principal value of the notes during any 12 month period must not exceed 60% of the utility's cash flow for the same period and must be retired or paid in full before the end of the same period. These notes require approval by the Comptroller's Office which will develop a corrective action plan for the utility as part of the approval. If the Comptroller approves debt for emergency cash flow, the utility will be referred to the TBOUR which may order any remedial measures it deems necessary for the utility. This bill further authorizes the TBOUR to remove a member of a utility's governing body (other than an elected official) for any of the following: (1) failure to comply with Â§ 12-4-101; (i2) misconduct, whether or not the misconduct results in criminal charges; (3) Failure to exercise reasonable oversight; (4) actions or failures causing a utility system to display severe managerial incompetence as described in Â§ 7-82-704(a)(3); (5) failure to follow board directives, except for good cause shown; or (6) Any other reason provided by law.

SB6003/HB6003

Creates Hurricane Helene interest payment fund.

Sponsors Sen. Johnson, Jack; Rep. Lamberth, William
Category Public Finance
Senate Status 01/29/25 - Senate passed.
House Status 01/29/25 - House passed.
Executive Status 01/29/25 - Sent to the speakers for signatures.

Comment This bill (1) creates a Hurricane Helene interest payment fund which can be used to pay local governments' interest costs for up to three years on money borrowed to pay eligible disaster recovery costs related to Hurricane Helene; and (2) a governor's response and recovery fund which can be used of the fund is to respond to, or recover from, an declared emergency, including agricultural recovery efforts related to an emergency, unemployment assistance related to an emergency, and business recovery assistance related to an emergency.

SB6004/HB6002

TEMA assisting a political subdivision or local emergency management agency with recovery from disasters and emergencies on public property.

Sponsors Sen. Johnson, Jack; Rep. Lamberth, William
Category Veterans & Military Affairs
Senate Status 01/29/25 - Senate passed.
House Status 01/29/25 - House passed.
Executive Status 01/29/25 - Sent to the speakers for signatures.

Comment Upon the declaration of an emergency, this bill (1) authorizes TEMA to assist a political subdivision or local emergency management agency with recovery from disasters and emergencies on public property at the request of the political subdivision or agency; and suspends certain eligibility requirements for unemployment benefits for eligible claimants who reside or work in counties for which this state has requested a major disaster declaration.

HB365

Action of a municipality that affects tax obligations for property owners who are located outside the municipality's corporate boundary.

Sponsors Rep. Fritts, Monty
Category Local Government
House Status 01/27/25 - Filed for Introduction

Comment This bill prohibits a municipality, or an instrumentality of a municipality, from taking an action that affects or has the potential to affect the tax obligations, fees, or other costs for real property owners whose property is located outside of a municipality's corporate boundary, unless the action is approved by the county legislative body in which such property is located. This bill may be broad enough to prohibit a municipal utility from charging a higher tap fee or other fee charged to a real property owner to get service outside the municipality's boundary than inside the boundary.

HB375

Fees assessed by local governments.

Sponsors

Rep. Zachary, Jason

Category

Local Government

House Status

01/27/25 - Filed for Introduction

Comment

This bill requires each department, agency, and official in every county, municipal government, or metropolitan government that assesses and collects a fee of \$500 to maintain documentation describing the justification and cost basis for such fee. The language is broad enough to apply to a tap fee, capacity fee, or other fee over \$500 of a county or municipal utility.

HB541

Classification of property as a wetland.

Sponsors

Rep. Vaughan, Kevin

Category

Environment & Nature

House Status

01/29/25 - Filed for Introduction

Comment

This bill prohibits TDEC from applying criteria that will result in the classification of real property as a wetland, or otherwise regulating real property as a wetland, unless the property is classified as a wetland under federal law.

HB542

Utility to review plans of development for compliance with infrastructure codes.

Sponsors

Rep. Vaughan, Kevin

Category

Local Government

House Status

01/29/25 - Filed for Introduction

Comment

This bill requires a county-owned or municipal-owned water utility to review plans of development for compliance with water, electric, and natural gas infrastructure codes within 30 days of the plan's submission. If the utility does not complete the review within 30 days, the developer or person who submitted the plan may hire a third-party examiner to examine the plan. No later than 10 business days after the third-party examiner submits the documents required, the utility must: (1) approve the plans; (2) provide the third-party examiner a report of deficiencies; or (3) request additional information to ensure compliance with applicable codes. Failure to take any of these three actions within 10 business days will result in the plans being deemed approved. The bill further caps any fees for the inspection of the installation and construction of water, electric, and natural gas infrastructure to 2% of the total cost of the development. The bill defines "third-party plans examiner" to mean an engineer with expertise in water, electric, or natural gas infrastructure.

HB543

Operation of a sewerage system outside the boundaries of a city or town.

Sponsors

Rep. Vaughan, Kevin

Category

Local Government

House Status

01/29/25 - Filed for Introduction

Comment

This bill provides that a city or town that has operated a sewerage system outside of the corporate boundaries of the city or town for 25 years or more cannot cease operation of the sewerage system outside its corporate boundaries so long as the sewerage system maintains sufficient capacity as determined by a study conducted by TACIR. This bill provides that a utility district that has operated a sewerage system in the unincorporated area of a county for 25 years or more cannot cease operation of the sewerage system in the unincorporated area so long as the sewerage system maintains sufficient capacity as determined by a study conducted by TACIR.