

CCFO & CMFO TRAINING

2024 Legislative Update


October 16, 2024



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OBJECTIVES


- ⊕ Provide a general overview of the lawmaking process in Tennessee.
- ⊕ Review legislation of interest for CCFOs and CMFOs from the second session of the 113th General Assembly
 - Due to time availability, will be limited to laws of general application.



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THE TENNESSEE GENERAL ASSEMBLY

- ⊕ Created under Article II, Section 3 of the TN State Constitution
 - Legislative authority is vested in the General Assembly, which consists of a Senate and a House of Representatives (both are popularly elected)
 - Constitution requires an election for Senators & Representatives to be held once every two years in November of even-numbered years
- ⊕ The Members
 - Senate has 33 Members, elected to four-year terms
 - House of Representatives has 99 members, elected to two-year terms



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THE TENNESSEE GENERAL ASSEMBLY

- ⊕ Convenes at noon on the second Tuesday of January each year
- ⊕ There are two legislative sessions in each General Assembly

JANUARY 2025						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1

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THE TENNESSEE GENERAL ASSEMBLY

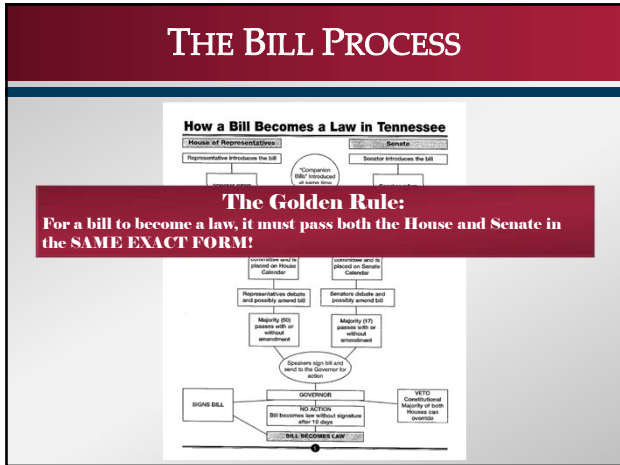
Function of the Legislature

- ⊕ **Legislature's Function:** enact, amend, and repeal laws of Tennessee
 - Specific powers: appropriation of all money to be paid out of the treasury (general fund), levy & collect taxes, right to authorize counties, towns to levy taxes.
- ⊕ The one thing the legislature must do every year is pass a balanced budget.

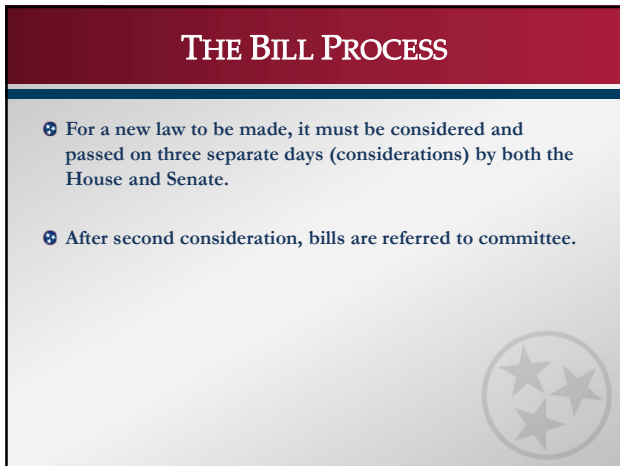
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HOW DOES A BILL BECOME A LAW?

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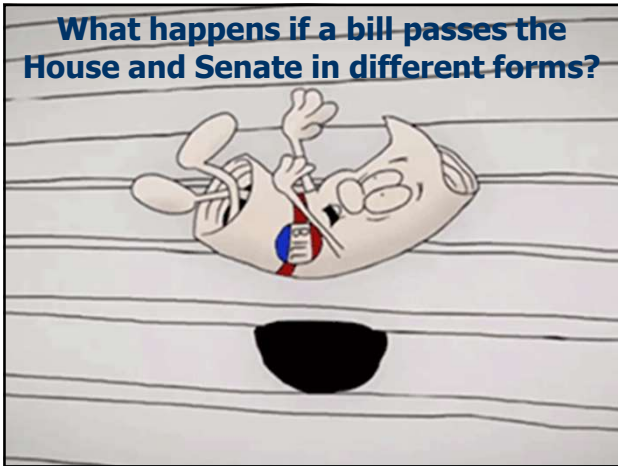
THE BILL PROCESS

- ⊕ Floor Session – Passed on third and final consideration.
 - The full House or Senate meets on the Floor to hear the bills that have passed out of the committees
 - At least 50 favorable votes in the House
 - At least 17 favorable votes in the Senate
- ⊕ After a bill passes one chamber, its companion must pass the other chamber in the same exact form before becoming law



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What happens if a bill passes the House and Senate in different forms?



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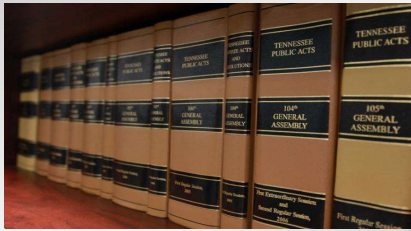
THE BILL HAS PASSED THROUGH THE LEGISLATURE...NOW WHAT HAPPENS?

- ⊕ Governor's Options:
 - Sign,
 - Veto, or
 - Become law without signature

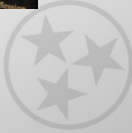


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THE BILL HAS PASSED THROUGH THE LEGISLATURE...NOW WHAT HAPPENS?



Tennessee Public Acts



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THE BILL HAS PASSED THROUGH THE LEGISLATURE...NOW WHAT HAPPENS?



Tennessee Code Annotated



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113TH GENERAL ASSEMBLY

- ⊗ Second Session Convened on January 9, 2024
- ⊗ Adjourned on April 25, 2024
- ⊗ 90 days over two-years.
- ⊗ At adjournment:
 - 3004 (1408) House Bills Filed
 - 15* Per Member Limit
 - 2987 (1415) Senate Bills Filed
 - 1137 (616) Effective Public and Private Acts



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LEGISLATION OF INTEREST

Regular Session Highlights

- ⊕ **52.8B Budget**
- ⊕ **Major Topics**
 - Education
 - Franchise Tax
 - Property

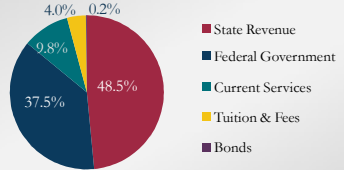


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LEGISLATION OF INTEREST

\$52.8 Billion

Where does the money come from?



- State Revenue - \$25.6 billion
- Federal Government - \$19.8 billion
- Current Services – \$5.2 billion
- Tuition and Student Fees – \$2.1 billion
- Bonds – \$0.1 billion



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LEGISLATION OF INTEREST

Where does the money go?

The largest portion of the state budget is spent in three areas:

- 1) Health and Social Services
- 2) Education
- 3) Transportation

Top 5 Expenses	FY 2024-25
TennCare	\$15.6 billion
Education	14.8 Billion
Social Services	8.2 Billion
Transportation	2.8 Billion
Corrections	1.4 Billion
TOTAL – Top 5 Expenses	42.8 Billion




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LEGISLATION OF INTEREST

Budget Accomplishments

- ⊕ \$261 million increase to K-12 education funding including teacher raises
- ⊕ \$197 million to fund the largest investment in rural health in Tennessee history
- ⊕ \$63 million to create 8 new state parks
- ⊕ \$17 million for additional State Troopers to increase public safety
- ⊕ Continues Building Rainy Day Fund - \$100 million invested this year (\$2.15 Billion total)




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LEGISLATION OF INTEREST

Governor's Bills

- ⊕ Public Chapter 950 – Franchise tax law rewrite resulting in \$1.5B in nonrecurring funds, \$400M recurring.
- ⊕ Education Freedom Act – DID NOT PASS
- ⊕ Pub. Ch. 588 – [ELVIS](#) Act

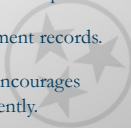


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LEGISLATION OF INTEREST

Comptroller Bills

- ⊕ Pub. Ch. 538 – Security ratings must be from nationally recognized statistical rating organizations as identified by the SEC.
- ⊕ Pub. Ch. 539 – Confidentiality of the CMFO and CCFO exam questions and answers.
- ⊕ Pub. Ch. 537 – Streamlines internal school funds manual process
- ⊕ Pub. Ch. 552 – Clarifies confidentiality of procurement records.
- ⊕ Revaluation Modernization (HB2057/SB1946) – Encourages counties to update real property values more frequently.



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LEGISLATION OF INTEREST

Property

- ⊕ Property Tax Cap.
- ⊕ Pub. Ch. 913 – Partial payments of delinquent property taxes.
- ⊕ Pub. Ch. 978 – Greenbelt Law




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LEGISLATION OF INTEREST

Budgets

- ⊕ Pub. Ch. 933 – County Mayor’s Budget
- ⊕ Pub. Ch. 572 – 1993 Act Budget Amendments

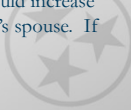


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LEGISLATION OF INTEREST

Local Governing Bodies

- ⊕ Pub. Ch. 997 – County Commissioner CPE and supplements
- ⊕ Pub. Ch. 763 - Prohibits a member of a county governing body from simultaneously serving as a member of a municipal governing body within the same county.
- ⊕ Pub. Ch. 798 - Requires the chair of the county legislative body to ask members if they voted on a matter which would increase the pay or benefits of that member or that member’s spouse. If found in violation, then the vote is void.




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LEGISLATION OF INTEREST

Open Meetings

- ⊕ Pub. Ch. 580 – County Mayor is not a member of the County Commission.
- ⊕ Pub. Ch. 818 – Local government members may meet with state legislators to exchange information without violating the Open Meetings Act.
- ⊕ Pub Ch. 710 – Agendas available 48 hours prior to meeting



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LEGISLATION OF INTEREST

Education

- ⊕ Pub. Ch. 800 – Firearm Safety
- ⊕ Pub. Ch. 729 – School Resource Officers
- ⊕ Pub. Ch. 801 – Arming Teachers
- ⊕ Pub. Ch. 839 – Injury to Teachers
- ⊕ Pub. Ch. 841 – Tickets to Athletic Events
- ⊕ Pub. Ch. 551 – Artificial Intelligence
- ⊕ Pub. Ch. 923 – Underutilized or Vacant Properties
- ⊕ Pub. Ch. 954 – Therapy Dogs




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LEGISLATION OF INTEREST

Judiciary

- ⊕ Public Chapters 600, 880, and 977 create new trial courts.
- ⊕ Pub. Ch. 947 – AOC Case Management System
- ⊕ Court Appointed Attorneys fees



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LEGISLATION OF INTEREST

Affordable Housing

- ⊕ Pub. Ch. 1012 – Attainable Housing
- ⊕ Pub. Ch. 1051 – Voluntary Housing Incentive Program
- ⊕ TACIR Report – “Reducing the Burden: Increasing Housing Supply to Lower Housing Costs.” May 29, 2024.





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LEGISLATION OF INTEREST

Cars and Transportation

- ⊕ Pub. Ch. 614 – Disposal of waste tires
- ⊕ Pub. Ch. 661 – Bulk purchases of gasoline
- ⊕ Pub. Ch. 1000 – Drag Racing
- ⊕ Pub. Ch. 870 – License Plate Flippers

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LEGISLATION OF INTEREST

Local Government

- ⊕ Pub. Ch. 1016 – Hotel/Motel Tax
- ⊕ Pub. Ch. 877 – Agenda 21
- ⊕ Pub. Ch. 990 – Amendments to County Powers Relief Act
- ⊕ Pub. Ch. 534 – Ransomware
- ⊕ Pub. Ch. 917 – Grocery Tax
- ⊕ Pub. Ch. 817 – Voting Machines
- ⊕ Pub. Ch. 686 – Resilient Tennessee Revolving Loan Fund
- ⊕ Pub. Ch. 702 – Funding of Fire Services
- ⊕ Pub. Ch. 860 – Residential Infrastructure Development Act




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LEGISLATION OF INTEREST

The More You Know...

- ⊕ Pub. Ch. 726 - Requires Department of Revenue to annually verify the owner of a disabled parking placard has not died.
- ⊕ Pub Ch. 758 - Establishes knowingly spoofing a telephone number with the intent to defraud as a consumer protection violation.
- ⊕ Pub. Ch. 823 – NIL Rewrite
- ⊕ Pub. Ch. 850 - Removes criminal punishment and license suspension/revocation for failing to card a person who reasonably appears to be over 50 years of age.
- ⊕ Pub. Ch. 806 – Prohibits marriage between first cousins



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LEGISLATION OF INTEREST

Making It Official!

- ⊕ Pub. Ch. 546 – Designates hot slaw as an official state food
- ⊕ Pub. Ch. 547 – Designates Cleveland as the hot slaw capital of the State of Tennessee
- ⊕ Pub. Ch. 873 – Designates Memphis barbeque as an official state food
- ⊕ Pub. Ch. 601 – Designates June 6 as a day of special observance for D-Day
- ⊕ Pub. Ch. 720 – Designates 10 official state books.
- ⊕ Pub. Ch. 804 – Creates approximately 30 new specialty license plates



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LEGISLATION OF INTEREST

Making It Official!


- ⊕ SJR0924 – Designates March 2024 as Certified Government Financial Manager Month (passed on March 28, 2024)
- ⊕ Pub. Ch. 603 – Designates “Tennessee, Tennessee” as an official state song.
- ⊕ Pub. Ch. 646 – Designates “Under a Tennessee Moon” as an official state song.
- ⊕ Pub. Ch. 724 – Designates “Tennessee, In My Dreams” as an official state song.
- ⊕ Pub. Ch. 719 – Designates “Rockin’ Around the Christmas Tree” as the official state holiday song.



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Only 90 days until the start of the 1st session of the 114th General Assembly!

Questions?



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