

2025 Legislative Update Comptroller of the Treasury CCFO/CMFO CPE Training

Greg Cothron
Deputy General Counsel
Office of General Counsel



1

DISCLAIMER

The views expressed herein are solely those of the presenter, and not necessarily the views of Comptroller of the Treasury.

The information provided herein does not constitute legal advice, and does not establish an attorney-client relationship. Adherence to the law remains the sole responsibility of each public agency and official, and the information contained in this presentation cannot be used as a defense to any civil or criminal violations that may occur from noncompliance with legal requirements or obligations.



2

Introduction

- ◆ Provide a general overview of the lawmaking process in Tennessee.
- ◆ Review legislation of interest for CMFOs and CCFOs from the first session of the 114th General Assembly.
- ◆ Due to time availability, will be limited to laws of general application.



3

114th General Assembly

- ◆ First Regular Session Convened on January 14, 2025
 - All Constitutional Officers Elected
- ◆ Extraordinary Session Convened January 27, 2025, and adjourned on January 30, 2025
- ◆ First Regular Session Adjourned on April 22, 2025
- ◆ To Date:
 - 1440 House Bills Filed
 - ◆ 12* Per Member Limit
 - 1463 Senate Bills Filed
 - 531 Public Acts and 30 Private Acts



4

The Process



5

The Process

99 House Members (9 New Members)

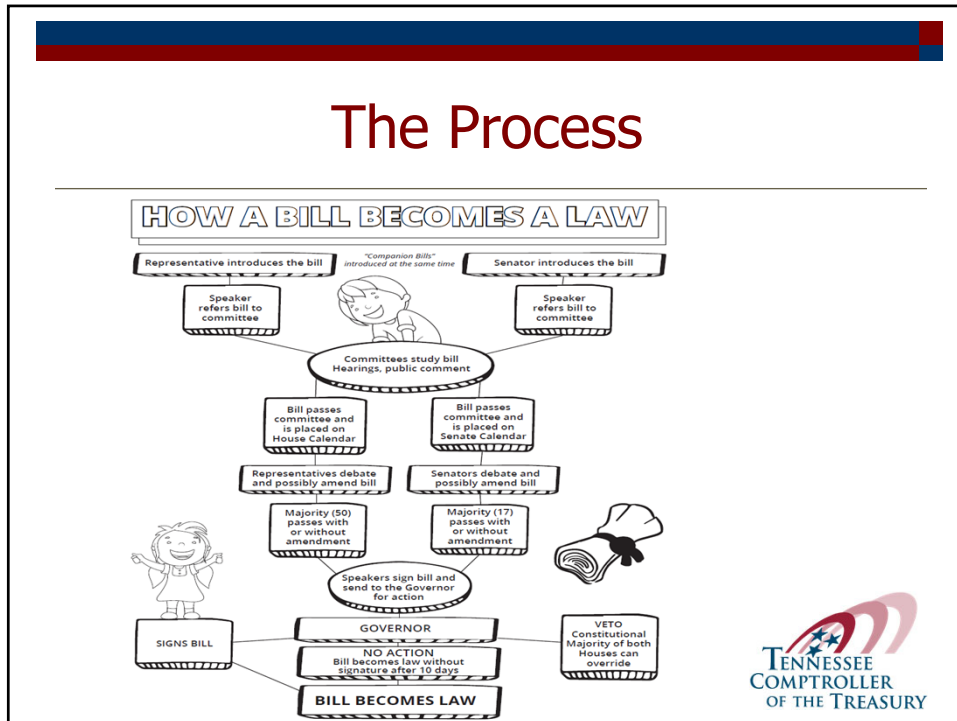
33 Senate Members (3 New Members)

Rule of 50 and 17 - Passed by a majority of the members to which the body is entitled.



6

The Process



7

General Assembly Process

- ◆ House: Subcommittee → Full Committee → Calendar and Rules → Floor
- ◆ Senate: Full Committee → Calendar → Floor

8

General Assembly Schedule

Monday: Limited committee meetings, floor sessions.

Tuesday: Full committee and subcommittee meetings.

Wednesday: Full committee and subcommittee meetings.

Thursday: Floor sessions.



9

Legislative Considerations for CCFOs and CMFOs

- ◆ Public Acts
 - Passed by legislature and signed by governor after 3 readings on 3 days.
 - If unsigned by the governor for more than 10 days, becomes law.
 - Governor can veto, but can be overridden by simple majority.
 - Create general statutory law, i.e. Tennessee Code Annotated.
 - Become part of Tennessee Code Annotated.
- ◆ Private Acts
 - Bills: Passed by legislature and signed by governor.
 - Not general law.
 - Affect only local government.
 - Must be adopted by local governing body to be effective.
 - Not part of Tennessee Code Annotated.
- ◆ Resolutions
 - Passed either by House or Senate after one reading.
 - Can be joint-passed by both House and Senate.
 - Have the force and effect of law, but do not become part of T.C.A.

* All can be found online at either www.legislature.state.tn.us or sos.tn.gov/division-publications/acts-and-resolutions.



10

2025 LEGISLATION OF INTEREST



11

Legislation of Interest – CCFO and CMFO

- ◆ PC0044 – Allows for contracted CMFOs to work less than (16) hours per month for small municipalities upon a municipality's request to the comptroller of the treasury.



12

Legislation of Interest – Extraordinary Session

- ◆ EOSPC0001 – Creates the centralized immigration enforcement division in Safety. \$5MM grant program to promote enforcement of immigration laws. Creates penalties for officials that create sanctuary policies and requires removal of such officials.*
- ◆ EOSPC0002 – Creates the Hurricane Helene Interest Payment Fund* and the Governor's Response and Recovery Fund.
 - Interest Fund is to pay eligible local governments' interest costs for up to 3 years on money borrowed to pay for eligible disaster recovery costs related to Helene.
 - Recovery Fund is to pay for 1) agricultural recovery; 2) unemployment assistance; and 3) business recovery assistance related to an emergency (Helene or other state of emergency or disaster declaration event).



13

Legislation of Interest – Extraordinary Session

- ◆ EOSPC0003
 - Authorizes TEMA to assist local government entities with recovery from disasters and emergencies on public property.
- ◆ EOSPC0006 – Requires Comptroller to disburse payments to property owners whose property was destroyed or damaged by Hurricane Helene.
 - Property tax owed plus 30% (no spending requirement).
 - Identified as destroyed by property assessor by 1/28/2025.*



14

Legislation of Interest – Extraordinary Session

- ◆ EOSPC0007 – Enacted the Education Freedom Scholarship Act.
 - 20,000 \$7,295 scholarships (10,000 income/disability criteria - 10,000 open to any eligible student). Paid directly to school.
 - Adjusts TISA allocation by allocating additional funds to LEAs to offset disenrollment losses.
 - Allows for a \$25 per student allocation for LEAs in an economically distressed county; LEAs with 50% or more schools with an “A” grade; and LEAs eligible for fast growth stipend.
 - Testing requirement with results to Office of Research and Education Accountability.
 - Transfers funding from lottery for education account collected from sports gaming to fund construction and maintenance of public-school buildings.
 - \$2,000 bonus to all eligible K-12 public school teachers.



15

Legislation of Interest – Governor's Bills

- ◆ Approximately 45 Bills Filed
- ◆ PC0530 – The APPROPRIATIONS BILL.
 - \$59.8 Billion (\$52.8 Billion Prior FY)
 - ◆ \$1B for state infrastructure needs.
 - ◆ \$275MM for TEMA operations center.
 - ◆ \$244MM for adjustment to TISA formula.
 - ◆ \$198MM for teacher bonuses.
 - ◆ \$100MM for Downtown Public Safety Grants.
 - ◆ \$52MM to create 5 new state parks.
 - ◆ \$35.6MM to the Rainy Day Fund.
 - ◆ \$6MM Comptroller forensic audit of Memphis-Shelby County Schools.



16

Legislation of Interest – Governor's Bills

Removed/Reduced

- ◆ \$60MM Starter Home Revolving Fund.
- ◆ \$35MM Duck River Water Regionalization Project.
- ◆ \$20MM North Data Center Relocation.
- ◆ \$20MM Nashville Zoo Grant.
- ◆ Numerous Nonprofit Grants.

Substituted

- ◆ \$78MM TennCare via the Annual Hospital Assessment.
- ◆ \$37.5MM Robertson County TCAT Replacement.
- ◆ \$25MM Hurricane Helene Recovery Grant Pool.
- ◆ \$20MM Grant Pool for Volunteer Fire Departments.
- ◆ \$5MM Grant Pool for Rescue Squads.



17

Legislation of Interest – Governor's Bills

- ◆ PC0110 - Grants TDOT emergency contracting powers in response to transportation system failure, or other emergency.
- ◆ PC0274 – Authorizes crediting and carrying forward of Megasite Authority investment and deposit interest income into a separate account.
- ◆ PC0336 – Lowers match requirement for grants from the Local Parks Land Acquisition fund for certain distressed or at-risk counties.



18

Legislation of Interest – Governor's Bills

- ◆ PC0355 – Reduces administrative fee the Department of Revenue collects to defray expenses of collection of certain taxes for local governments.
- ◆ PC0464 – Closes ASD and establishes 3-tier intervention system for failing schools.
- ◆ PC0470 – Establishes the Farmland Preservation Fund.
- ◆ PC0522 – Online threats of mass violence and doxxing.



19

Legislation of Interest – Governor's Bills

- ◆ PC0524 – Enacts the Less is More Act.
 - Authorizes new pathway to CPA licensure:
 - ◆ Maintains requirement of least 150 hours bachelor's or master's degree plus one year of relevant accounting work; but adds,
 - ◆ At least 120 hours of bachelor's degree plus two years of relevant accounting work.
 - Makes changes to CPA exam subject matter.
 - Authorizes practice for out-of-state licensed CPAs.
 - Numerous changes to state regulatory boards.



20

Legislation of Interest – Comptroller Bills

- ◆ PC0017 – Requires all local governments to report defaults, covenant violations and credit rating reductions regardless of whether they have public debt; Removes the list of items a debt report must contain and allows the state funding board to set the contents of the form.
- ◆ PC0018 – Imposes a penalty on municipalities with two or more outstanding late annual audits by withholding state-shared sales tax revenues until all outstanding audits are completed.



21

Legislation of Interest – Comptroller Bills

- ◆ PC0155 – Removes the requirement that the Comptroller's Office review and approve Human Resource Agency audits and working papers prepared by independent public accountants prior to the payment of audit fees.
- ◆ PC0170 – Authorizes emergency operating loans for utility districts, authorities, and municipal utilities; Removes the requirement for RFPs for bond issuances over \$50 million; Clarifies contested case hearing language for removal of utility board officers.



22

Legislation of Interest – Comptroller Bills

- ◆ PC0218 – Ensures local governments are responsible with taxpayer dollars when issuing heightened risk debt and clarifies the type of debt that constitutes balloon indebtedness.
- ◆ PC0365 – Authorizes publishing aggregate survey data and de-identified survey responses.



23

Legislation of Interest – Comptroller, Not Comptroller Bills

- ◆ PC0276 – Extends Comptroller audit of underutilized and vacant LEA school buildings to childcare agencies.
- ◆ PC0370 – Requires the OORC to facilitate the convening of ACOG meetings under certain circumstances.
- ◆ PC0530 – Memphis Shelby County Schools forensic audit \$6MM.



24

Legislation of Interest – Comptroller, Not Comptroller Bills

- ◆ PC0494 – Dismantle DEI Act.
 - Prohibits government agencies from basing an employment decision on any metric that considers applicant/employee's race, ethnicity, age, or any other demographic characteristic.
 - Exempts government agencies that submit notice to the Comptroller that compliance would result in loss of federal funding. If Comptroller finds compliance would result in loss, then government entity is exempt for 1 year.
 - ◆ Requires Comptroller to create guidelines.



25

Legislation of Interest – Comptroller, Not Comptroller Bills

- ◆ PC0458 – Dismantling DEI Departments Act.
 - Prohibits government agencies from using a discriminatory preference in an effort to increase diversity, equity, or inclusion, or establish or maintain an office, division, or department for such purposes.
 - Makes all policies in place prior to effective date void.
 - Similar exception process through the Comptroller's Office.
 - Prohibits Governor from making appointments on the basis of race and removes existing requirement to strive to ensure racial minority representation on boards and commissions.



26

Legislation of Interest – Caption Bills

HOUSE BILL 577
By Doggett

SENATE BILL 186

By Jackson

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 5; Title 6; Title 7; Title 8; Title 9; Title 29; Title
38; Title 39; Title 40 and Title 41, relative to
inmates.

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

SECTION 1. Tennessee Code Annotated, Section 41-21-244, is amended by adding
"as well as the legislative librarian" immediately following "state government committee of the
house of representatives".

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



27

Legislation of Interest – Caption Bills

- ◆ SB0186-HB0577 – Amended to become PC0531 which increases the accreditation stipend provided to eligible counties for each convicted felon housed by the county to \$6 per day for Tier 1 counties and \$12 per day for Tier 2 counties.



28

Legislation of Interest – Taxes, Fines, and Fees

- ◆ PC0140 – Requires local governments that assess a fee exceeding \$250 to document justification and cost basis. Subject to annual audit by Comptroller.
- ◆ PC0285 – Authorizes increase of mineral severance tax by 15 cents over a 10-year period subject to a maximum rate. Requires a two-thirds vote of the county legislative body. Requires report to the Comptroller on amount deposited and how spent.
- ◆ PC0320 – Requires the sheriff to pay directly to an electronic monitoring device provider a released prisoner's wages, or payment by an entity utilizing the prisoner for unpaid work, for the costs of the device.
- ◆ PC0326 – Increases the service fees for handling mail order plate registration renewals and decals to \$7 and \$3 respectively.



29

Legislation of Interest – Taxes, Fines, and Fees

- ◆ PC0349 – Increases county clerk's fee collected for annual and temporary fishing and hunting licenses to \$3.
- ◆ PC0364 – Amends process for collecting occupancy tax for those who stay longer than 30 continuous days. Removed refund and credit language and replaced with a hard stop at 30 days.
- ◆ PC0367 – Requires clerk of court with criminal jurisdiction to include a \$12.50 charge in every cost bill for the promotion of public safety at the sole discretion of the district attorney general. Requires 2/3 approval by county legislative body.
- ◆ PC0372 Removes local government occupancy tax reporting to Comptroller. Defines "tourism development", "tourism promotion", and "tourist". Maintains existing Comptroller audit authority and offset provisions. 8% cap in incorporated area of county.



30

Legislation of Interest – Taxes, Fines, and Fees

- ◆ PC0459 – Increases amount to \$2.00 that the municipal court clerk must remit to the state treasurer from municipal court cases to defray the Administrative Office of the Court's expenses in providing training for municipal court judges and court clerks.
- ◆ PC0486 – Revises law concerning court clerks' fees.
- ◆ PC0501 – Requires the Department of Economic and Community Development to annually revise and certify the population of each county and municipality to ensure equitable allocation and distribution of the local share of revenue.
- ◆ PC0508 – Requires that sales taxes from the sale, use, consumption, or distribution of new or used tires to be earmarked and allocated to the highway fund.



31

Legislation of Interest – Procurement

- ◆ PC0098 – Authorizes local governments to enter into cooperative purchasing agreements for purchasing materials, labor, and services for maintenance, operations, component replacement or repairs of facilities.
- ◆ PC0260 – Authorizes the purchase of certain liability insurance without public bidding if purchased through a plan authorized by any organization of cities, counties, or other governmental agencies.



32

Legislation of Interest – Education

- ◆ PC0163 – Authorizes eligible education employees to qualify for paid leave during the legal process for adopting a newly placed minor child.
- ◆ PC0288 – Requires local boards of education and public charter school governing bodies to adopt a paid family leave policy.
- ◆ PC0433 – Authorizes LEA or public charter school to compensate the estate of an employed teacher for the teacher's unused and accrued annual and sick leave.
- ◆ PC0456 – Requires TDOE to allocate the state share of TISA funds generated by student members of a public charter school in the prior school year directly to the public charter school instead of allocating such funds to the local education agency in which the public charter school is located.



33

Legislation of Interest – Open Meetings/Open Records

- ◆ PC0280 – Adds city, state and zip code as confidential information for government employees.
- ◆ PC0360 – Expands requirement that agendas be made available prior to a public meeting to planning commissions, board of zoning appeals, public utility boards, IDB boards, housing authorities, airport authorities, county election commissions, and city, county, metropolitan government budget committees. Also requires, rather than permits, state and local government bodies that maintain a website to post the agenda to the website.
- ◆ PC0392 – Removes sunset provision from statute that authorizes records custodians to seek an injunction against a person who makes requests to view or copy public records with the intent to disrupt government operations.



34

Legislation of Interest – Open Meetings/Open Records

- ◆ PC0411 – Authorizes a member of a local government's legislative body to participate in a scheduled meeting by electronic means if:
 - Dealing with a family or medical emergency;
 - Has been called into military service; or
 - Unable to attend in person due to inclement weather.



35

Legislation of Interest – Economic Development & Growth

- ◆ PC0333 – Adds the MidSouth Development District to districts receiving state funding. Provides for a per capita funding assessment and corresponding per capita state funding for the districts.
- ◆ PC0348 – Reduces requirement that all multi-family facilities, buildings, and structures constructed under a voluntary attainable housing incentive program to be deed-restricted for at least 30 years, instead of in perpetuity.
- ◆ PC0357 – Authorizes creation of a special infrastructure improvement district and the levy of a special assessment for all properties in the district. Authorizes issuance of bonds backed by the special assessment. Makes subject to annual audit.



36

Legislation of Interest – Judicial Matters

- ◆ PC0373 – Authorizes district attorney to appoint a district attorney pro tem from outside the appointing district attorney's jurisdiction to conduct actions for removal of officers.
- ◆ PC0514 – Authorizes the AG to investigate whether a local government action violates state law or Tennessee Constitution.
 - Written notice to local government of violation who may:
 - ◆ Correct, or challenge the findings before a 3-judge panel.
 - Failure to correct or challenge within 60 days results in withholding of state shared taxes until corrected.



37

Legislation of Interest – Utilities

- ◆ PC0166 – Creates reinstatement process for a utility district commissioner who becomes ineligible to serve due to failing to meet CPE. Reduces number of required CPE hours from 12 to 6 for subsequent continuing education periods.
- ◆ PC0283 – Authorizes an acquiring municipal energy authority of a water and wastewater system to operate under the rules and regulations of the acquired system until later amendment.



38

Legislation of Interest – General Government Operations

- ◆ PC0132 – Authorizes local legislative bodies to remove a member of an appointed board or commission.
- ◆ PC0193 – Authorizes a county clerk under certain circumstances to request the assistance of a county clerk in a contiguous county for purposes of registering motor vehicles and related transactions.



39

Legislation of Interest – General Government

- ◆ PC0289 – Requires annual review by political subdivision pension plans for investment activity in companies known to be majority owned by China and to divest itself from such investment activity.
- ◆ PC0460 – Requires certain county contracted correctional facilities to have their population reduced if the death rate of inmates at the facility is twice the death rate of an equivalent state-operated facility.



40

Constitutional Amendments

- ◆ SJR0001 Bans statewide property tax.
- ◆ HJR0048 Expands rights of victims of crimes.
 - Notification of bail release, right to be heard, and opportunity to be present at all public proceedings.
- ◆ HJR0049 removes right to bail for additional offenses and no release without serving at least 85% of sentence.
 - Adds certain non-capital cases



41

TACIR Studies

- ◆ PC0413 – Economic impact on local governments regarding the provision of ambulance services.
- ◆ PC0418 – Availability of housing and treatment facilities for juvenile offenders.
- ◆ PC0438 – Recommendations on establishing sustainable funding sources for long-term transportation infrastructure needs.



42

Summer Study

- ◆ SB0002-HB0002 End the Grocery Tax by Closing Corporate Loopholes Act & Tennessee Corporate Minimum Tax Act.
- ◆ SB0327-HB0319 Revises definition of residential property for assessment purposes.
- ◆ SB1204-HB1191 Anti-Road Rage Act of 2024.
- ◆ SB1411-HB0721 Assault on an educational employee by non-student.



43

Legislation of Interest-Dodged Bullets or Opportunities Lost?

- ◆ SB0177-HB0909 Reallocating proceeds from 2002 sales tax increase to increase the amount received by cities.
- ◆ SB0178-HB0022 Require local government bodies to allow public comment on any jurisdictionally germane subject.
- ◆ SB0593-HB0224 Authorizes a local board of education to create an investment trust for capital improvements. Subject to audit by the Comptroller.
- ◆ SB840-HB0966 Creates K-12 Capital Outlay Spending Account and Early Learning Program Account and requires the Comptroller to develop a program to provide grants from the accounts.



44

Legislation of Interest-Dodged Bullets or Opportunities Lost?

- ◆ SB0991-HB1041 September General Assembly session.
- ◆ SB1037-HB0845 Creates a constitutional right to rebut a statement or statements made during a public meeting.
- ◆ SB1231-HB1264* Broadens written attestation included in local government audits that the local government has not sought or received a grant from an international policymaking organization, including the World Health Organization.
- ◆ SJR0048 Ratifies increase of 911 surcharge to \$1.86 per phone line.



45

Legislation of Interest – The Home of Nashville (Not Nashville) Hot Chicken, Trump International Airport, and Pot(holes).

- ◆ PC0273 – Nashville hot chicken as an official state food.
- ◆ SB1260-HB0568 Nashville as the hot chicken capital of the state. (Stalled)
- ◆ SB0265-HB0217 Renaming Berry Field Nashville (BNA) Trump International Airport. (Failed)
- ◆ SB0921-HB0703 Pot for Potholes Act. (Failed)



46

Legislation of Interest – Officially Official

- ◆ PC0139 Designates November as Diabetes Awareness Month.
- ◆ PC0176 Southern Stars Symphonic Brass as official brass band.
- ◆ PC0366 Months of June, July, and August designated as Celebration of Life, Liberty, and Pursuit of Happiness months, respectively.
- ◆ HJR0086 30th anniversary of Dolly Parton's Imagination Library.
- ◆ HJR0308 Designates March 2025 as Certified Government Financial Manager Month (passed on March 26, 2025).
- ◆ SJR0045 Designates March as Tennessee Athletic Training Month (passed on April 14, 2025).
- ◆ HB0043 Designates "Tennessee" by Arrested Development as an official state song (Failed).



47

Legislation of Interest-Party Icebreakers

Passed

- ◆ PC0020 Prohibits sales of counterfeit and unsafe lighters.
- ◆ PC0103 Policy on prohibiting students from using wireless devices.
- ◆ PC0220 Authorizes daylight fluorescent pink when hunting big game.
- ◆ PC0255 Utility terrain vehicles on all county roads in state.
- ◆ PC0300 NIL Rewrite.
- ◆ PC0304 Certification and regulation of animal chiropractors.
- ◆ PC0444 Bait hunting privilege license.
- ◆ PC0478 Use of drones to retrieve deer wounded by hunter.



48

Legislation of Interest-Party Icebreakers

Maybe Next Year

- ◆ SB0284-HB028 No commercial insurance required for vehicle for the blind.
- ◆ SB0723-HB0899 Prohibition against weather modification.
- ◆ SB0828-N/A Required disclosure of COVID-19 vaccination if donating blood.
- ◆ SB0837-HB0849 Excludes AI from definition of human being, life, or natural person.
- ◆ SB1262-HB1379 Prohibits sending fake check by mail for advertising.



49

THE KING IS NAPPING . . .

- ◆ Only 117 days until 2nd Session of the 114th General Assembly.
- ◆ Questions?



50