JASON E. MUMPOWER
Comptroller

To: Assessors of Property

From: Rachel Buckley, General Counsel *RB*

Date: August 18, 2026

Subject: SUMMARY OF LEGISLATION

The following is a summary of legislation passed by the 114th General Assembly that is related to property assessments or assessors. It is organized by each session of the 114th General Assembly.

FIRST EXTRAORDINARY SESSION- 2025

Public Chapter No. 6

Relative to property assessors, required the Comptroller of the Treasury to disburse payments to eligible owners of property that was destroyed or damaged by Hurricane Helene, as determined by the assessor of property by January 28, 2025.[1] Provided for the automatic deletion of the provisions requiring payment on December 31, 2025.

2025 SESSION

Public Chapter No. 138

Provides that when property that is qualified as agricultural, forest, or open space land is owned by two individuals, and held under the titles tenancy by the entireties or joint tenancy with right of survivorship, ownership is deemed unchanged when one owner dies if the property is retained by the other owner through a right of survivorship, or upon the owners' divorce if the property is retained by either owner through division and distribution of property in the divorce proceeding.

Public Chapter No. 357

Enacts the "Real Estate Infrastructure Act of 2025" to afford an alternative method for the making of improvements by municipalities (as defined), the creation of special improvement districts for infrastructure development districts of the various municipalities, and the levy of assessments and the issuance of bonds by municipalities.

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[1] See summary regarding Public Chapter 498 of the 2025 Session.

Relative to assessors, requires initiating petition to include a list of each parcel in the district, identified by parcel identification number of the county assessor, with the owner of each parcel and the address of such owner as shown on the property records of the county assessor. Requires the notice of public hearing on the establishment of the district to be provided by mail to each owner of real property within the proposed district at the address of each such owner as shown in the records of the county assessor or county trustee for providing tax notices. Authorizes the establishment resolution to provide that a total of up to five percent[2] of special assessments be set aside for administrative expenses, including expenses incurred by the host municipality and the officers of the municipality, including the assessor of property, trustee, or other tax collecting official, in administering the collection and allocation of special assessments, including a reasonable allocation of overhead expenses. Contains requirements related to the preparation and maintaining of an assessment roll, including requiring that it show the location of the property and the owner of the property as shown in the records of the assessor and the amount of the assessment.

Public Chapter No. 498

Amended Public Chapter No. 6 of the 2025 First Extraordinary Session by extending the deadline from January 28, 2025, to April 15, 2025, by which an assessor of property was to determine whether a property was destroyed or damaged by Hurricane Helene.

Amends Tenn. Code Ann. § 67-5-1601(a)(3) to provide that, subject to specific requirements, certain reappraisal plans shall be implemented with or without, rather than in lieu of, indexing. Removes language from Tenn. Code Ann. § 67-5-1601(b)(3) referencing state contributions.

2026 SESSION

Public Chapter No. 583

Removes language referencing state contributions, consistent with changes made by Public Chapter No. 498 of the 2025 session.

Public Chapter No. 649

Expands the definition of "motor bus and/or truck companies" under Tenn. Code Ann. § 67-5-1301(a)(11) to include subsurface passenger transit companies that: (i) operate vehicles primarily through subsurface tunnels or below-ground conduit tunnel systems; (ii) own and operate the subsurface tunnels or below-ground conduit tunnel systems that are used for passenger transit; (iii) own, use, or lease the vehicles that are used for transporting passengers through the subsurface tunnels or below-ground conduit tunnel systems; and (iv) are engaged in the business of transporting passengers through subsurface tunnels or below-ground conduit tunnel systems.

Amends Tenn. Code Ann. § 67-5-1308 to require subsurface passenger transit companies to include the following in their schedules and statements submitted to the Comptroller of the Treasury: (i) a listing of all tangible personal property that the company owns, uses, or leases in the operation of its business; (ii) a description, including the location and the length in miles, of

[2] See summary regarding Public Chapter 1089 of the 2026 Session.

all conduit tunnels and stations owned by the company; (iii) the total direct and indirect costs associated with making the company operational; and (iv) any other information that the Comptroller of the Treasury may reasonably require.

Public Chapter No. 982

Amends Tenn. Code Ann. § 67-5-212(b)(3)(A)(i) and (ii) to extend, from 30 days to 180 days, the deadline for filing certain exemption applications so that the exemption may become effective as of the date the exempt use began, if the application is made after May 20 of the year for which the exemption is sought. Amends Tenn. Code Ann. § 67-5-603(d) and Tenn. Code Ann. § 67-5-606(c) to clarify that a county or municipality's governing body pass a resolution for the disaster relief set out in these subsections to take effect. Specifies in Tenn. Code Ann. § 67-5-1512(c) & (d)(1) that the interest rate that applies to any additional tax due, or any tax refundable, following an appeal, must be updated annually each subsequent year. Expands from seven to twelve the number of members that metropolitan boards of equalization may have under Tenn. Code Ann. § 67-1-401(a)(6)(A) & (B).

Public Chapter No. 1049

Amends Tenn. Code Ann. § 67-5-1809 to authorize a county or municipality that levies a property tax pursuant to Title 67, Chapter 5 to pay a property tax refund through annual installments applied as credits against the taxpayer's future property taxes, if: (i) the county or municipality and the taxpayer enter into a written settlement agreement of a property tax dispute or disputes filed pursuant to §§ 67-5-1412, 67-5-1501, or 67-5-1511 that the refund will be applied in accordance with the new law's provisions; (ii) the refund is paid in full no later than 10 years after the date the written settlement agreement is signed by all parties; (iii) each annual installment that comprises the total refund is applied to the future property taxes of the same parcel or parcels that are the subject of the property tax dispute or disputes; (iv) the total refund owed to the taxpayer is greater than $500,000; and (v) the county or municipality is authorized to accept prepayments and partial payments of property taxes pursuant to Tenn. Code Ann. § 67-5-1801(e) and Tenn. Code Ann. § 67-5-1808.

Requires the written settlement agreement to (i) contain a provision wherein the taxpayer waives any penalties and interest that would otherwise accrue on the refund pursuant to § 67-5-1512(d); (ii) be signed by the municipality's or county's chief elected official and the taxpayer or the taxpayer's duly authorized representative; and (iii) be filed with the Comptroller of the Treasury within 30 days after the agreement is signed by all parties.

Amends Tenn. Code Ann. § 67-5-1512(d) to permit a taxpayer to waive all penalties and interest on a refund owed by a county or municipality as part of the written settlement entered by the parties. Establishes that these provisions will be repealed on June 30, 2041.

Public Chapter No. 1053

Prescribes the methods by which multi-unit rental housing that is subject to government restriction on use must be assessed. Establishes the parameters of the capitalization rate used for the assessment of multi-unit rental housing. Requires the Division of Property Assessments to publish on its website the capitalization rate range for assessors of property to use for each tax year beginning with tax year 2026. Requires owners of multi-unit rental housing to make specific notifications in writing to the assessor of property on or before December 31 of the calendar year in which the applicable circumstance as listed in subdivisions (d)(1)(A)(i)-(iii) occurred. Provides that owners who fail to submit the required notification are liable for any delinquent property taxes, including interest and penalty, assessed on the property. Requires the owner of multi-unit rental housing to file with the assessor of property, on a form prescribed by the State Board of Equalization, the information necessary for the multi-unit rental housing to be assessed based on the methods described in Tenn. Code Ann. § 67-5-608(a).

Public Chapter No. 1089

Makes various revisions to the “Real Estate Infrastructure Act of 2025” (Public Chapter No. 357 of the 2025 session). Relative to Assessors, revises Tenn. Code Ann. § 7-84-817(f) to authorize that the resolution establishing the infrastructure development district may provide that a portion, rather than five percent, of the special assessments be set aside for administrative expenses. Authorizes the host municipality to delegate the administration, in whole or in part, of a district to the municipality currently administering the host municipality’s ad valorem real property taxes, subject to governing bodies of both entering into an interlocal agreement. Makes various revisions to contemplate such a delegation. Defines “administration” for purposes of Tenn. Code Ann. § 7-84-820. Requires delinquency proceedings for special assessments that are or become delinquent to be carried out in the same manner as delinquency proceedings for ad valorem real property taxes.