

2026 Legislative Accomplishments



Tennessee REALTORS® Supported Legislation

SB1786 (HB1916) – Exempts certain real estate brokers from extra licensure and training requirements for vacation lodging service agents and requires supervision by a principal broker.

SB1786/HB1916 by S. Reeves/C. Boyd, exempts a real estate affiliate broker or licensed broker from the additional licensure and classroom hours in training programs requirements for a vacation lodging service firm's designated agent. Requires that vacation lodging services be under the supervision of the principal broker of an affiliate broker or broker.

SB539 (HB753) – Process for property tax assessment and valuation of low-income housing.

SB539/HB753 by J. Stevens/J. Faison, supports affordable housing development by excluding federal Low-Income Housing Tax Credits (LIHTCs) from property tax valuations in cities or counties that adopt the measure. Supporters argue current assessment practices inflate property values and operating costs, discouraging affordable housing development, especially in rural areas. The change applies to residential projects developed on or after July 1, 2026.

SB564 (HB803) – Hearing before the board of certification for water and wastewater operators regarding a revocation.

SB564/HB803 by M. Pody/R. Grills, requires developers of TDEC-approved wastewater treatment systems to ask a utility to either accept ownership and operation within set deadlines or formally refuse. Utilities that refuse must notify the developer and state regulators, cannot deny water service because of the refusal, and are released from future responsibility unless they later negotiate to take over the system. Developers may then contract with another utility. The bill also requires performance bonds for treatment systems, sets expiration and extension rules for TDEC-approved plans, mandates completion of decentralized wastewater projects within 60 months, directs TDEC to adopt new rules by July 31, 2027, and requires systems to meet or exceed applicable treatment standards. The law takes effect July 1, 2026, and excludes Hamilton County.

HB1913 (SB2199) – Regulatory Freedom Act of 2026.

SB1913/HB2199 by C. Boyd/J. Johnson, requires state agencies to post new or amended rules affecting regulated industries at least 45 days before a public hearing and make a good-faith effort to notify impacted trade groups for feedback and public comment. Agencies must prepare fiscal impact statements for rules expected to negatively affect businesses, including industry concerns raised during comments and proof of outreach to affected groups. Rules with an estimated negative fiscal impact exceeding \$1 million over five years (or one year for emergency rules) must be approved by majority vote of both legislative chambers. Certain federally required rules and licensing fee changes are exempt.

SB2410 (HB2509) – Establishes a pilot program providing loans for affordable workforce housing construction or rehabilitation.

SB2410/HB2509 by B. Powers/C. Sexton, creates the Community Workforce Housing Innovation Pilot Program, administered by Tennessee Housing Development Agency, to provide loans for workforce housing construction and rehabilitation through public-private partnerships. The program encourages local governments to use affordable housing funds to support eligible households, prioritizes certain projects and areas, and allows interest-free loans for developments with long-term affordability and significant workforce housing set-asides. THDA must fund at least one project in each grand division, evaluate the program's effectiveness, and report findings by January 1, 2029. The state budget includes \$20 million for the program.



Bills Tennessee REALTORS® Opposed Which Did Not Become Law

HB1703 (SB1693) – Requires certain business entities to register residential rental properties with the Tennessee Secretary of State.

HB1703/SB1693 by R. Bricken/P. Walley, as introduced, would have required corporations, limited liability companies, limited partnerships, and limited liability partnerships that purchase or acquire residential rental property in this state to register the property with the Secretary of State.

SB1601 (HB1501) – Authorizes municipalities to create and require use of landlord registries for certain real estate investment trusts.

SB1601/HB1501 by F. Haile/W. Lamberth, would have allowed municipalities, by a two-thirds vote, to require registration of real estate investment trusts (REITs) that own, operate, or finance 10 or more housing units within city limits. Municipalities cannot charge registration fees, but REITs must update registration information within 30 days of changes or face fines of up to \$50 per week after notice and a hearing.

HB2323 (SB2610) – Allows Jonesborough to levy an Impact Fee.

HB2323/SB2610 by R. Alexander/R. Crowe, would have authorized Jonesborough, by ordinance adopted by its governing body, to levy a tax on the privilege of engaging in the act of development within the boundaries of the municipality. It would have required the revenue generated from the privilege tax to be placed in a fund designated by the governing body, to be used exclusively for funding a capital improvement program for the construction and improvement of roads, streets, sidewalks, trails, and other similar transportation infrastructure within the municipality.

SB1918 (HB1465) – Building permit fee change in Union County.

SB1918/HB1465 by J. Seal/D. Powers, a local bill, would have changed the building permit fee to fifty cents per square foot on all buildings constructed, erected, or reconstructed (an increase from the current building permit fee of \$225 for residential and \$450 for commercial).

SB2698 (HB2635) – Stanton – Local Bill Allowing Impact Fees.

SB2698/HB2635 by P. Walley/J. Shaw, a local bill and subject to local approval, would have revised the general powers of the town allowing the City to enact Impact Fees; revises provisions related to the town judge.

SB226 (HB470) – Professionals’ Freedom of Religion Act.

SB226/HB470 by A. Lowe/T. Rudd, would have prohibited discrimination in real estate MLS access or professional participation based on a person’s religious or moral beliefs or lawful expression of those beliefs outside professional activities. It also would have barred MLS operators from requiring association membership for full MLS access or charging nonmembers higher participation fees. Individuals harmed by violations may sue for damages and other remedies.

HB298 (SB242) – Homes Not Hedges Funds Act.

HB298/SB242 by A. Behn/C. Oliver, would have prohibited individuals or affiliates that own 100 or more single-family rental homes, or frequently flip 100 or more homes, from buying additional single-family homes in qualifying counties unless the home will be used as a residence. The Office of the Tennessee Attorney General and Reporter or affected individuals may sue violators, with courts authorized to impose civil penalties, damages, attorney’s fees, equitable relief, and punitive damages. Defendants may recover legal costs if a lawsuit is found frivolous.