



2024 CAI Tennessee Legislative Session Report

Community Associations Institute (CAI) Tennessee Legislative Action Committee (LAC) advocated on behalf of the <u>approximately 722,000 Tennesseans living in 292,000 homes in more than 5,110 community associations across the Volunteer State</u>. Tennessee's legislative session began on January 8 and adjourned April 20, 2024.

On February 7, LAC members and advocates met in Nashville the LAC's inaugural Legislative Advocacy Day. More than 25 members of CAI's Tennessee chapter met with more than 25 legislators to educate lawmakers on the community association housing model and association board best practices. Discussions included security in community associations and uniform acts related to homeowners' associations.

Following the Day on the Hill, LAC members engaged on a variety of legislation, meeting regularly to discuss positions and amendments. Below are highlights from the 2024 Tennessee State Legislature and the results of such engagements:

SB2150/HB2249 PROPERTY & HOUSING: Assessment for Nonessential Amenities.

Originally, introduced as a place-holder bill, it was later amended to define <u>nonessential amenities</u> and restrict foreclosure for failure to pay special assessments for such.

CAI worked with the sponsor to address a special situation and limit application of this bill as narrowly as possible.

Status: PASSED, effective July 1, 2024.

SB1761/HB1850 PROPERTY & HOUSING: Regulation by counties to prohibit gardens, chickens, and rabbits on single-family residential lots.

This bill prohibits counties and municipalities from adopting and enforcing regulations to prohibit gardening and raising limited numbers of chickens or rabbits at single-family residences.

The Tennessee LAC was able to successfully advocate for language to be included which specifically exempts community associations from the provisions of this bill.

Status: House action was taken to require a summer study of this bill. No action was taken in the Senate.

SB 2000 PROPERTY & HOUSING: Tennessee Homeowners' Association Act.

This bill would have created a comprehensive HOA Act for Tennessee. It contained provisions governing the powers of association boards, minimum standards for bylaws, meeting procedures during periods of declarant control, and removal of board members.

Status: WITHDRAWN.

SB2550/HB2624 TAXES PROPERTY: Revises current law regarding property tax liens and delinquent property taxes.

This was a comprehensive bill to revise the delinquent property tax law across the state. The initial bill included a provision which would have created an exemption for local government from paying assessments created by community association covenants. Such an exemption would place an unfair burden on the remaining common interest owners and destroy well-established property law. Finally, such an exemption would be an unconstitutional interference with existing contracts.

The LAC worked with advocates for the bill and successfully removed this provision from the bill.

Status: Senate passed; House passed; Waiting for signatures by Speakers.

HB1987 PROPERTY & HOUSING: HOAs to permit the display of the US flag and the TN state flag.

Requires HOA's to permit the display of the flag of the United States and the Tennessee state flag on a property owner's property if the flag is displayed on a flagpole or otherwise affixed to the real property or an improvement to such property. Provides that an HOA cannot require approval of a flagpole or fixture used for the purpose of displaying such flags.

Status: No action as no companion bill was filed.

SB2153/HB2612 PROPERTY & HOUSING: Williamson County - report on criminal activity in a gated subdivision.

This bill allows a member of an HOA in a gated community in Williamson County to request the a report on criminal activity in the neighborhood for the Board.

HOA's are organized for the purpose of preserving property values, aesthetics and maintaining the community commonly owned spaces. It is not within the scope of an HOA to provide security. Any duty created to provide security will increase insurance costs which is already a problem for many HOAs. The information referenced in the bill may already be requested by any member of the public, so it is not necessary to go through an HOA board to receive it. The LAC worked with the sponsors of the bill to narrow the application of this requirement to only large, gated communities in Williamson County.

Status: PASSED, effective July 1, 2024.

SB2448/HB2215 PROPERTY & HOUSING: Real Estate Fraud Reduction Act.

This bill requires county registers of deeds and notaries public to verify the identity of a person recording or notarizing a document relating to certain real estate transactions, as applicable, using a government-issued identification card. Requires such registers and notaries to document and maintain as a permanent

record certain personally identifying information of a person recording or notarizing such a document. Specifies penalties for violations by a notary public.

The LAC monitored this bill.

Status: PASSED. Effective immediately upon Governor's signature.

SB1694/HB1814 PROPERTY & HOUSING: Disclosure of information to residential tenant by landlord.

This bill requires a landlord, or another person authorized to enter into a rental agreement on the landlord's behalf, to disclose to a residential tenant certain contact information for the agent authorized to manage the premises and an owner of the premises, or a person or agent authorized to act for and on behalf of the owner for the acceptance of service of process and for receipt of notices and demands. It was later amended to require that a landlord, or any person authorized to enter into a rental agreement on the landlord's behalf, disclose certain contact information and means of communication to a residential tenant at or prior to commencement of tenancy. It was also amended to apply to rental agreements entered into, amended, or renewed on or after January 1, 2025.

The LAC monitored this bill.

Status PASSED. Effective January 1, 2025.

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