



2025 CAI Tennessee Legislative Session Report

Community Associations Institute (CAI) and the Tennessee Legislative Action Committee (TN LAC) spent the 2025 legislative session advocating on behalf of the [approximately 749,000 Tennesseans living in 303,200 homes in more than 5,300 community associations](#) across the state. Tennessee's legislative session began on January 14 and adjourned on April 25. The legislative session will carry over into 2026.

In February, TN LAC appeared before the Tennessee Senate Commerce Committee at the state capitol in Nashville to educate legislators about the community association industry on behalf CAI and those living and working in community associations across the state. This meeting represented a critical opportunity for CAI to connect with key senate stakeholders.

Nearly 4,400 pieces of legislation were introduced in the Tennessee legislature this year. TN LAC actively tracked over 15 bills that either directly or indirectly impacted community associations. Below is a brief overview:

[HB 1069/SB 1013](#) – HOME-BASED CHILD CARE

TN LAC **opposed** this legislation, which would have taken away a community's ability to regulate home-based childcare facilities within an association if the childcare owner has obtained proper state licenses and permits. The TN LAC urged legislators in Nashville to acknowledge the right of self-governance by homeowners in community associations who elect volunteers and have a vested interest in their own communities.

This legislation does not align with CAI's [Residential Childcare Facility Public Policy](#), which recognizes the right and the obligation of community associations to regulate certain activities within their communities, including reasonable rules and restrictions governing the presence of home-based childcare facilities, which may otherwise interfere with or disrupt the quiet enjoyment and day-to-day living for community residents. It also does not align with CAI's [public policy](#) on Government Regulation of Community Associations, which states that governance should occur at the lowest possible level. Communities must retain the ability to self-govern and adopt reasonable rules and regulations which best fit their needs, rather than rely upon federal- or state-imposed uniform approaches.

CAI circulated an online call to action ahead of hearings in the House Cities and Counties Subcommittee and the Senate Commerce and Labor Committee, asking advocates to



message their legislators on those committees and urge opposition to the legislation. In total, 24 Tennesseans sent a total of 25 messages to 6 different legislators in opposition to this legislation.

Status: Bill Successfully Died in Committee

HB 871/SB 1079 – ESCROW FUNDS

TN LAC **monitored** this legislation, which introduces new requirements for a declarant's access to, and use of deposits related to purchasing or reserving a condominium unit, and amends related property laws. It specifies that third-party lenders hold no liability for the use or return of these deposits unless they take control of the condominium project through foreclosure, limiting their liability to any undisbursed and unspent deposits.

This legislation could impact developer billing for HOA fees. TN LAC will work to ensure that this legislation does not set a precedent for other types of HOA accounts.

Status: Signed by Governor 4/11/2025

HB 565/SB 204 - TENNESSEE HOMEBUYER HARASSMENT PREVENTION ACT

TN LAC **monitored** this legislation, which would limit the number of times that a real estate developer, business entity, or individual working on behalf of the developer or business entity is permitted to contact a property owner to make an unsolicited offer to buy the property owner's property. The legislation specifically addresses telephone and text message solicitations.

Status: Died in Committee

HB 298/SB 242 – HOMES NOT HEDGE FUNDS

TN LAC **monitored** this legislation, which would prohibit certain business entities from purchasing more than 100 single-family homes in certain Tennessee for the purpose of renting the purchased properties. The legislation also establishes a state and private cause of action and establishes damages for violations. The community association housing model succeeds when a true sense of community is cultivated and there is active homeowner involvement based upon a culture of building consensus. In contrast, short-term visitors typically have no ties to the community, are not contractually bound by the association's established policies, and are generally not invested in the overall good of the community. CAI supports short-term rental regulation that is consistent with the



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association's governing documents, federal, state, and local law, and serves to protect and preserve the ability of community association homeowners to manage their affairs.

Status: Action deferred in Senate State and Local Government Committee to first calendar of 2026

NOT A CAI MEMBER? BECOME A MEMBER TODAY!

CAI provides advocacy trainings and opportunities, education programs, best practices, and robust resources to help you stay up-to-date on the latest news, laws, legislation, policies, and issues affecting homeowners associations, condominiums, and housing cooperatives. As a CAI member, you'll also get a membership to your local chapter and gain a network of industry colleagues — over 50,000 of them in [64 chapters worldwide](#).

[Join today!](#)

GET INVOLVED IN CAI TENNESSEE ADVOCACY EFFORTS!

Track TN Legislation

CAI keeps track of legislation throughout the year, so you can stay informed. You can check the legislation that CAI is monitoring around the clock [here](#).

Support and Donate Today

CAI depends on professional lobbyists funded by community associations, businesses, and individuals to create the best public policy for the community association industry in Tennessee. To support their efforts, visit caionline.org/lacdonate and select "Tennessee."

Help Shape Future Legislation

Join our CAI Advocacy Ambassador program and become a part of the movement to create positive change. Your voice matters, so [sign up now](#) to make your mark!

CAI PAC TENNESSEE

CAI Tennessee has a dedicated CAI political action committee. The PAC allows us to support candidates for office that advocate for well-reasoned legislation and oppose legislation that creates unnecessary burdens on the governance and operation of community associations. Consider [donating](#) to the CAI PAC Tennessee to help advance CAI's public policy positions in the state. [Donate to your state's PAC today!](#)

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