

PUBLICATION

Tennessee General Assembly Special Session: Overview of Education Freedom Scholarships, Disaster Relief, Transportation, and Illegal Immigration Measures

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January 31, 2025

Governor Bill Lee announced on January 15th that he would call the 114th General Assembly into a special session to address his proposed Education Freedom Act, disaster relief legislative package relevant to Hurricane Helene, as well as future natural disasters, a transportation initiative, and public safety measures regarding illegal immigration. When the special session began on Monday, January 27, speculation was high regarding how long the special session would last. Fueling this speculation, the state Senate signaled that they expected to outpace the House, and as a result, chose to recess the week of February 3 and return on the 10th. To the surprise of most, both chambers finished their work in just four days, adjourning the special session *sine die* the afternoon of January 30. Seven bills were filed during the special session. One was an appropriations bill and six were policy initiatives. An overview of each is below:

Education Freedom Scholarships

SB6001/HB6004 is a highly negotiated agreement between the Senate and the House that incorporates key elements from similar bills introduced last session. The \$7,000 scholarships created are open to Tennessee residents eligible for public school attendance, excluding homeschooled and certain church-related school students, and limited to Category I, II, and III private schools. Funds may be used to cover, among other things, tuition, fees, textbooks, transportation, educational technology, tutoring, and educational therapy services.

The program begins with 20,000 scholarships for the 2025-2026 school year and grows by 5,000 scholarships annually, subject to available funds, when applications exceed 75 percent of the available scholarships. 10,000 of the initial 20,000 scholarships are reserved for students at or below 300 percent of the federal free/reduced-price lunch income threshold or those with disabilities. The bill also provides a \$2,000 one-time bonus exclusively to classroom teachers.

The Disaster Relief Package

The Emergency Management Bill

SB6004/HB6002 authorizes the state emergency management agency to assist a political subdivision or local emergency management agency with recovery from disasters and emergencies on public property at the request of the locals. It also suspends certain eligibility requirements for unemployment benefits for eligible claimants who reside or work in counties encompassed by a major disaster declaration.

Hurricane Helene Interest Payment Fund and The Governor's Response and Recovery Fund

SB6003/HB6003 creates the \$110M (nonrecurring) Hurricane Helene interest payment fund within the state treasury. The purpose of the fund is to pay local governments' interest costs for up to three years on money borrowed to pay eligible disaster recovery costs related to Hurricane Helene. The bill also creates the \$100M (nonrecurring) governor's response and recovery fund which is designed to deliver monetary support for emergency-related agricultural recovery efforts, unemployment assistance, and business recovery aid.

Comptroller-Based Relief

[SB6007/HB6007](#) requires, under certain conditions, that the state comptroller disburse payments (equal to 130 percent of the property tax paid by each property owner for tax year 2024) to property owners whose real or personal property was destroyed or damaged by Hurricane Helene. It also provides for a streamlined procedure for sharing local governmental equipment and resources with another local government requesting aid during an emergency.

Creation of the Transportation Finance Authority

[SB6006/HB6006](#) creates the Tennessee transportation financing authority (composed of the governor, the commissioner of finance and administration, the state treasurer, the secretary of state, and the comptroller of the treasury) to provide financing and refinancing for the development, maintenance, and improvement of "transportation facilities" within the state. The powers of the authority include the ability to issue bonds, without limitation as to amount, for the purpose of financing or refinancing costs associated with the development of transportation facilities – including highways, bridges, tunnels, parking lots, or garages or other paved surfaces or structures that are designed to carry or contain transportation vehicles, and transit, railway, port, airport, or multimodal transportation facilities. This is largely seen as the financial decision-making hub for the state's forthcoming choice lanes.

Immigration Enforcement

[SB6002/HB6001](#), as amended, creates the Centralized Immigration Enforcement Division (CIED) within the Department of Safety and Homeland Security. It also establishes that the chief executive of the CIED is the Chief Immigration Enforcement Officer (CIEO), appointed by the Governor. It requires the Commissioner of the Department of Safety and Homeland Security, in consultation with the CIEO, to attempt to enter into the terms of an agreement between the state of Tennessee and the United States Attorney General concerning the enforcement of federal immigration laws, detention and removals, and investigations in the state.

It also creates a two-year \$5M (nonrecurring) Immigration Enforcement grant program to incentivize local governments to enter into agreements between the respective local government and the United States Attorney General concerning the enforcement of federal immigration laws. The bill also makes it a Class E felony for a state or local official to adopt or enact a sanctuary policy. If a sanctuary policy is enacted, the state attorney general and reporter (AG) is required to initiate an action to remove any such official from office who fails to repeal a sanctuary policy.

Regarding driver's licenses:

- Prohibits the use of a temporary driver's license or temporary photo identification as an acceptable proof of identification for the purpose of voting and exercising other rights;
- Prohibits issuing lawful permanent residents anything other than a temporary driver's license; and
- Requires a temporary driver's license, photo identification license, or permit to have "a visually distinctive marker" to distinguish it from one issued to a United States citizen.

Baker Donelson's [State Public Policy Advocacy](#) and [Government Relations and Public Policy](#) teams look forward to working with clients throughout the first regular session of the 114th Tennessee General Assembly and will provide timely updates as developments occur. If you have questions about the legislative session or need additional information, please contact [Jacob D. Baggett](#).