



## Weekly Legislative Recap

The Tennessee General Assembly continued working through final calendars this week as committees began to close. The Senate Finance Committee heard a presentation from the Tennessee Department of Transportation (TDOT), with lawmakers expressing concerns over federal funding. Senate Finance Chair Bo Watson questioned whether allocated money is reaching the state, noting that while transportation earmarks are secure, broader infrastructure funding remains uncertain. Some projects from the 1986 roads plan are still unfinished, and major corridor expansions have been delayed. With Tennessee's infrastructure needs estimated at \$30 billion, Watson suggested the actual requirement may be closer to \$15 billion.

To address infrastructure challenges, lawmakers passed House Bill 1320, which enhances TDOT's use of alternative delivery methods like Design-Build and Construction Manager/General Contractor. Building on the 2023 Transportation Modernization Act, which invested \$3.3 billion in infrastructure, the bill streamlines project evaluations and allows emergency contract use to improve efficiency and accelerate road construction.

On the financial front, Tennessee's general fund revenues fell \$10 million short in February due to corporate tax declines, though a 5.7% increase in sales tax helped keep the fund \$8 million above estimates for the budget year. The Governor's Administration is set to release its proposed budget amendment on Tuesday, March 25, 2025. This amendment will adjust the initial fiscal proposal based on current revenue trends and is a customary step in the budgetary process. It paves the way for final negotiations and sets the stage for the legislative session's adjournment.

Other notable developments include the Tennessee National Guard deploying Black Hawk helicopters to fight wildfires near Chattanooga, Volkswagen cutting the third shift at its Chattanooga plant due to weak EV sales—leading to protests and a labor complaint from the UAW—Frito-Lay investing \$27 million in a new Clarksville distribution center, and Memphis rejecting efforts to reopen the Mud Island Amphitheater due to safety concerns. Oracle Corporation announced a significant expansion in Nashville, subleasing two floors in the Radius Building, adding 60,000 square feet to its office space. This comes amid delays on its \$1.35 billion East Bank campus project, which will serve as Oracle's global headquarters. The East Bank development, covering 70 acres along the Cumberland River, is Tennessee's largest economic initiative to date.

U.S. Representative John Rose has announced his candidacy for Tennessee governor in 2026. Rose, a former state agriculture commissioner and current representative for Tennessee's 6th congressional district, emphasizes his conservative values and experience in business and farming. The election will be held on November 3, 2026.

For those following, THA's HB1142/SB0119 passed through the House Commerce Committee this week with a vote of 23-0 and has been set for the House Consent Calendar on Monday, March 24<sup>th</sup>.