



State of Tennessee
PUBLIC CHAPTER NO. 508

HOUSE BILL NO. 969

By Representatives Hawk, Howell, Hill, Sherrell, Barrett, Brock Martin, Capley, Lamberth, Williams, Maberry, Eldridge, Crawford, Davis, Terry, Shaw, Alexander, Hale, Grills

Substituted for: Senate Bill No. 144

By Senators Walley, Pody, Yager, Bailey, Bowling, Crowe, Hatcher, Jackson, Massey, Reeves, Rose, Stevens

AN ACT to amend Tennessee Code Annotated, Title 4; Title 54; Title 55; Title 65 and Title 67, relative to transportation.

WHEREAS, transportation is essential to "agriculture and commerce" as proclaimed on the great seal of the State of Tennessee; and

WHEREAS, Tennesseans have enjoyed a robust, efficient, safe, and reliable transportation system for generations; and

WHEREAS, Tennessee's transportation system must be maintained and is paramount to Tennessee's future in this century and beyond; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following language as a new subsection (v):

(1) As used in this subsection (v), "tire" has the same meaning as defined in § 67-4-1602.

(2) Notwithstanding the allocations provided for in subsection (a), all monies received under this chapter from the sale, use, consumption, or distribution of new or used tires on or after July 1, 2025, must be earmarked and allocated to the highway fund. During the 2025-2026 fiscal year, the amount apportioned and distributed pursuant to this subdivision (v)(2) must not exceed eighty million dollars (\$80,000,000), and monies received above this amount must be apportioned and distributed pursuant to subsection (a).

(3) Notwithstanding this subsection (v) to the contrary, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes, pursuant to chapter 529, § 9 of the Public Acts of 1992, and no portion of the revenue derived from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%), pursuant to chapter 856, § 4 of the Public Acts of 2002, shall be apportioned and distributed pursuant to this subsection (v). All such revenue must continue to be allocated as provided in chapter 529, § 9 of the Public Acts of 1992, and chapter 856, § 4 of the Public Acts of 2002, respectively.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.

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PASSED: April 22, 2025



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 21st day of May 2025



BILL LEE, GOVERNOR