



SENATE BILL 1935

By Reeves

**AN ACT to amend Tennessee Code Annotated, Title 26;
Title 30; Title 33 and Title 52, relative to
homestead exemptions.**

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

SECTION 1. Tennessee Code Annotated, Section 26-2-301(a), is amended by deleting the last sentence and substituting:

Upon the death of an individual who is head of a family, any such exemption shall inure to the benefit of the surviving spouse and their minor child or child who is eighteen (18) years of age or older and has a developmental disability or intellectual disability for as long as the spouse, minor child, or child who is eighteen (18) years of age or older and has a developmental disability or intellectual disability uses such property as a principal place of residence.

SECTION 2. Tennessee Code Annotated, Section 26-2-301(a), is amended by redesignating the existing subsection (a) as subdivision (a)(1) and adding the following as a new subdivision (a)(2):

(2) As used in this subsection (a), "developmental disability" and "intellectual disability" have the same meaning as defined in § 52-1-101.

SECTION 3. Tennessee Code Annotated, Section 30-2-201, is amended by deleting the section and substituting:

The homestead in lands of a decedent, inuring to the benefit of a surviving spouse, minor child, or a child who is eighteen (18) years of age or older and has a developmental disability or intellectual disability, is assigned and set apart in the manner provided in this part.

SECTION 4. Tennessee Code Annotated, Section 30-2-209, is amended by deleting the section and substituting:

If real estate is so situated that homestead cannot be set apart, as provided in this part, then the realty must be sold and thirty-five thousand dollars (\$35,000) of the proceeds invested in real estate, under the direction of the court having jurisdiction to be held as homestead subject to the law governing homestead, or if the court deems it more desirable and practical, then the court may order the payment of thirty-five thousand dollars (\$35,000) in cash or other personal property outright and in fee to the surviving spouse, if any, otherwise to a minor child or a child who is eighteen (18) years of age or older and has a developmental disability or intellectual disability, if any, in lieu of all other homestead rights in the realty of the deceased.

SECTION 5. Tennessee Code Annotated, Title 30, Chapter 2, Part 2, is amended by adding the following as a new section:

As used in this part, "developmental disability" and "intellectual disability" have the same meaning as defined in § 52-1-101.

SECTION 6. This act takes effect July 1, 2026, the public welfare requiring it.

Amendment No. 1 to HB1903

Farmer
Signature of Sponsor

AMEND Senate Bill No. 1935*

House Bill No. 1903

by adding the following sentence at the end of the amendatory language in SECTION 4:

Subject to § 529A of the Internal Revenue Code of 1986 (26 U.S.C. § 529A), as amended and all rules, regulations, notices, and interpretations released by the United States department of treasury, including the internal revenue service, and applicable laws and rules of this state relative to the achieving a better life experience act, some or all of the thirty-five thousand dollar (\$35,000) cash payment up to the achieving a better life experience program annual contribution limit, made to a minor child or a child eighteen (18) years of age or older meeting the qualifications to participate in the achieving a better life experience program, may be deposited into the child's achieving a better life experience program account by the child or someone on behalf of the child, including, but not limited to, a court order requiring the cash deposit into the child's achieving a better life experience program account.

AND FURTHER AMEND by deleting SECTION 6 and substituting:

SECTION 6. This act takes effect upon becoming a law, the public welfare requiring it.