



TTAA Legislative & Regulatory Update

July 27, 2026

With the House of Representatives now in its August recess until August 31, legislative activity will largely shift to the Senate, which remains in session for two more weeks before beginning its own recess.

The Senate is expected to focus on government funding, nominations, sanctions legislation, and several other key priorities during that time.

Before recessing, the House approved a short-term government funding measure by a vote of 220-205. The legislation would extend federal funding from the end of the current fiscal year on September 30 through December 4. Rep. Tom Massie (R-KY) was the only Republican to vote against the measure, while six Democrats voted in favor. Senate Majority Leader John Thune (R-SD) has indicated the Senate will consider its own version of a funding bill before leaving Washington. Negotiations are ongoing, with discussions reportedly including funding adjustments requested by the administration, disaster relief funding, and other policy provisions. Any final continuing resolution will require bipartisan support to advance through the Senate.

The House also narrowly approved a Fiscal Year 2027 budget resolution by a vote of 216-214. If the Senate adopts the same resolution, it would allow Congress to move forward with the budget reconciliation process, enabling certain spending legislation to pass the Senate with a simple majority rather than the usual 60-vote threshold. House Republican leadership and the White House have identified defense funding, agricultural assistance, and programs encouraging states to verify voter identification and citizenship status as priorities for a potential reconciliation package. Senate leadership has indicated it intends to address government funding before considering a budget resolution.

Also before leaving Washington, the House passed its version of the Fiscal Year 2027 National Defense Authorization Act (NDAA), the annual legislation that authorizes defense programs and establishes military policy. During floor consideration, lawmakers adopted several amendments addressing defense-related policies while rejecting others.

The House is expected to attach the SAVE America Act to the NDAA before transmitting the legislation to the Senate. The Senate is expected to consider its own version of the NDAA later this year, with final negotiations between the two chambers likely taking place after the midterm elections.

The House also approved a bipartisan War Powers Resolution directing the President to remove U.S. armed forces from hostilities involving Iran. Four Republicans joined Democrats in supporting the measure, which could receive Senate consideration during the remaining work period before recess. Separately, President Trump formally notified Congress on July 10 of renewed military operations involving Iran, beginning a new 60-day period under the War Powers Resolution during which Congress may consider authorization of military action.

During the next two weeks, the Senate is expected to vote on a number of administration nominees, including Jay Clayton to serve as Director of National Intelligence. Senators are also expected to consider S. 5025, legislation that would impose additional sanctions on Russia while extending existing sanctions on Iran that are currently scheduled to expire later this year. Senate leadership may also begin consideration of the Digital Asset Market Clarity Act (H.R. 3633), which would establish a regulatory framework for digital assets.

In addition, senators could consider the House-passed Iran War Powers Resolution, while Sen. Mike Lee (R-UT) has stated he intends to seek a vote on whether the Senate should remain in session beyond its scheduled August recess to continue work on the SAVE America Act.



Chuck Space, TTAA Executive Director
Texas Tire & Automotive Association