

Zena Parks

From: Suzie Lusk [suzie.lusk@tnchamber.org]
Sent: Monday, May 31, 2010 9:59 PM
To: Tennessee Chamber Capitol Update
Subject: Capitol Update 5.28.2010

Capitol Update, sponsored by **Baker Donelson**,
 with law offices throughout Tennessee, as well as in Alabama,
 Georgia, Louisiana, Mississippi and Washington, D.C.

BAKER DONELSON
 BEARMAN, CALDWELL & BERKOWITZ, PC

IS PLEASED TO PRESENT



May 28, 2010

Senate Burns Midnight Oil Advancing Budget Proposal / Deadlock with House Remains Delaying Adjournment

After negotiations on a budget compromise broke down yesterday, the State Senate worked until midnight last night to advance their budget proposal in Senate Finance. Only a few items are still of disagreement between the House and Senate plan. One such item is a dispute involving a fish hatchery. The House budget plan calls for using \$16.1 million of an anticipated \$341 million in extra federal funding, if it becomes available, for building a fish hatchery in Carter County, home of House Speaker Kent Williams. Lt. Gov. Ron Ramsey said that provision in the "contingency" spending plan is opposed by members of the Senate Republican caucus. Ramsey also said Senate Republicans also are "locked down" against other "pork barrel" spending in the House plan, such as a \$5 million appropriation to the National Civil Rights Museum in Memphis. There is room for negotiation on other differences between the House and Senate, such as a House-backed \$500 payment to state employees and teachers, he said.

A CALL TO ACTION: Franchise and Excise (F&E) Business Flood Tax Relief on Life Support

This week the Tennessee Chamber and other business groups worked in both the House and Senate on a one-time \$20m budget appropriation for Franchise and Excise (F&E) tax credit offsets to be distributed to businesses damaged by recent flooding. The Chamber believes strongly that this is a jobs issue and that business affected by the 1,000- year flooding event

should be assisted, especially because many are fighting to stay open and keep workers employed. The Chamber has heard from members whose damage well exceeds flood insurance and many who could not purchase flood insurance. Senate leaders objected to the proposal noting that there is no money for the assistance. The Chamber has pointed out that \$341 of non-recurring monies exist in the budget from federal stimulus dollars that can be used for the proposal. House leaders especially those representing areas hit by the devastation have expressed willingness to adopt the proposal with Senate agreement. House and Senate have included in their discussions plans to provide \$20m in assistance to homeowners affected by the damage in the form of sales tax credits. We encourage you to contact members of the [Legislature](#) to voice your support for this crucial assistance to Tennessee businesses. The Chamber would like to thank Carl Hartley and John Burns of the law firm Baker, Donelson, Bearman, Caldwell & Berkowitz, PC for helping draft the proposal for the Chamber.

Chamber-Supported Business Property Flood Tax Amendment Advances

This week the Senate Finance committee added language to the budget that will allow property tax relief to business owners who have recently sustained flood damage to real and tangible personal property. To view the amendment click [here](#). The amendment allows for proration of property damaged so long as the property is replaced or improved by September 1, 2010. A special thanks goes to the members of Senate Finance and the Comptroller's office who assisted in the amendment and to Senator Joe Haynes and Senator Mark Norris for sponsoring the Amendment. The Amendment was supported and worked on by other business groups as well such as NFIB, Tennessee Road Builders Association, ABC of Middle Tennessee, Tennessee Malt Beverage Association, Tennessee Hospitality Association and the law offices of Waller Landsen, Dortch & Davis, PLLC.

Air Pollution Control Crucial Vote Watch This Week / Joint Government Operations Committee Hears Why Executive Appointments Alone Do Not Work

Further testimony last week revealed a point interest groups have been making this session; Executive appointments alone on regulatory boards is not good public policy for the citizens of our state. In a joint meeting of the House and Senate Government Operations Committee the Tennessee Department of Labor testified on pending legislation that will drastically change executive only appointments to the Unemployment Compensation Claims board. A recent Comptroller audit found the board appointed solely by the executive branch had made significant errors and recommended changes to the board that will ensure it operated in the most efficient and fair manner to taxpayers and those disputing UI claims. The state Department of Labor introduced legislation this session that will correct these errors. The current board composition is appointed solely by the executive branch but pending legislation will bring operations of the board under the administrative and legal department of the Department of Labor.

Business Supported TNInvestco Legislation Passes Senate

This week the State Senate on a vote of [25-7](#) approved legislation to expand the existing TN INVESTCO legislation. Included in the legislation are substantial provisions about disclosure and public information which critics said were needed. [HB 2927](#), is sponsored by Sen. Doug Overbey (R-Maryville) and Rep. Charles Sargent (R-Franklin), is supported by the Tennessee Department of Economic and Community Development and the Tennessee Department of Revenue as well as the

Tennessee Chamber and other business groups. The bill will expand the current TNInvestco program to additional firms providing much needed capital funding to Tennessee based businesses. **We encourage you to note the votes on this critical business supported legislation and thank those members supporting Tennessee based businesses and voting in favor of expanding their funding options in this current economic environment.** To learn more about the program, click [here](#). The Chamber would like to thank Rep. Charles Sargent and Sen. Doug Overbey for their hard work to advance this pro- business initiative.

Another “English Only” Attempt Curtailed in House

This week Rep. Eric Swafford made another attempted to amend an unrelated bill in the full House to require English only drivers license bill. An attempt last week by Rep. Stacy Campfield (R-Knoxville) failed previously in the full House on a 51-40 tabling vote. This attempt was much less effective as Speaker Kent Williams ruled the measure out of order since members had previously tabled a previously filed amendment on the same bill. Members of the House arguing against the amendment expressed concern the legislation would put Tennessee at a disadvantage when recruiting international business and argued other surrounding states were supporting this effort since Tennessee has done so well recently recruiting international businesses.

Legislative Activity for Week of June 1st, 2010

SENATE ACTIVITY

FLOOR SESSION

Wednesday, June 2, 2010 – 2:00 PM

HOUSE ACTIVITY

FLOOR SESSION

Wednesday, June 2, 2010 – TBD

(Check this site for [official Calendar](#), when available)

Committee calendars were not available at the time of publication. We encourage you to visit www.capitol.tn.us to view Senate and House calendars as well as streaming video as committees are hearing bills with limited notice.

For further information, please contact: [Deb Woolley](#), [Robert Gaskill](#), [Bradley Jackson](#), or [Wayne Scharber](#)

Tennessee Chamber of Commerce & Industry

Telephone: 615-256-5141 ◆ Fax: 615-256-6726 ◆ Web Site: www.tnchamber.org

© 2010