



## SPEAK OUT!

Legislative Issues Affecting  
Oak Ridge and our  
Business Community



April 6, 2009

### **Governor Bredesen Outlines Budget Proposal**

On Monday, March 23<sup>rd</sup>, Governor Bredesen delivered his much anticipated budget to the General Assembly. The proposed budget is \$29.34 billion budget for the upcoming fiscal year beginning July 1 which represents a slight decrease from the previous budget year. The Governor's four-year spending plan outlines the use of approximately \$5 billion in federal stimulus funds while accounting for a \$1 billion revenue shortfall. Governor Bredesen said while the federal stimulus money won't cure all that ails the Tennessee economy "what it does is buy us time." The spending proposal assumes a gradual rebound of state revenues and the stimulus money will allow Tennessee agencies to phase in 12% spending cuts over three years.

### **Washington Alert:**

### **Employee Free Choice Act**

On the House side, organized labor briefly celebrated a first-round victory when the Transportation and Infrastructure Committee passed an amendment that would make it easier for unions like the Teamsters to organize FedEx employees. FedEx cited a provision in its contract with Boeing for 30 new planes that allows it to cancel its order if Congress takes any action that causes FedEx Express or its employees not to be covered by the Railway Labor Act.

On the Senate side, Sen. Arlen Specter (R-Pa.) announced he will not vote for cloture on card-check, dealing a critical blow to the most important congressional issue to organized labor. Supporters of the bill need 60 votes in the Senate to prevent a filibuster. They were hoping to reach that by winning all 59 Democrats and independents (assuming Al Franken is seated from Minnesota before a vote occurs) and hanging onto Specter.

### **Labor Resolution Supporting EFCA Defeated in House Subcommittee**

This week in the Tennessee House of Representatives [HJR 50](#) by Rep. B. Cooper (D-Memphis) urging Congress to pass the Employee Free Choice Act was defeated on a straight party-line vote of 3-3. House rules note that any resolution or bill must have a majority vote to proceed. A 3-3 vote effectively kills a bill and can only be brought back if one of those opposing the measure vote to bring the bill back up for consideration.

### **Gun Bills to Force Employers to Allow Guns on Property to be Heard Next Week.**

[HB 1395](#) by Rep. Josh Evans (R-Springfield) will be heard on April 1, 2009 in the [House criminal practice and procedure subcommittee](#). Specifically, HB 1395 would restrict employers from prohibiting those persons possessing a handgun carry permit to transport and store a firearm in their vehicle on business property. However, HB 1395 places gun ownership rights above those inherent private property rights of businesses owners.

## **Unemployment Fund Update: Administration set to Release Proposal to Stabilize Unemployment Fund**

This week, state administration officials worked to finalize a bill that will seek to shore up and stabilize the state's Unemployment Insurance Trust Fund. Without action, the fund will be in the red as early as the fourth quarter of 2009, forcing the state to borrow money to pay benefits.

The bill is expected to contain provisions that will increase premium revenues into the fund and will allow the state to accept \$141 million in Federal Stimulus dollars. Premium revenue is expected to be increased by raising the wage base in Tennessee from \$7,000 to \$9,000 and by imposing a .6 stabilization surcharge on the table rates. The surcharge will end when the fund reaches \$650 million.

In accepting stimulus dollars, the state will be required to make several changes in current law.

It will move to using the most current 4 quarters in determining eligibility and benefits

It will expand benefits for families with dependents up to \$15 dollars per dependent to a maximum of \$50

It will expand weekly benefits by \$25 dollars per week (which is paid for completely by the federal government and ends when the money ends)

It will allow part-time workers to obtain unemployment benefits as long as they are working a minimum of 20 hours per week and are applying for part-time work of at least 20 hours. Part-time workers in Tennessee are currently eligible for benefits if they meet the earnings requirements, even if they work less than 20 hours. The fiscal impact of this provision is expected to be minimal and could be beneficial to employers because the 20-hours threshold has never been required in statute.

The Jobs Skills fund, enacted in 2000, will also be repealed, ensuring the fund is used only for the original purpose, paying benefits to qualified, unemployed Tennesseans. This change is welcomed by the Tennessee Chamber because it will help long-term fund solvency.

The administration noted that in considering UI federal stimulus dollars a major factor was the long-term effects those dollars would have on overall fund solvency. The administration further noted that \$141 million would benefit the short term viability of the fund and possibly help employers to come off the more expensive Table 1 sooner. The Tennessee Chamber has worked closely with the administration in addressing this issue, strongly supporting the need for a solvent, stable fund but recognizing that it must be accomplished in the most cost-effective and cost-efficient way to employers.

### **Congratulations:**

The Spirit of Enterprise Award is presented by the [U.S. Chamber of Commerce](#) to members of Congress who voted in support of the U.S. Chamber's position on legislation a minimum of 70 percent of the time during the previous session. Congratulations to the following members of the Tennessee delegation who received the U.S. Chamber award:

Sen. Lamar Alexander

Sen. Bob Corker

Rep. David Davis (TN-1)

Rep. John J. Duncan (TN-2)

Rep. Zach Wamp (TN-3)

Rep. Jim Cooper (TN-5)

Rep. Marsha W. Blackburn (TN-7)

Rep. John S. Tanner (TN-8)

### **Capitol Update News from the State:**

#### **Misc Legislative Activity this Week:**

##### **Bill allowing wine shipments to homes moves to full Senate (AP/Schelzig)**

Proposal would let Tennesseans order from out of state. A proposal to allow Tennessee consumers to have wine shipped directly to their homes has been advanced to a full Senate vote. The Senate State and Local Government Committee voted 6-1 on Tuesday in favor of the measure sponsored by Sen. Paul Stanley, a Germantown Republican. "This allows consumers to ship wine in from wineries, for example from California," Stanley told the panel. "Currently under state statute it is a felony under many different areas to transport wine across state lines." Tennessee is one of 15 states that bans direct shipment of wine, according to the Wine Institute, which represents California wineries and wine businesses.

##### **Tenn. House Panel Kills Bid To End Motorcycle Helmet Law (Associated Press)**

A proposal to end a helmet requirement for adult motorcyclists in Tennessee has failed in a House subcommittee. The proposal sponsored by Collierville Republican Rep. Curry Todd failed for lack of a second to consider it Tuesday in the House Transportation Public Safety Subcommittee. The bill has failed in several previous sessions over cost concerns for treating head injuries for injured motorcyclists. The companion bill has not been scheduled for a hearing in the Senate Transportation Committee.

#### **Legislative Activity for This Week**

##### **SENATE ACTIVITY**

##### **COMMERCE, LABOR & AGRICULTURE COMMITTEE**

\*[SB 1954](#) by \*Stanley (HB 1698 by \*McCormick) Telecommunications - As introduced, enacts the "Market Regulation Act of 2009."

##### **JUDICIARY COMMITTEE**

\*[SJR 0077](#) by \*Berke Constitutional Amendments - Proposes statewide popular election of the lieutenant governor, attorney general and reporter, and secretary of state.

##### **FINANCE, WAYS & MEANS COMMITTEE**

\*[SB 1931](#) by \*Woodson (HB 1517 by \*Curtiss) Trade Regulation - As introduced, requires suppliers of gasoline products to make such products available to wholesalers in a condition that allows the wholesaler to blend it with ethanol or other biological products.

## TAX SUB-COMMITTEE OF FINANCE, WAYS & MEANS COMMITTEE

[SB 1282](#) by \*Bunch (\*HB 1287 by \*Casada) Taxes - As introduced, clarifies those provisions of law which control challenges for collection of state taxes collected or administered by the commissioner of revenue and those which control the challenges for collection of other state taxes as well as local governmental entities.

\*[SB 0502](#) by \*Burchett (HB 1350 by \*Sargent) Taxes - As introduced, enacts the "Food and Business Tax Fairness Act" to require combined reporting for franchise and excise tax purposes; reduces sales tax on food from 5.5 percent to 4.5 percent.

\*[SB 1741](#) by \*Marrero B (HB 1947 by \*Shaw) Taxes, Internet and e-Commerce - As introduced, creates presumption that person making sale of tangible personal property to persons in this state that have been solicited by independent contractors or other representatives in Tennessee is responsible for sales tax on such sale.

[SB 2112](#) by \*Overbey (\*HB 2038 by \*McCord) Taxes, Exemption and Credits - As introduced, extends time period, from two years to three years, within which the department of economic and community development may allow a business to make required capital investment to qualify for certain excise tax credit.

[SB 2290](#) by \*Kyle (\*HB 2264 by \*Turner M) Taxes, Excise - As introduced, revises the excise tax exemption for certain family-owned non-corporate entities (FONCEs).

## HOUSE ACTIVITY

### Industrial Impact of COM

[HB 1562](#) by \*West (\*SB 0467 by \*Harper) Explosives - As introduced, authorizes local governments to enact more stringent blasting standards than state requirements.

[HB 1671](#) by \*Lynn (\*SB 0155 by \*Ketron) Business and Commerce - As introduced, enacts the "Tennessee Business Ombudsman Act."

[HB 1461](#) by \*DeBerry J (\*SB 1660 by \*Burks) Insurance, Health, Accident - As introduced, revises and expands statute governing health insurance coverage of autism.

[HB 2105](#) by \*Shepard (\*SB 1789 by \*Herron) Insurance, Health, Accident - As introduced, revises the definition of "autism spectrum disorder" and the required insurance coverage of autism spectrum disorder.

### Utilities & Banking of COM

\*[HB 1349](#) by \*Sargent (SB 1375 by \*Johnson) Utilities, Utility Districts - As introduced, enacts the "Natural Gas Conservation and Annual Rate Review Act."

\*[HB 0738](#) by \*Mumpower, Odom (SB 0819 by \*Norris) Energy - As introduced, enacts the "Tennessee Energy Conservation Endorsement Act of 2009."

## Consumer Affairs of C&EA

[HB 0764](#) by \*Turner M (SB 1737 by \*Marrero B) Consumer Protection - As introduced, requires gift certificates with a monetary value of less than \$10.00 to be redeemable in cash for cash value. \*

## Employee Affairs of C&EA

[HB 1916](#) by \*Lynn (\*SB 1674 by \*Johnson) Labor - As introduced, enacts the "Secret Ballot Protection Act of 2009".

\*[HB 0776](#) by \*Turner M (SB 1664 by \*Harper) Employees, Employers - As introduced, enacts the "Pay Equity in the Workplace Act."

[HB 1760](#) by \*Curtiss (\*SB 1201 by \*Tracy) Unemployment Compensation - As introduced, revises benefit provisions concerning seeking work, dishonesty and absenteeism, and also revises hearing procedures, and penalties for fraud.

[HB 1571](#) by \*West (\*SB 0432 by \*Bunch) Unemployment Compensation - As introduced, authorizes officers of corporations to exempt themselves from unemployment law provisions.

\*[HB 2162](#) by \*Kelsey (SB 2148 by \*Bunch) Unemployment Compensation - As introduced, prohibits expenditure of funds by the department of labor and workforce development under unemployment law for any benefits under any policy or statute authorized by the American Recovery and Reinvestment Act of 2009 that requires expenditure of state funds under the unemployment law after June 30, 2011.

\*[HB 0480](#) by \*Hill (SB 0469 by \*Johnson) Employees, Employers - As introduced, clarifies it is not a discriminatory practice under state law for an employer to institute an English-only policy in the employer's workplace based on business necessity. –

\*[HB 2324](#) by \*Curtiss (SB 2315 by \*Kyle) Unemployment Compensation - As introduced, revises the penalties and punishments imposed on any person or employing unit that knowingly violates or attempts to violate the provisions governing experience ratings for employers, or knowingly advises another person or employing unit to violate the provisions.

## Budget of FW&M

\*[HJR 0003](#) by \*Kelsey Constitutional Amendments - Proposes an amendment to clarify the constitutional language that currently prohibits the levying of a tax on any class of income, other than income derived from stocks and bonds, and to prohibit any tax levied on or measured by employer payrolls.

\*[HB 2264](#) by \*Turner M (SB 2290 by \*Kyle) Taxes, Excise - As introduced, revises the excise tax exemption for certain family-owned non-corporate entities (FONCEs).

[HB 1543](#) by \*Stewart (\*SB 1469 by \*Haynes) Taxes, Exemption and Credits - As introduced, adds enterprise zones as location in which qualified business enterprise may be located to be eligible for \$4,500 jobs tax credit upon approval of commissioners of the department of revenue and the department of economic and community development. -

## Civil Practice and Procedure of JUD

\*[HB 0841](#) by \*Weaver (SB 0990 by \*Beavers) Immigrants - As introduced, enacts the "Tennessee Taxpayer and Citizen Protection Act."

## Criminal Practice and Procedure of JUD

\*[HB 0314](#) by \*Matheny (SB 1081 by \*Jackson) Junk Dealers and Junkyards - As introduced, provides that state regulatory scheme for sellers and purchasers of scrap metal preempts any local regulations or ordinances on the same subject.

\*[HB 1938](#) by \*Matheny (SB 2075 by \*Burchett) Junk Dealers and Junkyards - As introduced, decreases penalty for Class A misdemeanor offense of unlawful sale of air conditioner evaporator coil or condenser to a Class C fine only misdemeanor if the defendant is certified to repair and install HVAC equipment.

## Local Government of S&LG

[HB 1535](#) by \*McCormick (\*SB 1570 by \*Ketron) Tax Assessors and Collectors - As introduced, specifies that division of property assessments has right to intervene in contested cases before the state board of equalization; specifies persons who are authorized to represent the assessor.

## Commerce Committee

[HB 1698](#) by \*McCormick (\*SB 1954 by \*Stanley) Telecommunications - As introduced, enacts the "Market Regulation Act of 2009."

[HB 1517](#) by \*Curtiss (\*SB 1931 by \*Woodson) Trade Regulation - As introduced, requires suppliers of gasoline products to make such products available to wholesalers in a condition that allows the wholesaler to blend it with ethanol or other biological products.

## Government Operations Committee

## State & Local Government Committee

\*[HB 0889](#) by \*Hackworth (SB 0873 by \*Ketron) Taxes, Personal Property - As introduced, revises procedures for forced assessment and equalization of tangible personal property. **The Chamber supports this bill.**

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

# Millennium Partners

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