



SPEAK OUT!

Legislative Issues Affecting
Oak Ridge and our
Business Community



April 26, 2010

Legislative Activity Slows as Budget Posturing Begins and Partisan Rhetoric Heats Up

This week, spring bliss soon disappeared as reality sat in that promises of an early legislative adjournment would not happen. Some have even speculated the legislative session will not end until late May.

Most of the delay in moving forward on closing the current year budget and adopting a new budget for next year has been significant legislative and business opposition to recent proposals by the administration to increase taxes.

Increased Business Taxes?

With revenues continuing to fall and the need to pass a budget looming, the Administration last week floated a proposal to “simplify” the Tennessee tax system by removing the local sales tax cap on single items. This \$85 million simplification would, according to proponents, mostly be paid by the business community. .

Debates over the budget are just beginning and it is important that each Representative and Senator understand that increased taxes on Tennessee employers – those folks who create jobs – could delay our state’s return to prosperity and could threaten the existence of our companies.

New On-the-Job Training Grants Available to Employers

The U.S. Department of Labor (USDOL) Employment and Training Administration has announced the availability of \$90 million in additional funds for On the Job Training (OJT) Grants to enable employers to hire dislocated workers.

Participating employers may be reimbursed for the extraordinary costs of the training at a rate of up to 90 percent of an OJT participant’s wage, depending on 1) employer size, and

2) the gap between the participant's initial skill level and the skill level needed to perform the job.

The funding is available through state workforce agencies and local workforce investment boards in the Workforce Investment Act (WIA) system. Unlike the usual WIA dislocated worker grants, this is a new source of funds that may be used to train a broader group of unemployed dislocated workers who are more likely to include unemployed claimants. Any unemployed worker laid off after January 1, 2008 may be considered to be unlikely to return to their previous industry or occupation for purposes of determining eligibility for the OJT grant subsidy.

If you are interested in OJTs this additional funding may be helpful, but time is short as the USDOL would like to have the funds obligated by June 30th. Please visit www.tnchamber.org to see the USDOL notice for more information.

Call to Action: Senate Committee Approves Bill Removing Trade Association Appointments to Air Pollution Control Board

The Senate Government Operations Committee approved legislation this week removing the Tennessee Chamber and other trade associations, local governments, and interest groups authority to provide the Governor with a list of qualified nominees to the Air Pollution Control Board. The current law states the Governor "shall" appoint from list provide by organizations, such as the Tennessee Chamber, while the approved legislation changes this to "may" appoint. Many feel strongly this move will inject unnecessary politics into these boards as they control many crucial functions of the air permitting process and the rules that regulate it. There is also very real concern that unqualified persons with little knowledge of air pollution policy will be appointed to the board, which could be very damaging to all businesses across the state that rely heavily on fair and technically sound regulations. The regulations adopted by environmental boards are substantial and absolute, and any move to take away qualified business representation on the boards is anti-business.

Legislative Activity for Week of April 26, 2010

SENATE ACTIVITY

JUDICIARY COMMITTEE

TUESDAY, APRIL 27, 2010 – LP 12 – 8:30 AM

SB 2917 by *Burchett (HB 2951 by *Brooks H, Fincher) - [Status](#)

As introduced, clarifies that refusing to accept a legal writ or other process attempting to be served by a public employee or private process server constitutes obstruction of the service of process.

FINANCE, WAYS & MEANS COMMITTEE
TUESDAY, APRIL 27, 2010 – LP 12 – 1:00 PM
WEDNESDAY, APRIL 28, 2010 – LP12 –1:30 PM

SB 3919 by *Kyle, Henry (*HB 3928 by *Fitzhugh) - [Status](#)

As introduced, makes appropriations for fiscal years 2009-2010 and 2010-2011.

SB 3916 by *Kyle, *Henry. (*HB 3925 by *Fitzhugh.) - [Status](#)

As introduced, authorizes issuance of bonds to fund state projects.

SB 3917 by *Kyle, *Henry. (*HB 3926 by *Fitzhugh.) - [Status](#)

As introduced, authorizes the index of appropriations from state tax revenues for the 2010-2011 fiscal year to exceed the index of estimated growth in the state's economy by \$11.5 million or 0.1 percent.

SB 3918 by *Kyle, *Henry. (*HB 3927 by *Fitzhugh.) - [Status](#)

As introduced, authorizes the index of appropriations from state tax revenues for the 2009-2010 fiscal year to exceed the index of estimated growth in the state's economy by \$11.3 million or 0.1 percent.

SB 3134 by *McNally (*HB 3164 by *Curtiss, Fincher) - [Status](#)

As introduced, revises the tax on unauthorized substances based on the decision of the Tennessee Supreme Court in Waters v. Farr to impose the tax on the dealer of unauthorized substances.

SB 3350 by *Kyle. (*HB 2978 by *Fitzhugh.) - [Status](#)

As introduced, requires all federal funds received by Tennessee for economic recovery in 2010 to be appropriated in an appropriations act.

TRANSPORTATION COMMITTEE
TUESDAY, APRIL 27, 2010 – LP 12 – 3:00 PM

SB 1325 by *Berke. (*HB 1312 by *Harmon.) - [Status](#)

As introduced, requires that all trailers, semi-trailers, and pole trailers having a gross vehicle weight rating of 10,000 pounds or more must comply with safety rules and regulations of the department of safety.

SB 3912 by Kyle, Stewart. (HB 3780 by Harmon, Turner, M.) - [Status](#)

As introduced, extends ordinary duration of driver licenses from five to eight years; increases fees for driver licenses and photo identification cards.

TAX SUBCOMMITTEE OF FINANCE, WAYS & MEANS
WEDNESDAY, APRIL 28, 2010 – LP 12 – 8:30 AM

***SB 3901 by *Kyle (HB 3787 by *Turner M) - [Status](#)**

As introduced, modifies various tax provisions concerning video programming services, telecommunications services, sales of property for use in business of selling, and determination of net earnings for real estate investment trusts. This is one of the Administration's Technical Corrections bills.

***SB 3911 by *Kyle (HB 3781 by *Turner M) - [Status](#)**

As introduced, establishes general requirement that gift tax be paid on or before April 15 of each year; requires that taxpayer be provided six-month extension to file gift tax return upon written request. This is one of the Administration's Technical Corrections' bills. One potential amendment to modify the single article cap has been circulated.

***SB 2054 by *Tate. (HB 2182 by *Turner J.) - [Status](#)**

As introduced, enacts the "Tennessee Modernization and Economic Stimulus Act."

***SB 2978 by *Tate. (HB 3934 by *Turner J.) - [Status](#)**

As introduced, enacts the "Food, Sales and Franchise Tax Cut and Job Creation Act of 2010."

***SB 3235 by *Tate. (HB 3597 by *Turner J, et al.) - [Status](#)**

As introduced, enacts the "Tax Cut and Job Creation Act." (Enacts a graduated income tax)

***SB 3236 by *Tate. (HB 3596 by *Turner J, et al.) - [Status](#)**

As introduced, enacts the "Tax Cut and Job Creation Act."

***SB 1741 by *Marrero B (HB 1947 by *Shaw) - [Status](#)**

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. The Tennessee Chamber **OPPOSES** this bill.

HOUSE ACTIVITY

COMMERCE COMMITTEE

Wednesday, APRIL 28, 2010 – HHR 16 – 3:30 PM

HB 2622 by *Lynn, *Maggart, *Swafford. (SB 2560 by *Black.) - [Status](#)

As introduced, prohibits the legislature from requiring any person to participate in any health care system or plan. - Amends TCA Title 56; Title 63; Title 68 and

Title 71.

HB 3654 by *Stewart, et al. (*SB 3120 by *Berke, *Ketron.) - [Status](#)

As introduced, enacts the "Green Jobs Act." This bill has too short timeframe (September 1, 2010) for producing a very comprehensive plan for producing "green jobs." Secondly, it appears the bill has had little input from the business community and the administration to work to develop these plans. Current language in the bill only allows for certain entities such as "labor organizations" to receive funding awards for training. It appears the concept is based on bad assumptions of funding and directs who is to get grants; frankly, such a comprehensive plan should be driven by a broad-based group, such as possibly the Governor's Jobs Cabinet (proper mix of state agencies and other groups) as opposed to just the Department of Labor and Workforce Development. The Tennessee Chamber **OPPOSES** this bill as it is written. There is a proposed amendment and all activity has been assigned to the Department of Economic and Community Development.

STATE & LOCAL GOVERNMENT COMMITTEE
TUESDAY, APRIL 27, 2010 – HHR 16 – 11:30 AM

HB 3402 by *Turner M. (*SB 3221 by *Herron.) - [Status](#)

As introduced, prohibits the acceptance, processing, or disposal of radioactive waste material in any landfill located in the state. See the earlier article. The Chamber **OPPOSES** this bill, as well as the amendment adopted in the state government subcommittee.

HB 2911 by *Gilmore, *Carr. (*SB 2801 by *Marrero B, *Berke.) – [Status](#)

As introduced, requires any permit issued by the department of environment and conservation to specify the types of waste a facility is prohibited from receiving for disposal or processing; prohibits any person from knowingly accepting for disposal or processing certain nuclear or radioactive materials in any landfill. The Chamber **OPPOSES** this bill, as well as the amendment adopted in the state government subcommittee.

HB 3695 by *Niceley,*Hawk. (*SB 3634 by *Burchett.) – [Status](#)

As introduced, prohibits county designated as non-attainment county from proposing planned growth areas that include certain agricultural property. The Chamber is **OPPOSED** to this bill as it would be very detrimental to economic development, especially as the state has more designated non-attainment areas due to tighter air quality standards.

HB 3853 by *Niceley, *Coley. (*SB 3623 by *Burchett.) – [Status](#)

As introduced, prescribes measures to be taken to reduce soil erosion upon closure of a solid waste disposal site. This bill was referred back to committee as it was being used as "partisan" vehicle for prohibiting nuclear waste or materials

with radioactivity being disposed in any Tennessee landfill. The Chamber is not opposed to the original bill without amendments.

FINANCE, WAYS & MEANS COMMITTEE
TUESDAY, APRIL 27, 2010 - HHR16 – 1:30 PM

HB 3448 by *Pitts, Johnson C (*SB 3191 by *Barnes, et al.) - [Status](#)

As introduced, permits owners of agricultural and forest land to preserve the existing condition of such land; revises method of appraisal and assessment for such land.

***HB 3157 by *Curtiss (SB 3605 by *Ketron) - [Status](#)**

As introduced, allocates a sum sufficient from the premium tax collected for workers compensation insurance to pay for the staff of the advisory council on workers compensation instead of making retention of council's staff subject to budgetary approval in the general appropriations act.

***HB 3164 by *Curtiss, Fincher (SB 3134 by *McNally) - [Status](#)**

As introduced, revises the tax on unauthorized substances based on the decision of the Tennessee Supreme Court in Waters v. Farr to impose the tax on the dealer of unauthorized substances.

HB 3598 by *Fitzhugh, Naifeh, Shaw (*SB 3335 by *Herron) - [Status](#)

As introduced, limits proximate but noncontiguous property added to a megasite to no more than 500 acres.

CONSUMER & EMPLOYEES AFFAIRS COMMITTEE
WEDNESDAY, APRIL 28, 2010 – HHR 29 – 8:30 AM

***HB 2774 by *Hardaway. (SB 3378 by *Marrero B.) - [Status](#)**

As introduced, requires child protective restraints in shopping carts.

***HB 3628 by *Weaver. (SB 3500 by *Beavers.) - [Status](#)**

As introduced, makes permanent the exemption that sole proprietors and partners engaged in the construction industry do not have to carry workers compensation insurance on themselves.

***HB 3525 by *Maddox. (SB 3336 by *Herron.) - [Status](#)**

As introduced, makes permanent the temporary suspension imposed by HB7/SB1 of the 2010 Extraordinary Session of the requirement that independent contractors in the construction industry obtain workers compensation insurance.

***HB 3557 by *Rowland. (SB 3750 by *Bunch.) - [Status](#)**

As introduced, establishes certain presumptions and conclusive determinations regarding the determination of whether a person is an "employee" or an "independent contractor" for purposes of the workers compensation law.

***HB 3162 by *Curtiss, *Pitts. (SB 3603 by *Ketron.) - [Status](#)**

As introduced, lengthens suspension of requirement that sole proprietors and partners maintain workers compensation insurance on themselves from March 28, 2011, until June 30, 2011.

***HB 3163 by *Curtiss, *Pitts. (SB 3591 by *Ketron.) - [Status](#)**

As introduced, creates a procedure for sole proprietors, partners, officers of corporations, and members of limited liability companies engaged in the construction industry to file for an exemption from obtaining workers compensation insurance to cover themselves.

***HB 2844 by *Matheny. (SB 2840 by *Stewart.) - [Status](#)**

As introduced, lengthens suspension of requirement that sole proprietors and partners maintain workers compensation insurance on themselves from March 28, 2011, until April 1, 2012.

***HB 2845 by *Matheny. (SB 2841 by *Stewart.) - [Status](#)**

As introduced, lengthens suspension of requirement that sole proprietors and partners maintain workers compensation insurance on themselves from March 28, 2011, until April 1, 2012.

BUDGET OF FW&M
WEDNESDAY, APRIL 28, 2010 - HHR29 – 10:30 AM

HB 1947 by *Shaw. (*SB 1741 by *Marrero B.) - [Status](#)

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. The Chamber **OPPOSES** this bill.

***HB 2928 by *Sargent (SB 2943 by *Norris) - [Status](#)**

As introduced, revises determination of meaningful return to work in cases of permanent partial disability by tying it to average weekly wage.

***HB 3015 by *Sargent (SB 2928 by *Johnson) - [Status](#)**

As introduced, establishes date for maximum medical improvement in cases involving pain management treatments.

HB 3780 by *Harmon, *Turner M. (*SB 3912 by *Kyle, *Stewart.) - [Status](#)

As introduced, extends ordinary duration of driver licenses from five to eight years; increases fees for driver licenses and photo identification cards. This is the Administration bill.

HB 3718 by *Armstrong. (*SB 3675 by *Burchett.) - [Status](#)

As introduced, requires that, for the purpose of ad valorem property taxation, the

value of certain facilities that extract, purify, dehydrate, or otherwise treat landfill methane be assessed at the same percentage as a qualified pollution control facility.

INDUSTRIAL IMPACT OF COMMERCE
WEDNESDAY, APRIL 28, 2010 – HHR 16 – 1:00 PM

***HB 0396 by *Fincher, et al. (SB 0508 by *Burchett, et al.) - [Status](#)**

As introduced, requires the department of health to develop and implement a program to provide colorectal cancer screenings for uninsured individuals between ages 50 and 64 and for any other uninsured individuals determined to be at high risk for developing colon cancer; requires health insurance companies to cover colorectal cancer screenings. The Chamber OPPOSES health mandates.

HB 3949 by *Sargent, et al. (*SB 3645 by *Johnson) - [Status](#)

As introduced, requires the commissioner of commerce and insurance to convene a working group of representatives from the insurance industry and the medical professions to study recent trends concerning various issues affecting the health insurance industry and the medical professions.

***HB 2875 by *Curtiss. (SB 3586 by *Ketron.) - [Status](#)**

As introduced, authorizes use of red flags made from plastic materials instead of cloth to mark a projecting load on a motor vehicle, subject to commissioner's approval.

***HB 3167 by *Curtiss, *Moore. (SB 3608 by *Ketron.) - [Status](#)**

As introduced, requires blasters to file a notice with commerce and insurance prior to the blast occurring.

GOVERNMENT OPERATIONS COMMITTEE
WEDNESDAY, APRIL 28, 2010 – HHR 30 – 1:00 PM

***HB 2456 by *Lynn. (SB 2471 by *Watson, *Johnson.) - [Status](#)**

As introduced, extends the advisory council on workers compensation, June 30, 2010. The Chamber is supportive of this bill with House amendments

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