



SPEAK OUT!

Legislative Issues Affecting
Oak Ridge and our
Business Community



May 10, 2010

TNInvestco Legislation Advances

This week, the House Commerce Committee approved legislation to expand the current TNInvestco program. [HB 2927](#), 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. The bill will expand the current TNInvestco program to additional firms providing much needed capital funding to Tennessee based businesses. To learn more about the program, click [here](#).

Congress Looking at State UI Plans

House Ways and Means Subcommittee Chairman Jim McDermott (D-WA) held a hearing last week for testimony on the solvency of state unemployment insurance trust funds. Most believe that this hearing is the first step in developing federal legislation that may include new federal requirements for state unemployment trust fund solvency. A GAO study of the current insolvency of the system and suggestions to address it will be a key part of the hearing.

In announcing the hearing, Chairman McDermott explained the federally mandated unemployment insurance system and cited the responsibility of each state to build up reserves during periods of economic expansion to be able to pay out more benefits during economic downturns. He then said, **“We have seen firsthand how vitally important unemployment insurance is to individual workers and to our entire economy. It is the difference between hardship and complete destitution and the difference between a bad recession and a devastating depression. Unfortunately, prior to the recession, many states did not build anything close to adequate reserves in their UI trust funds to respond to increased need during hard times. Moving forward, we need to find ways to help states restore solvency to their unemployment insurance programs so they can continue to pay needed benefits to workers who have lost their jobs through no fault of their own.”**

Doug Holmes of UWC-Strategic Services on Unemployment & Workers' Compensation, testified on behalf of his membership, including the Tennessee Chamber, requesting relief from FUTA tax penalties, while noting that a review of the system should include examination of benefit expansions in recent years as well as state and federal tax policy.

Tax Advocacy Group Pushing “Anti-Amazon Bill”

The Senate and House Finance Ways and Means Committees will be hearing [SB 1741](#) / [HB 1947](#) in the near future which deals with clarifying issues of internet taxation. Tennesseans for Fair Taxation (TNFT) are proponents of the bill and advocate for tax policies which often negatively impact businesses such as required combined F&E tax reporting for all companies. This bill dubbed the “anti-Amazon bill” seeks to enforce collection of taxes on companies which are internet-based with no nexus in Tennessee. Commissioner Farr of the Tennessee Department of Revenue noted in recent testimony that companies are complying with sales tax collection requirements already. This proposal will alter the provisions of streamlined sales tax provisions which the state government has committed to. The provisions of the bill are also the center for litigation in North Carolina, and a similar bill passed in Colorado cost the state jobs and hurt small businesses.

Business Trade Association

Appointments to Air Pollution Control Board

The Senate this week may hear legislation (SB 2949/ HB2862) which will remove 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 lists provided by organizations, such as the Chamber, while the approved legislation changes this to “may” appoint. The Chamber and other groups feel strongly this move will inject unnecessary politics into these environmental regulatory boards as they control many crucial functions of the air permitting process and the rules that regulate it. There are also very real concerns that unqualified persons with little knowledge of air pollution policy could be appointed to the board, which would be very damaging to all businesses across the state that rely heavily on fair-and-balanced and technically sound regulations. The regulations adopted by environmental boards are substantial and absolute.

Republican legislators on the committee have led the push for the changes. SB 2949 may be before the full Senate on Thursday, May 6th. Keeping the existing law will allow for

business, local governments and environmental groups to provide the Governor with a list of qualified nominees for the board.

Legislative Activity for Week of May 10, 2010

SENATE ACTIVITY

FLOOR SESSION

MONDAY, MAY 10, 2010 – 4:00 PM

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

FINANCE, WAYS & MEANS COMMITTEE

TUESDAY, May 11, 2010 – LP 12 – 9:00 AM

WEDNESDAY, MAY 12, 2010 – LP 12 – 1:30 PM

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.

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

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

TAX SUBCOMMITTEE OF FINANCE, WAYS & MEANS

TUESDAY, May 11, 2010 – LP 12

WEDNESDAY, MAY 12, 2010 – LP 12

(Immediately following FWM Committee)

SB 2605 by Watson, bunch (HB2475 by Floyd, West) - [Status](#)

As introduced, excludes shares of stock of stockholders of cemetery companies from taxation of intangible personal property.

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.

STATE & LOCAL GOVERNMENT COMMITTEE

WEDNESDAY, May 12, 2010 – LP 12 – 9:00 AM

SB 3198 by Finney L. (HB 3182 by Turner M., Hardaway) - [Status](#)

As introduced, prohibits foreign corporations from using funds to aid either in the election or defeat of any candidate for office.

HOUSE ACTIVITY

FLOOR SESSION

MONDAY, MAY 10, 2010 – 4:00 PM

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

CONSERVATION & ENVIRONMENT COMMITTEE

MONDAY, May 10, 2010 – HHR 16 – 2:30 PM

HB 3904 by *Winningham. (*SB 3651 by *Yager.) - [Status](#)

As introduced, enacts the "Tennessee Adventure Tourism and Rural Development Act of 2010." - Amends TCA Title 4; Title 5; Title 6; Title 11; Title 54; Title 55; Title 67; Title 68 and Title 70.

HB 2837 by *Floyd, *McCormick, *McDonald, *Fincher. (*SB 2717 by *Watson.) - [Status](#)

As introduced, includes all minerals under provision clarifying interpretation of property conveyances and requires permitting for rock harvesting.

HB 3683 by *McCord. (SB 3501 by *Burks.) - [Status](#)

As introduced, extends period to petition for review of a civil penalty or damage assessment for violating a municipal storm water ordinance from 30 to 35 days.

FINANCE, WAYS & MEANS COMMITTEE

TUESDAY, May 11, 2010 – HHR 16 – 1:30 PM

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 an Administration bill.

HB 3259 by *McCord, et al. (*SB 2809 by *Norris.) - [Status](#)

As introduced, gives priority to perfected purchase-money security interests over any taxes assessed by the state, a county, or municipality, taxing district, or other local governmental entity.

HB 2885 by *Mumpower, *Hardaway. (SB 3484 by *Ramsey, et al.) - [Status](#)

As introduced, creates a small business advocate within the office of the comptroller of the treasury.

BUDGET OF FW&M

WEDNESDAY, May 12, 2010 – HHR 16 – 9:30 AM

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.

HB 3058 by *Niceley. (SB3090 by *Burchett.) - [Status](#)

As introduced, requires fair market value of property to be taken by eminent domain be based on the highest and best use of such property.

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.

HB 0262 by *Watson, et al. (*SB0063 by *Ketron, *Bunch, *Tracy.) - [Status](#)

As introduced, requires that all written examinations for driver license or intermediate driver license be in English.

HB 2927 by *Sargent, *McCormick. (SB 3049 by *Overbey, *Kelsey, *Kyle.) - [Status](#)

As introduced, increases from 15 percent to 25 percent the maximum voting interest an insurance company can have in a TNInvestco.

HB 2475 by *Floyd, *West. (SB 2605 by *Watson, *Bunch.) - [Status](#)

As introduced, excludes shares of stock of stockholders of cemetery companies from taxation of intangible personal property.

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 3163 by *Curtiss, *Pitts, *Shepard. (SB 3591 by *Ketron, *Tate.) - [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.

Published in cooperation with the Tennessee Chamber of Commerce & Industry

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