



SPEAK OUT!

Legislative Issues Affecting
Oak Ridge and our
Business Community



May 17, 2010

Legislature Moves Ahead with Competing Budget Proposals

Last week Senate Republicans revealed an alternative budget proposal that has been long anticipated by all involved in the legislative process. The thrust of the proposal included removing over \$100 million in taxes proposed in the administration budget. The Senate Republican proposal also included cuts which included \$130 million for one-time state employee and teacher bonuses as well as moving various budget items to a non-recurring funding status. Most importantly, the proposal removed the single article local sales tax increase proposed earlier by the administration which was estimated to bring in an additional \$85 million in state revenue. Also removed was a proposed “cable tax” which would have generated approximately \$15 million and is opposed by the Cable industry.

The administration continued with their revised budget proposals which still included sales and cable tax increases and revised language to captive REIT sections. Both proposals were discussed in the Senate Finance Committee.

The House on the other hand has yet to coalesce around a specific budget proposal and House Speaker Kent Williams declared the Senate Republican proposal “dead” in the House. Rumors have swirled that House Democrats and Senate Democrats are working on their own proposal that will substantially drain rainy day reserves and maintain many parts of the administration proposal.

Tennessee Tourism Budget Cuts Proposed

On Tuesday, the Tennessee State Senate Finance Committee presented its alternative to Governor Bredesen proposed 2010-2011 budget. Included in the Senate's proposal is the removal of the Tennessee Department of Tourist Development's \$3.5 million improvement budget for marketing and advertising.

Senate Advances TNInvestco Legislation

Last week, the Senate Finance Committee voted to approve legislation to expand the current TNInvestco program. All members of the Senate Finance Committee voted in favor of the legislation except Senator Randy McNally (R-Oak Ridge), Senator Tim Burchett (R-Knoxville) and Senator Diane Black (R-Hendersonville). The bill will expand the current TNInvestco program to additional firms providing much needed capital funding to Tennessee based businesses.

“English Only” Drivers License Bill Killed in House Sub-Committee

Last week the House Finance Budget Sub Committee on a vote of 12-3 moved to next year the bill dubbed the “English only” drivers license bill. Members of the committee expressed concern the legislation would put Tennessee at a disadvantage when recruiting international business. Sponsors of the legislation admit the bill in its amended form does little to change the current practice of the Tennessee Department of Safety in administering driver license exams.

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.

Legislative Activity for Week of May 17, 2010

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.

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