



SPEAK OUT!

Legislative Issues Affecting
Oak Ridge and our
Business Community



May 26, 2009

Chamber Passes Workers Comp Bills in House and Senate

[HB 1471](#) and [HB 1472](#) by Rep. Glen Casada (R-Franklin) passed the full House on a vote of 94-0 and 92-0. The State Senate has already passed both bills and they will now be sent to the Governor for his signature. The bills address workers' comp issues that if left unchanged would have been harmful to employers.

In Unanticipated Move, House Members Eye Business Tax Exemptions

This week there was much discussion about expanding Tennessee's tax base by adding items that are currently exempt from sales taxes. The Chamber has compiled a list below of significant business tax exemptions currently in Tennessee's statute.

| Business Items Not In Sales Base 2009-10 | | |
|--|--------------------------|--------------------------|
| Service/ Product | Est. Base 09-10 * | Est. Revenue 7% * |
| Industrial Sector energy (1.5%) rate | \$3,701.7 | \$203.6 |
| Direct Manufacturing Processing (energy exempt) | 1,051.1 | 73.6 |
| Services to Buildings | 1,107.2 | 77.5 |
| Constructions Services | 10,967.7 | 767.7 |
| Finance, Ins, Real Estate | 4,014.6 | 281.0 |
| Data Processing Services | 353.8 | 24.8 |
| Advertising & Public Relations | 476.5 | 33.4 |
| Accounting & Payroll Services | 1,384.1 | 96.9 |
| Architects, Design, Engineers, etc. | 3,038.2 | 212.7 |
| Computer systems Design & Related | 698.4 | 48.9 |
| Legal Services | 2,423.5 | 169.6 |
| Mgmt. Scientific & Tech Consulting | 2,231.7 | 156.2 |
| Scientific R&D | 302.9 | 21.2 |
| Govt.Contracts (exc. Federal) | 4,038.2 | 282.7 |
| Industrial & Farm Machinery | 2,969.6 | 207.9 |
| Commercial Rental & Office Space | 3,653.8 | 255.8 |
| *Amounts are in millions | | |
| Data from Senate and House Finance, Ways & Means Budget Analysis | | |

“Healthy Families Act” Will Jeopardize Employers' Health

Rep. Rosa DeLauro (D-CT), joined by 101 cosponsors, introduced H.R. 2460, the “Healthy Families Act,” May 18. The legislation would require employers with 15 or more employees to provide one hour of paid sick leave for every 30 hours worked. Employers would be required to provide a maximum of 56 hours of leave each year that could be carried over to the next year.

Unemployment Bills Continue to Advance

This week a negotiated compromise on an Administration bill to stabilize the state’s unemployment insurance fund advanced in House Budget Subcommittee and Senate Finance, Ways and Means Committee with bi-partisan support. As well [SB 1201](#) by Sen. Jim Tracy (R-Shelbyville) / [HB 1760](#) by Rep. Charles Curtiss (D-Sparta) passed the Senate this week and advanced in the House budget subcommittee. The compromise amendment on the UI solvency bill provides additional triggers for employers allowing the base rate to decrease to \$8,000 when the fund balance reaches \$900 million and \$7,000 when the fund balance reaches \$1 billion.

Legislative Activity for Next Week

SENATE ACTIVITY

Senate S/C and Committees

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 2120](#) by [*Norris](#) ([HB 2186](#) by [*Sargent](#)) Highways, Roads and Bridges - As introduced, enacts the "Tennessee Transportation State Infrastructure Bank Act."

[SB 2318](#) by [*Kyle](#) ([*HB 2275](#) by [*Fitzhugh](#)) Taxes - As introduced, makes certain revisions concerning assessment and collection of sales, privilege, transfer, and privilege taxes; delays effective date of certain streamlined sales tax provisions until July 1, 2011.

[SB 2357](#) by [*Kyle](#) ([*HB 2389](#) by [*Fitzhugh](#)) Taxes - As introduced, increases from 2 percent to 5.5 percent the tax that all HMOs doing business in this state must pay on the gross amount of all dollars collected from an enrollee or on an enrollee's behalf. The amendment to this bill is presently loaded with the Administration’s amendments to generate additional revenues (\$136 M) and transfer fund balances to the general fund. Sections one thru ten makes fee cap increases, changes the funding ratios, and makes several fund balance transfers from the Department of Environment and Conservation, and other sections will be making changes for Department of Agriculture. The [amendment](#) was placed on the bill. A [summary](#) of the amendment and the [fiscal note](#) can be viewed.

HOUSE ACTIVITY

House Committees & Budget S/c
Finance, Ways & Means Committee

[*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

[*HB 2141](#) by [*Lundberg](#) ([SB 2114](#) by [*Norris](#)) Courts - As introduced, revises the membership of the judicial selection commission and the judicial evaluation commission; decreases term of commission members from six to four years; requires senate confirmation of governor's nominee to fill a vacancy for any state court judge; increases the vote from a majority vote to 60 percent vote that a judge must receive in a retention election; extends the sunset provision for the judicial selection and evaluation commissions to June 30, 2011.

[*HB 2018](#) by [*Kelsey](#) ([SB 2168](#) by [*Bunch](#)) Courts - As introduced, authorizes the governor to make interim appointments to fill judicial vacancies if the judicial selection commission sunsets on June 30, 2009.

[*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 2186](#) by [*Sargent](#) ([*SB 2120](#) by [*Norris](#)) Highways, Roads and Bridges - As introduced, enacts the "Tennessee Transportation State Infrastructure Bank Act."

[HB 1630](#) by [*McCord](#) ([*SB 0876](#) by [*Southerland](#)) Environmental Preservation - As introduced, enacts the "Tennessee Environmental Protection and Recycling Act."

[*HB 2389](#) by [*Fitzhugh](#) ([SB 2357](#) by [*Kyle](#)) Taxes - As introduced, increases from 2 percent to 5.5 percent the tax that all HMOs doing business in this state must pay on the gross amount of all dollars collected from an enrollee or on an enrollee's behalf.

[HB 1517](#) by [*Curtiss](#) ([*SB 1931](#) by [*Woodson, Burchett, Ketrion, Overbey](#)) 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

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

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Platinum



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Silver



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