

TENNESSEE GOVERNMENT UPDATE

NEWS FOR THE CLIENTS AND FRIENDS OF BASS, BERRY & SIMS PLC

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The budget discussion in the Tennessee General Assembly marched in place this week. After dismissing Governor Bredesen's suggestion that the large item cap on sales tax above \$3,200 be removed except on vehicles, boats and manufactured housing, Senate Republican leadership continued to work in private on its own budget. As a result, the hospital coverage fee that was expected to be adopted by the Senate on Thursday was deferred for a week because, according to the Tennessee Hospital Association, "a number of legislators want to ensure additional provider cuts are not part of competing budget proposals." In the meantime, however, Governor Bredesen continued to push Republican leadership for an alternative, telling the press on Tuesday that he needed "a little more Ron Ramsey, the speaker, than Ron Ramsey, the gubernatorial candidate." Rick Locker at *The Commercial Appeal* [wrote the story](#).

On Wednesday, the governor seemed to offer to work with Republicans and said there might be a way to put together a plan that includes tax increases, budget cuts and spending from the rainy day fund. *The Tennessean* [covered the governor's remarks in Murfreesboro](#).

The Senate Republican plan is expected to be released Monday or Tuesday of the coming week.

Legislation to consolidate the state's procurement process is moving in both houses. Under the bill being discussed, state procurement of both services and goods would be consolidated. The *Knoxville News Sentinel* [describes the bill and its status](#).

In Knoxville today, Sarah and Todd Palin may make an appearance to give testimony in the federal criminal trial against David Kernell, the University of Tennessee college student accused of hacking then-Governor Palin's e-mail account during her vice presidential campaign. David Kernell is the son of 36-year state representative Mike Kernell. The younger Kernell's trial began Tuesday. The current status is [described by the Knoxville News Sentinel](#).

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