

TENNESSEE GOVERNMENT UPDATE

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

Friday, February 5, 2010

Governor Bredesen delivered his eighth and final State of the State Address and presented his 2010 budget to the Tennessee General Assembly on Monday, February 1. The budget proposes deep spending cuts, including an additional \$200 million from TennCare, the state's Medicaid program, with a cap on in-patient care of \$10,000 annually, and reduces the state's work force by about 1800 positions. [The Tennessean story of February 2](#) has more details and links. The budget also proposes raising almost \$50 million in new revenue by:

- Equalizing the sales tax on cable and satellite television services,
- Subjecting the cable box to the use tax,
- Increasing the sales tax rate on interstate and international business telecommunications,
- Tweaking the "sale for resale" provisions of the sales tax, and
- Repealing the "dividend paid deduction" on real estate investment trusts.

These suggested revenue measures and the deep cuts in TennCare [created the most controversy following the speech](#).

On the same day as Governor Bredesen's State of the State Address to the General Assembly, candidates with ambitions to deliver the constitutionally-required address in January 2011 filed campaign finance reports.

On the Republican side:

- Bill Haslam has raised a total of \$5.7 million and has \$4.2 million on hand;
- Ron Ramsey has raised \$2.75 million and has \$2.3 million on hand;
- Zach Wamp has raised \$2.57 million and has \$1.8 million on hand;
- Bill Gibbons has raised \$640,000 and has \$225,000 on hand.

On the Democratic side:

- Mike McWherter has raised slightly over \$1 million and has \$620,000 on hand;
- Jim Kyle has raised \$360,000, loaned himself \$300,000, transferred \$80,500 from his Senate campaign funds, and has \$588,000 on hand;
- Kim McMillan has raised slightly less than \$500,000 and has \$107,000 on hand.

Again, [The Tennessean has the story and links](#).

www.twitter.com/TNGovNow

If you have not bookmarked Bass, Berry & Sims PLC's Tennessee Government Update Twitter* page, or signed up as one of our instant update Followers**, please consider doing so.

Our recent Twitter activity includes:

Monday, February 1, 2010, 4:20 p.m. Live streaming video of the governor's 8th budget address will begin at 6:00 p.m. this evening at www.tn.gov

Monday, February 1, 2010, 6:22 p.m. Bredesen suggests that TN will use some reserves in rainy day fund

Monday, February 1, 2010, 6:24 p.m. Budget makes no use of any further stimulus funds

Monday, February 1, 2010, 6:25 p.m. Spending reductions to match revenue shortfalls

Monday, February 1, 2010, 6:28 p.m. Pension system is also priority for full funding

Monday, February 1, 2010, 6:30 p.m. Increase in driver's license fee

Monday, February 1, 2010, 6:34 p.m. Use of rainy day fund for 3% bonus for state employees

Notes about Twitter

* **Twitter** is a free on-line service Bass, Berry & Sims has adopted to keep clients, firm friends and co-workers abreast of the goings on of Tennessee government. It is a real-time feed of quick, frequent messages sent by Dick Lodge, Erica Vick and Linda Heft.

** **Followers** are the clients, firm friends and co-workers who have signed up for the free Twitter service and have the Twitter Tweets*** sent to their mobile phone, BlackBerry, or personal Twitter page.

*** **Tweets** are the quick, frequent messages sent to you by our Government Advocacy Team.

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