

TENNESSEE GOVERNMENT

Update

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

The House of Representatives returned this week to light committee calendars, short floor sessions and announcements of subcommittee assignments. The Senate convenes Monday, February 5, for regular session.

The House Commerce Committee will be chaired by Rep. Charles Curtiss (D – Sparta). As chairman of the joint Fiscal Review Committee, Curtiss earned a reputation for being fair and even-handed. Hailing from a rural area on the Cumberland Plateau, he is also known for his common sense solutions and homegrown wisdom. Chairman Curtiss set the tone for the next two years in brief comments to the committee: “I’m going to welcome each one of you, and assure you that we’ll do everything we can to help you. It doesn’t matter about party affiliation – this committee pretty well has always done what’s best for the folks back home, and I hope and pray we continue to do that. I’ll never tell you how to vote. I’ll tell you what I think, but the end of the day you gotta vote what’s right in your heart.”

In response to Speaker Naifeh's challenge to streamline the committee process, the Commerce Committee will function with one less subcommittee this year. Small Business Sub has been eliminated; Utilities and Banking will be chaired by Democratic Representative Curt Cobb, and Industrial Impact will be chaired by Democratic Representative David Shepard.

Commissioner Leslie Newman, Commerce and Insurance, made her first appearance before House Commerce. She commented on the diverse nature of the department's responsibilities, but observed that its consistent focus is twofold, to assist the half million businesses in Tennessee to operate effectively within the law and to help consumers know their rights, make smart choices, and recognize unscrupulous business practices. She indicated that the department would bring 15 bills to the committee this legislative session, which would cover issues like unfair trade practice, national standard compliance, conflict of interest and professional licensure.

The Senate continues to move offices, filling the halls with filing cabinets, couches and office decorations. The Lieutenant Governor's scheduler, displaced due to remodeling, took up residence in the Senate's primary committee room – an ostentatious office for certain but greatly lacking in privacy.

Tort Reform

The composition of the House civil practice subcommittee was also posted: Chair Kent Coleman (D – Murfreesboro), Rob Briley (D – Nashville), Frank Buck (D – Dowelltown), Henry Fincher (D – Cookeville), Tom Dubois (R – Columbia) and John Lunberg (R – Bristol). Tort reform will continue to be an uphill battle.

The Executive Branch

On Wednesday, Governor Bredesen announced a \$72.6 million plan to promote alternative energy production in the state (\$11.6 million in existing funding for an ongoing project at Oak Ridge National Laboratory and \$61 million for an alternative fuel strategy) in an effort to position Tennessee as a national

leader in the production of biomass ethanol. Of the proposed funding, \$40 million would go toward the construction of a pilot biomass ethanol plant with a capacity of five million gallons per year; \$8 million is targeted to provide incentives to help Tennessee farmers tap into the new farm-based fuel market and produce switchgrass in the quantities required to supply the pilot ethanol plant.

Governor Bredesen plans to ask the legislature to delay the streamlined sales tax system for at least a couple of years. If implemented, the system would have taxes collected on a product where it is delivered, such as products purchased by residents online or from catalogs.

The Governor's State of the State address will be Monday, February 5; his budget address is scheduled for Thursday, February 22.

Thank You for Smoking

There is a widely held belief that every issue has its time in the barrel, and this year it is tobacco's turn. About 10 bills have been filed, with more on the way, to severely limit where tobacco can be smoked and at what level it should be taxed. One proposal would ban smoking in all workplaces, another would ban smoking in restaurants. Still another option would see the state relinquish some control and allow counties to restrict smoking. Lt. Governor Ramsey and Speaker Naifeh tend to favor a more "hands-off approach" when it comes to regulating smoking policies for private business.

In prior assemblies, legislation seeking to raise the tax on cigarettes has been valued in the hundreds of millions of dollars. The newly raised revenue has been suggested to fund everything from lowering the tax on food to health and education. With the administration now signaling an interest in a tax hike on tobacco, the question is not as much "if" the tobacco tax will be raised, but by how much.

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