

TENNESSEE GOVERNMENT *Update*

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

This week the Tennessee General Assembly marked time by:

- voting to amend the Tennessee Constitution to prohibit abortions in the Senate;
- continuing to investigate alleged voting fraud in the 29th District Senate election of Ophelia Ford;
- reviewing agency budget requests; and
- rolling forward bills in committee for future action.

State Minimum Wage

Governor Bredesen reversed field on the proposal to institute a state minimum wage of at least \$6.15. Currently the federal minimum wage is \$5.15 an hour. After the governor declared Wednesday to a leadership group that he would be "honored" to sign such a bill, the Senate Commerce and House Government Operations committees added wage issues to their March 14th and 15th agendas, respectively. The measure in the Senate is HB 2624 McMillan/SB 3119 Jackson, and in the House is HB 3402 McMillan/SB 3120 Jackson. Earlier the governor had dismissed efforts to raise the state minimum wage, saying such an action would jeopardize low-paid but introductory jobs in hard-pressed rural counties. But Wednesday he told visiting members of Leadership Chattanooga and Leadership Knoxville, "I don't think that's going to happen."

Eminent domain

A joint study committee on eminent domain continues debate of the 30-plus proposals, according to committee action this week. Co-chairs Sen. Douglas Jackson (D-Dickson) and Rep. Joe Fowlkes (D-Cornersville) are signers of SB 3296/HB 3450. The bill, considered the front-runner due to its ties with the Farm Bureau, is expected to specifically define "public use" as not including any private use or benefit resulting from such governmental action — including increased employment opportunity. The bill is expected to exempt the takings by a private or public utility or housing authority action. But stay tuned, prime sponsors of all bills had strong and varying opinions on what a final version should look like.

Other Notes

Governor Bredesen's speech on his health care initiative has been postponed again. It was tentatively scheduled for Monday or Tuesday, March 13 or 14, and is now tentatively scheduled for the following week, the week of March 20th.

China is already almost a \$200 million trading partner with Tennessee, Gov. Phil Bredesen observed this week as he and staff met with the visiting Chinese Ambassador to the U.S. Zhou Wen Zhong. Governor Bredesen said, "China has become a significant trade partner with our state in recent years, with Tennessee's exports to China growing by nearly \$200 million dollars in 2005. Tennessee companies have made steady progress in the Chinese market in recent years, and I hope that by fostering these kinds of relationships we can continue to see the expansion of Tennessee's trade partnership with China." Governor Bredesen last year extended a trip to Japan, a traditional investor in Tennessee, by visiting Hong Kong, entry port for much of China's newly opened markets. The governor tentatively plans to lead a trade mission to China in early 2007.

Governor Phil Bredesen this week set a 12-member task force to study a revamp of DUI laws. The task force is to report by Oct. 2 on what should be done to mark the driving-under-the-influence laws "more comprehensive, straightforward and clear for all Tennesseans," the governor said.

The Tax Subcommittee of Senate Finance, Ways & Means Committee is to meet Tuesday morning (March 14) after the main committee meeting. The subcommittee has 21 bills on notice. Typically the Tax Subcommittee meets for several successive Tuesdays to clear such a calendar.

J. Richard Lodge, Jr.

PHONE: (615) 742-6254

FAX: (615) 742-2754

E-MAIL: dlodge@bassberry.com



Leslie K. Hafner

PHONE: (615) 259-6342

FAX: (615) 742-2801

E-MAIL: lhafner@bassberry.com