

TENNESSEE GOVERNMENT UPDATE

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

January 29, 2010

The second session of the 106th General Assembly of the State of Tennessee kicked off its first full week of regular session on Monday. The Senate cut-off for filing bills was yesterday. Once the Senate clerk's office has processed all the bills filed, we will have a solid sense of the universe of legislation to be considered this session.

Governor Bredesen gives his eighth and last budget address to the legislature Monday, February 1, at 6:00 p.m. He is expected to preview a dismal state budget that may call for reductions in major programs such as TennCare, the state's Medicaid program, of as much as 9 percent. Any reductions for FY 2010-2011 (beginning July 1, 2010) will be, of course, in addition to similar reductions in the current year budget. Live streaming video of the governor's address will be available at www.tn.gov.

A note on the impact of the *Citizens United* case decided by the U.S. Supreme Court last week - contrary to some media reports, the decision does not permit corporations or labor unions to make campaign contributions directly to candidates or party committees. Direct contributions by such entities continue to be prohibited under federal law and the laws of many states, including Tennessee. Companies seeking to take advantage of this new ruling should consult with legal counsel to insure full compliance with the requirements for independent political advertising, which prohibit any coordination with a campaign or party committee about an ad's content, timing and placement.

J. Richard Lodge

(615) 742-6254

dlodge@bassberry.com



Erica Bell Vick

(615) 742-7901

evick@bassberry.com

150 Third Avenue South, Suite 2800 • Nashville, TN 37201 • (615) 742-6200

The Tower at Peabody Place • 100 Peabody Place, Suite 900 • Memphis, TN 38103 • (901) 543-5900

1700 Riverview Tower • 900 South Gay Street • Knoxville, TN 37902 • (865) 521-6200