

## TENNESSEE GOVERNMENT UPDATE

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

**May 7, 2010**

This is an abbreviated Update. The Tennessee General Assembly had a short week because of the flood and no public progress was made on the state budget.

**The Flood:** As of yesterday, 21 West and Middle Tennessee counties have been declared federal disaster areas. Nashville Mayor Karl Dean has estimated that the damage in Nashville alone could easily be over \$1 billion. One of the two water treatment plants in Nashville is still out of commission. The Cumberland River fell below flood stage yesterday for the first time since Sunday. The Army Corps of Engineers has designated this "rain event" a 1,000-year flood. Details can be found at [www.tennessean.com](http://www.tennessean.com) and [www.newschannel5.com](http://www.newschannel5.com).

**The State Budget:** Andy Sher with the [Chattanooga Times Free Press reported](#) late yesterday that the Senate Republican caucus has decided to propose a budget consisting of all budget cuts and no revenue enhancements or tax increases. The proposal has not been released publicly. It is apparently being discussed with leadership in the House and with the Administration.

If Sher is correct, and he usually is, and there is not a deadlock, and that is unlikely, the General Assembly could conclude its business in two weeks. More likely is a major disagreement about some or all of the cuts proposed when the Republican budget is made public. Compounding the difficulty in adopting a balanced budget is the immediate need to include funds (albeit non-recurring) to pay for response to and relief from the flood.

Finally, thank you all for your support and encouragement this past week. It is much appreciated.

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