

TENNESSEE GOVERNMENT

Update

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

The Tennessee General Assembly will likely adjourn the first year of the 105th session in two weeks. The major issues yet to be addressed are a balanced budget, which will likely include raising the tax on tobacco, and reformation of the Basic Education Plan (BEP 2.0).

Budget

The Senate Finance Committee passed Governor Bredesen's cigarette tax increase but at an additional 20 cents rather than the Governor's proposed 40 cents. It is unclear whether an attempt will be made on the Senate floor to amend the full 40 cents requested by the Governor back into the bill.

Moving in a different direction, the Democratic leadership of the House continues to promote allocating \$20 million for "community enhancement grants." Of the 99 House members, 93 members filed requests for funding under the plan. The Governor and the Republican-organized Senate have not shown any enthusiasm for the proposal that would allocate \$100,000 per House member and \$300,000 per Senate member for community and nonprofit grants. The six members of the House that did not file requests for the funds because they oppose it on principle are: Beth Harwell (R-Nashville); Brian Kelsey (R-Germantown); Susan Lynn (R-Mt. Juliet); Jimmy Matlock (R-Lenoir City); Donna Rowland (R-Murfreesboro); and Larry Turner (D-Memphis). "It sends the wrong message to the public to pay for special projects for individual legislators," stated Rep. Harwell.

BEP 2.0

The House Finance Committee spent several hours Wednesday afternoon in a discussion of the BEP 2.0 funding formula. State Comptroller John Morgan and University of Tennessee economist Dr. Bill Fox led the discussion.

Competitive Cable and Video Services Act

The major business-against-business dispute of 2007 was resolved Thursday morning when the sponsor of AT&T's video services bill withdrew the bill from consideration in the House Commerce Committee. The bill had been vigorously opposed by cable television companies and local governments but had received a 6-3 endorsement by the Senate Commerce Committee on Tuesday.

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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

