

TENNESSEE GOVERNMENT

Update

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

April 18, 2008

Employer of Lobbyist Expenditure Reports Are Due By May 15, 2008

Every employer of a lobbyist should receive or has already received an e-mail notification from the Tennessee Ethics Commission that the expenditure report for the period October 1, 2007, through March 31, 2008, is due to be filed with the Commission by May 15, 2008. Within the next couple of weeks, Bass, Berry & Sims will forward individual e-mails to our clients listing the amount of fees and expenses incurred during that period.

The Economy

Roughly 407,000 households in Tennessee applied for food stamps last month, a 6 percent increase in applications compared to the same period one year ago. The correlation between fuel prices, the broader economy and food stamp applications is evident, according to Richard Dobbs, director of food stamp policy for the Tennessee Department of Human Services.

Specialty Plates and Enhanced Accountability

The House unanimously passed a bill requiring nonprofits that collect money via the sale of specialty license plates to report how the money is used. The state comptroller's office made the recommendations that comprised the substance of the bill. Organizations that receive money must be certified as holding a valid, nonprofit status under state and federal law and submit annual reports to the state detailing how the money is spent. Any organization would be subject to an audit by the comptroller's office. If it is determined that money has been spent improperly, the attorney general's office would initiate legal proceedings to recover the funds.

Credit Cards on College Campuses

In a three-to-three vote in the Senate Education Committee, a proposal that sought to restrict credit card solicitation on college campuses was killed. The proposal would have required colleges that produce directories of students also allow those students to opt out of unwanted credit solicitations. A spokesman for the University of Tennessee, which opposed the bill, argued that there are already strict credit limits in place, about \$300, which limit the magnitude of trouble students can get themselves into. The UT spokesman offered that only 1.2 percent of students defaulted last year. Representative Lois DeBerry (D-Memphis), the speaker pro tempore in the House and sponsor of the bill in that chamber, said that the fight might be joined again in the next legislative session. Speaker DeBerry has attempted to pass similar legislation for a decade.

Who Owns the Rocks?

A discussion about mineral rights in the House Government Operations Committee took a partisan turn as Democrats questioned the motivation and methods of Republicans. Republicans questioned whether the state could clarify mineral rights retroactively. Democrats want to stop what is referred to as "rock harvesting," the selection of rocks from the surface of land for resale. These rocks can be used for landscaping, fireplaces or decoration. The Committee adjourned without voting. A case

working its way through the courts now deals with whether or not rock harvesters can take rocks from Tennessee state parks. At issue is the question of who owns the surface mineral rights.

Coal Mining Regulations

More than two weeks ago the House Environment Subcommittee voted against tightening coal mining regulations, but that did not stop the Senate Environment and Conservation Committee from approving the companion bill. The House Subcommittee could reconvene (it has since been closed as the House nears the end of the session) in order to reconsider the bill. Senator Raymond Finney (R-Maryville) indicated that he would not bring the bill to the Senate floor unless it is passed in the House.

The bill would prohibit what some call “mountaintop removal” mining on sites of 2,000 feet in elevation or higher and mandate a 100-foot buffer between mining operations and specified bodies of water. The debate in the House Subcommittee pitted those who wished to preserve the environment against those who said the costs in terms of economic development and opportunity did not justify the tighter regulations. National Coal Corporation insisted that a \$30 million investment in coal mining operations, and 300 jobs, were at stake.

Non-Incumbent State Senate Races

Two state Senate races this year are non-incumbent races—District 26 in rural West Tennessee and District 12 in East Tennessee. In District 26, former Lieutenant Governor John Wilder announced his retirement a few weeks ago. Three Republicans, Representative Dolores Gresham (R-Somerville), Dr. Tom Linder and former Savannah Mayor Bob Shutt, are interested in succeeding Wilder. The Democratic nominee will be Randy Camp, a former chief of staff for Wilder.

The District 12 seat is now held by Tommy Kilby who announced last year that he would not run again. Morgan County Mayor Becky Ruppe will be the Democratic candidate. Roane County Mayor Ken Yager will be the Republican candidate. Both are unopposed in the primary election.

The general election race in both districts is expected to be close.

Former U.S. Senator Bill Frist

Anecdotal evidence is mounting that former U.S. Senator and Senate Majority Leader Bill Frist is interested in running for governor in 2010. The medical doctor, who is currently teaching at Princeton, has recently helped raise money for two GOP challengers seeking Democratically-held house seats in East Tennessee. He was the keynote speaker for the Lincoln Day Dinner in Carter County, was the grand marshal of the Mule Day Parade in Columbia and is slated to speak to Rutherford County Republicans next month. His political action committee, VOLPAC, has contributed a total of \$750,000 to the state Republican Party and directly to state level candidates in the last two election cycles. Frist has indicated that he will not announce any electoral plans until 2009.

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