

TENNESSEE GOVERNMENT

Update

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

Legislative preparations are being made to begin winding down the first session of the 105th General Assembly. House and Senate Committee schedules for the coming week have been rearranged in order to facilitate the movement of legislation out of the Committees and to the floor. All indications are that leadership is planning the end game. For instance, the Senate Judiciary Committee did not schedule any additional bills on its calendar for the coming Tuesday afternoon meeting because it carried over 43 bills from the past week. The Senate Finance Committee announced the hearing of the appropriations bill for April 24 and the Commerce Committee set strict parameters on what types of bills would be scheduled going forward.

In addition, issues that may define the session are taking shape.

Medical malpractice reform passed the Senate on Monday night without a dissenting vote. In the House Judiciary Committee's Civil Practice Subcommittee on Tuesday, consideration of the compromise was postponed until the last meeting of the Subcommittee (April 17) with indications that the compromise is not viewed favorably by a majority of the Subcommittee.

With regard to sales tax on food, the House Majority Leader proposed eliminating the tax on nutritional staples, including milk, eggs, cereal and baby food. The proposal may present an alternative to the plan favored by many Republicans, including the Republican Senate majority, which calls for the gradual elimination of the sales tax on all food.

Heretofore, Governor Bredesen has strongly objected to the Republican plan, and Majority Leader Odom's (D-Nashville) proposal may be the administration's counter-offer.

In a matter of importance to local governments, Attorney General Bob Cooper issued an opinion about the constitutional amendment adopted last November allowing local governments to freeze the property taxes of senior citizens. According to Attorney General Cooper, local governments cannot determine at which level the property tax freeze can go into effect for their community. Cooper said that the state legislature was

required to determine the level of income below which senior citizens qualify for the freeze.

City and county governments have expressed concern about the measure with respect to the possibility of eroding the local government tax base and the likelihood of shifting of the tax burden toward younger property owners.

Citizens Want TV Competition

The public relations battle continues with non-profit TV4us (AT&T is a member of the coalition) holding a press conference at which they delivered 14,000 postcards from citizens who support enhanced competition. Peter Woolfolk, a spokesman for TV4us, said that the citizens are “asking for an opportunity to get some choice in cable, to get reduced prices, to get better customer service.”

AT&T is working toward passage of legislation that provides for a statewide franchise. In the current arrangement, any supplier of video services must apply to the myriad local governments for a local franchise in order to enter a particular market.

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