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MONDAY, APRIL 30, 2012

EIGHTIETH LEGISLATIVE DAY

CALL TO ORDER

The Senate met at 1:00 p.m., and was called to order by Mr. Speaker Ramsey.

PRAYER

The proceedings were opened with prayer by Mr. Roger Oldham of the Southern Baptist Convention, Inc., in Nashville, Tennessee, a guest of Senator Herron.

PLEDGE OF ALLEGIANCE

Senator Herron led the Senate in the Pledge of Allegiance to the Flag.

PRESENTATION

Senator Roberts played *The Star Spangled Banner* for the Senate.

ROLL CALL

The roll call was taken with the following results:

Present 33

Senators present were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--33.

MOTION

Senator Norris moved, pursuant to Rule 32 and Article II, Section 18 of the Constitution of the State of Tennessee, **House Bills Nos. 3671, 3884, 3886 and 3887** be passed on first consideration, which motion prevailed.

HOUSE BILLS ON FIRST CONSIDERATION

The Speaker announced that the following House Bills were transmitted to the Senate and passed first consideration:

House Bill No. 3671 -- Public Funds and Financing -- As introduced, requires commutation of compensation for exonerated persons to lump sum upon request. Amends TCA Title 9, Chapter 8, Part 1.

House Bill No. 3884 -- Shelby County -- As introduced, subject to local approval by both the City of Memphis and Shelby County, changes the name of the Memphis and Shelby County Convention Center to the "Memphis Convention Center", changes the name of the commission to the "Memphis Convention Center Commission" and provides for the appointment of the commissioners solely by the Mayor of the City of Memphis. Amends Chapter 420 of the Private Acts of 1917.

House Bill No. 3886 -- Lake County -- As introduced, subject to local approval, restructures Lake County Highway Commission by increasing the number of highway commission districts from two to three, to be coextensive with the county commission districts. Amends Chapter 262 of the Private Acts of 1980, as amended.

House Bill No. 3887 -- Lake County -- As introduced, subject to local approval, reduces number of school districts from four to three; increases Lake County board of education from eight members to nine members. Amends Chapter 119 of the Private Acts of 2002.

MOTION

Senator Norris moved, pursuant to Rule 21, **Senate Joint Resolutions Nos. 923 through 926** be passed on first consideration and lie over, which motion prevailed.

INTRODUCTION OF RESOLUTIONS

The Speaker announced that the following resolutions were filed for introduction. Pursuant to Rule 21, the resolutions lie over.

Senate Joint Resolution No. 923 by Senator Ford.
Memorials, Recognition -- N.J. and Vera Ford Family Reunion.

Senate Joint Resolution No. 924 by Senator Ford.
Memorials, Recognition -- Sophia McBride.

Senate Joint Resolution No. 925 by Senator Ford.
Memorials, Recognition -- Sophia McBride.

Senate Joint Resolution No. 926 by Senator Ford.
Memorials, Recognition -- N.J. and Vera Ford Family Reunion.

MOTION

Senator Norris moved, pursuant to Rule 21, **House Joint Resolutions Nos. 597, 1141, 1143 through 1148 and 1150 through 1154** lie over and be referred to the appropriate committees or held on the Clerk's desk, which motion prevailed.

RESOLUTIONS LYING OVER

The Speaker announced that the following resolutions passed second consideration and were referred to the appropriate committees or held on the desk, pursuant to Rule 21:

House Joint Resolution No. 597 -- General Assembly, Directed Studies -- Directs the Tennessee Higher Education Commission to establish a committee on Internet privacy for higher education.

The Speaker announced that he had referred House Joint Resolution No. 597 to the Committee on Education.

House Joint Resolution No. 1141 -- Memorials, Academic Achievement -- Kaitlin Carter, Salutatorian, Merrol Hyde Magnet School.

The Speaker announced that he had referred House Joint Resolution No. 1141 to the Committee on Calendar.

House Joint Resolution No. 1143 -- Memorials, Recognition -- SSG LaWanda Lollar, Tennessee National Guard.

The Speaker announced that he had referred House Joint Resolution No. 1143 to the Committee on Calendar.

House Joint Resolution No. 1144 -- Memorials, Academic Achievement -- Emily Marsh, Valedictorian, Merrol Hyde Magnet School.

The Speaker announced that he had referred House Joint Resolution No. 1144 to the Committee on Calendar.

House Joint Resolution No. 1145 -- Memorials, Academic Achievement -- Ashton Daniel, Salutatorian, Merrol Hyde Magnet School.

The Speaker announced that he had referred House Joint Resolution No. 1145 to the Committee on Calendar.

House Joint Resolution No. 1146 -- Memorials, Academic Achievement -- Amy Fottrell, Salutatorian, Merrol Hyde Magnet School.

The Speaker announced that he had referred House Joint Resolution No. 1146 to the Committee on Calendar.

House Joint Resolution No. 1147 -- Memorials, Academic Achievement -- Shelbi Bertsch, Salutatorian, Merrol Hyde Magnet School.

The Speaker announced that he had referred House Joint Resolution No. 1147 to the Committee on Calendar.

House Joint Resolution No. 1148 -- Memorials, Academic Achievement -- Mara Thompson, Salutatorian, Merrol Hyde Magnet School.

The Speaker announced that he had referred House Joint Resolution No. 1148 to the Committee on Calendar.

House Joint Resolution No. 1150 -- Memorials, Academic Achievement -- Derquazia Smartt, Valedictorian, Howard School of Academics and Technology.

The Speaker announced that he had referred House Joint Resolution No. 1150 to the Committee on Calendar.

House Joint Resolution No. 1151 -- Memorials, Interns -- Daniel Raphael Patterson.

The Speaker announced that he had referred House Joint Resolution No. 1151 to the Committee on Calendar.

House Joint Resolution No. 1152 -- Memorials, Death -- Hunter Lane, Jr.

The Speaker announced that he had referred House Joint Resolution No. 1152 to the Committee on Calendar.

House Joint Resolution No. 1153 -- Memorials, Recognition -- Rhodes College and Cypress Middle School students featured in documentary *Far Away Next Door*.

The Speaker announced that he had referred House Joint Resolution No. 1153 to the Committee on Calendar.

House Joint Resolution No. 1154 -- Memorials, Recognition -- Saj Crone.

The Speaker announced that he had referred House Joint Resolution No. 1154 to the Committee on Calendar.

MOTION

Senator Faulk moved that Rule 19 and Rule 37 be suspended for the purpose of making and considering Calendar No. 1 consisting of the following bills and resolutions: **Senate Bills Nos. 3793, 233, 2245, 2882, 3142 and 3597; and Senate Joint Resolution No. 725; Senate Bills Nos. 3170 and 3301; Senate Joint Resolution No. 904; Senate Resolution No. 133**; and **Senate Bills Nos. 1325, 3405, 3507, 3520, 3603 and 3770**, which motion prevailed.

CALENDAR NO. 1

Senate Bill No. 3793 -- Hamilton County -- As introduced, subject to local approval, increases the board of the Chattanooga-Hamilton County Hospital Authority from 11 to 13; the legislative delegation is to appoint the two additional members upon the recommendation by the Hamilton County Medical Society. Amends Chapter 297 of the Private Acts of 1976.

On motion, Senate Bill No. 3793 was made to conform with **House Bill No. 3851**.

On motion, House Bill No. 3851, on same subject, was substituted for Senate Bill No. 3793.

On motion of Senator Berke, Amendment No. 1 was withdrawn.

Thereupon, **House Bill No. 3851** passed its third and final consideration by the following vote:

Ayes 31
Noes 0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson and Mr. Speaker Ramsey--31.

A motion to reconsider was tabled.

Senator Watson moved that **Senate Bill No. 233** be placed at the heel of Calendar No. 1 for today, which motion prevailed.

Senate Bill No. 2245 -- Appropriations -- As introduced, makes appropriations for the purpose of funding certain rate and co-payment adjustments in the TennCare program.

On motion, Senate Bill No. 2245 was made to conform with **House Bill No. 2383**.

On motion, House Bill No. 2383, on same subject, was substituted for Senate Bill No. 2245.

On motion of Senator McNally, Amendment No. 1 was withdrawn.

Thereupon, **House Bill No. 2383** passed its third and final consideration by the following vote:

Ayes 32
Noes 0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson and Mr. Speaker Ramsey--32.

A motion to reconsider was tabled.

Senate Bill No. 2882 -- Alcoholic Beverages -- As introduced, reduces from four to three the number of cabins that Buffalo River Resort must have in order to qualify as a premier type tourist resort for purposes of the sale of alcoholic beverages for on-premises consumption. Amends TCA Section 57-4-102.

On motion, Senate Bill No. 2882 was made to conform with **House Bill No. 3119**.

On motion, House Bill No. 3119, on same subject, was substituted for Senate Bill No. 2882.

Senator Johnson moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all language following the enacting clause and by substituting instead the following language:

SECTION 1. Tennessee Code Annotated, Section 57-4-102(26), is amended by adding the following language as a new, appropriately designated subdivision:

( ) A commercially operated recreational facility possessing each of the following characteristics:

(i) Is located:

(*a*) On at least five thousand (5,000) acres, approximately eight (8) miles from an interstate highway; and

(*b*) Along a waterway that flows into a river, a portion of which has been designated as a scenic river;

(ii) Has at least twelve (12) cabins and at least three hundred fifty (350) campsites;

(iii) Has a motorcross trail or trails and a horseback riding trail or trails;

(iv) Has a restaurant with seating for at least one hundred (100);

(v) Has a sixteen hundred (1,600) square foot stage at an amphitheater that seats approximately fifteen thousand (15,000); and

(vi) At least five (5) hotels or motels are located near the facility.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

Senator Haynes moved that **House Bill No. 3119** be moved three places down on Calendar No. 1 for today, which motion prevailed.

Senator Marrero moved that **Senate Bill No. 3142** be placed at the heel of Calendar No. 1 for today, which motion prevailed.

Senate Bill No. 3597 -- Education, Higher -- As introduced, prohibits certain colleges and universities in this state from denying recognition, privileges or benefits to a student organization or group on the basis of religious content of the organization's or group's speech or the manner in which the organization or group determines its organizational affairs. Amends TCA Title 49.

Senator Kelsey declared Rule 13 on **Senate Bill No. 3597**.

Senator Summerville declared Rule 13 on **Senate Bill No. 3597**.

Senator Overbey declared Rule 13 on **Senate Bill No. 3597**.

Senator Gresham moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 7, Part 1, is amended by adding the following language as a new section:

49-7-150.

(a) No state higher education institution that grants recognition to any student organization shall discriminate against, deny recognition to, or deny equal access to programs, finding, or facilities for any student organization on the basis of the religious content of the organization's speech including, but not limited, to worship.

(b) A religious student organization may determine that the organization's religious mission requires that only persons professing the faith of the group and comporting themselves in conformity with it qualify to serve as members or leaders.

(c) No state higher education institution shall deny recognition or any privilege or benefit to a student organization or group that exercises its rights pursuant to subsection (b).

(d) As used in this section, "state higher education institution" means any higher education institution governed by Chapter 8 or 9 of this title.

SECTION 2. This act shall take effect July 1, 2012, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Senator Beavers moved to amend as follows:

AMENDMENT NO. 2

AMEND by deleting the amendatory language of Section 1 and by substituting instead the following:

49-7-150.

(a) No state higher education institution that grants recognition to any student organization shall discriminate against or deny recognition to a student organization, or deny to a student organization access to programs, funding, or facilities otherwise available to another student organization, on the basis of:

(1) The religious content of the organization's speech including, but not limited to, worship; or

(2) The organization's exercise of its rights pursuant to subsection (b).

(b) A religious student organization may determine that the organization's religious mission requires that only persons professing the faith of the group and comporting themselves in conformity with it qualify to serve as members or leaders.

(c) As used in this section, "state higher education institution" means any higher education institution governed by Chapter 8 or 9 of this title.

On motion, Amendment No. 2 was adopted.

On motion of Senator Beavers, Amendment No. 3 was withdrawn.

Senator Beavers moved to amend as follows:

AMENDMENT NO. 4

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 7, Part 1, is amended by adding the following language as a new section:

49-7-150.

(a) No state higher education institution that grants recognition to any student organization shall discriminate against or deny recognition to a student organization, or deny to a student organization access to programs, funding, or facilities otherwise available to another student organization, on the basis of:

(1) The religious content of the organization's speech including, but not limited to, worship; or

(2) The organization's exercise of its rights pursuant to subsection (b).

(b) A religious student organization may determine that the organization's religious mission requires that only persons professing the faith of the group and comporting themselves in conformity with it qualify to serve as members or leaders.

(c) As used in this section, "state higher education institution" means:

(1) Any higher education institution governed by Chapter 8 or 9 of this title; or

(2) Any private higher education institution that receives payments from state funds derived directly from state tax revenues that annually total more than twenty-four million dollars ($24,000,000).

(d) Any private higher education institution that receives payments from state funds derived directly from state tax revenues that annually total more than twenty-four million dollars ($24,000,000) may adopt a policy that denies recognition to religious student organizations because they maintain leadership or membership criteria based on religious beliefs, but solely on the condition that:

(1) The institution requires every recognized student organization, including organizations described in 20 U.S.C. § 1681 (a)(6)(A) (also known as "Title IX"), to accept as members all students who apply to be members; and

(2) The institution does not allow any recognized student organization, including organizations described in 20 U.S.C. § 1681 (a)(6)(A) (also known as "Title IX"), to set a numerical limit on membership or to use subjective qualifications for choosing its members.

(e) This section does not apply to any religious school, college, university, or other educational institution or institution of learning described in 42 U.S.C. § 2000e-2(e)(2).

SECTION 2. Subdivision (c)(2) and subsections (d) and (e) of Section 1 of this act are repealed June 30, 2013.

SECTION 3. This act shall take effect July 1, 2012, the public welfare requiring it.

On motion, Amendment No. 4 was adopted by the following vote:

Ayes 18
Noes 12
Present, not voting . . . 3

Senators voting aye were: Beavers, Bell, Campfield, Crowe, Faulk, Gresham, Johnson, Kelsey, Ketron, Massey, McNally, Norris, Roberts, Southerland, Summerville, Tracy, Watson and Mr. Speaker Ramsey--18.

Senators voting no were: Barnes, Berke, Burks, Finney, Harper, Haynes, Henry, Herron, Kyle, Marrero, Stewart and Tate--12.

Senators present and not voting were: Ford, Overbey and Yager--3.

Thereupon, **Senate Bill No. 3597**, as amended, passed its third and final consideration by the following vote:

Ayes 19
Noes 12
Present, not voting . . . 2

Senators voting aye were: Beavers, Bell, Campfield, Crowe, Faulk, Gresham, Johnson, Kelsey, Ketron, Massey, McNally, Norris, Roberts, Southerland, Summerville, Tracy, Watson, Yager and Mr. Speaker Ramsey--19.

Senators voting no were: Barnes, Berke, Burks, Finney, Harper, Haynes, Henry, Herron, Kyle, Marrero, Stewart and Tate--12.

Senators present and not voting were: Ford and Overbey--2.

A motion to reconsider was tabled.

Senate Joint Resolution No. 725 -- Memorials, Congress -- Urges Congress to enact legislation to modernize the "Toxic Substances Control Act of 1976", as amended.

Senator Bell moved that **Senate Joint Resolution No. 725**, as amended, be referred to the Committee on Energy and Environment.

Senator Kyle moved that Senator Bell's motion go to the table, which motion failed by the following vote:

Ayes 13
Noes 20

Senators voting aye were: Barnes, Berke, Burks, Finney, Ford, Harper, Haynes, Henry, Herron, Kyle, Marrero, Stewart and Tate--13.

Senators voting no were: Beavers, Bell, Campfield, Crowe, Faulk, Gresham, Johnson, Kelsey, Ketron, Massey, McNally, Norris, Overbey, Roberts, Southerland, Summerville, Tracy, Watson, Yager and Mr. Speaker Ramsey--20.

Senator Marrero moved that **Senate Joint Resolution No. 725**, as amended, be placed at the heel of Calendar No. 1 for today, which motion prevailed.

FURTHER ACTION ON HOUSE BILL NO. 3119

On motion of Senator Yager, Amendment No. 1 was withdrawn.

Thereupon, **House Bill No. 3119** passed its third and final consideration by the following vote:

Ayes 27
Noes 1

Senators voting aye were: Barnes, Beavers, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Kelsey, Ketron, Kyle, Marrero, Massey, Norris, Overbey, Roberts, Stewart, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--27.

Senator voting no was: Bell--1.

A motion to reconsider was tabled.

Senate Bill No. 3170 -- Lottery, Scholarships and Programs -- As introduced, permits an independent postsecondary institution that was an eligible independent postsecondary institution for lottery scholarship purposes, but became ineligible because of a change in the definition of eligible independent postsecondary institution, to remain in eligible status so long as it is accredited by SACS. Amends TCA Section 49-4-902(11)(B).

Senator Henry moved to amend as follows:

AMENDMENT NO. 1

AMEND by adding the language ", until June 30, 2016," between the language "shall remain an eligible postsecondary institution" and the language "so long as the institution remains accredited by the Southern Association of Colleges and Schools;" in the amendatory language of Section 1 of the bill.

On motion, Amendment No. 1 was adopted.

Senator Gresham moved to amend as follows:

AMENDMENT NO. 2

AMEND by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION ___. A postsecondary institution that, pursuant to this act, shall cease to be an eligible independent postsecondary institution after June 30, 2016, shall include on its Web site and in any literature for students or prospective students a statement that students

attending the institution after June 30, 2016, shall not be able to receive Tennessee HOPE scholarships for study at the institution. TSAC shall include the same information on its Web site and in any Tennessee HOPE scholarship informational brochures in which the eligible postsecondary institutions are listed. Such information shall be posted on the institution's Web site and on TSAC's Web site within thirty (30) days of the effective date of this act and in any literature published by the institution or in any brochure with a list of eligible postsecondary institutions published by TSAC after the effective date of this act.

On motion, Amendment No. 2 was adopted.

Thereupon, **Senate Bill No. 3170**, as amended, passed its third and final consideration by the following vote:

Ayes 33
Noes 0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

Senate Bill No. 3301 -- Consumer Protection -- As introduced, allows the Commissioner of Commerce and Insurance to provide, upon request, a list of acceptable corporate sureties from whom a health club may obtain the required surety bond. Amends TCA Title 47, Chapter 18.

On motion, Senate Bill No. 3301 was made to conform with **House Bill No. 3659**.

On motion, House Bill No. 3659, on same subject, was substituted for Senate Bill No. 3301.

On motion of Senator Johnson, Amendment No. 1 was withdrawn.

Thereupon, **House Bill No. 3659** passed its third and final consideration by the following vote:

Ayes 32
Noes 0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--32.

A motion to reconsider was tabled.

PRESENTATION

Senator McNally introduced Ms. Sherry Hammond of the Lupus Foundation to the Senate.

CALENDAR NO. 1

Senate Joint Resolution No. 904 -- General Assembly, Statement of Intent or Position -- Urges any state fair to be held where the seat of government is located.

Senator Yager moved to amend as follows:

AMENDMENT NO. 1

AMEND by adding the word "state" between the words "of" and "government" in the first sentence of the first resolving clause of the resolution.

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Joint Resolution No. 904**, as amended, was adopted by the following vote:

Ayes 26
Noes 0
Present, not voting . . . 1

Senators voting aye were: Barnes, Beavers, Bell, Berke, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Johnson, Ketron, Kyle, Massey, McNally, Norris, Overbey, Roberts, Southerland, Summerville, Tate, Tracy, Yager and Mr. Speaker Ramsey--26.

Senator present and not voting was: Marrero--1.

A motion to reconsider was tabled.

Senate Resolution No. 133 -- General Assembly, Statement of Intent or Position -- Urges any state fair to be held where the seat of government is located.

Senator Yager moved to amend as follows:

AMENDMENT NO. 1

AMEND by adding the word "state" between the words "of" and "government" in the first sentence of the first resolving clause of the resolution.

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Resolution No. 133**, as amended, was adopted by the following vote:

Ayes 27
Noes 0
Present, not voting . . . 2

Senators voting aye were: Barnes, Bell, Berke, Burks, Crowe, Faulk, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Summerville, Tate, Tracy, Yager and Mr. Speaker Ramsey--27.

Senators present and not voting were: Beavers and Kelsey--2.

A motion to reconsider was tabled.

Senate Bill No. 1325 -- Immigration -- As introduced, enacts the "Eligibility Verification for Entitlements Act". Amends TCA Title 4; Title 68 and Title 71, as amended.

Mr. Speaker Ramsey moved that Amendment No. 10 be considered next, out of order, which motion prevailed.

Senator Johnson moved to amend as follows:

AMENDMENT NO. 10

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 4, is amended by adding the following language as a new, appropriately designated chapter:

4-57-101. This chapter shall be known and may be cited as the "Eligibility Verification for Entitlements Act".

4-57-102. As used in this chapter:

(1) "Federal public benefit":

(A) Has the same meaning as provided in 8 U.S.C. § 1611; and

(B) Does not mean a benefit listed in 8 U.S.C. § 1611(b);

(2) "Political subdivision" means any local governmental entity, including, but not limited to, any municipality, metropolitan government, county, utility district, school district, public building authority, and development district created and existing pursuant to the laws of this state, or any instrumentality of government created by any one (1) or more of the named local governmental entities;

(3) "SAVE program" means the systematic alien verification for entitlements program created pursuant to the federal Immigration Reform and Control Act of 1986 and operated by the United States Department of Homeland Security, or any successor program thereto;

(4) "State governmental entity":

(A) Means a state agency, department, board, commission, and other body which carries out state functions and programs; and

(B) Does not mean a political subdivision; and

(5) "State or local public benefit":

(A) Means any public benefit as defined in 8 U.S.C. § 1621, that is provided or administered by a state governmental entity or a local health department; and

(B) Does not mean a benefit listed in 8 U.S.C. § 1621(b);

4-57-103.

(a) Except where prohibited by federal law, every state governmental entity and local health department shall verify that each applicant eighteen (18) years of age or older, who applies for a federal, state or local public benefit from the entity or local health department, is a United States citizen or lawfully present in the United States in the manner provided in this chapter.

(b)(1) As provided in subdivision (b)(2), every state governmental entity or local health department shall include on all forms, electronic or otherwise, and all automated phone systems, a written or verbal statement:

(A) Requiring an applicant for a federal, state or local public benefit to, under penalty of perjury, attest to the applicant's status as either:

(i) A United States citizen; or

(ii) A qualified alien as defined by 8 U.S.C. § 1641(b).

(B) Describing the penalties for violations of this chapter.

(2) Subdivision (b)(1) shall be implemented upon the entity's or local health department's first reprinting of applicable forms or updating of the electronic or automated phone systems, described in subdivision (b)(1), after the effective date of this act.

(c) For an applicant who claims United States citizenship, the entity or local health department shall make every reasonable effort to ascertain verification of the applicant's citizenship, which may include requesting the applicant to present any one (1) of the following:

(1)(A) A valid Tennessee driver license or photo identification license issued by the Department of Safety; or

(B) A valid driver license or photo identification license from another state where the issuance requirements are at least as strict as those in Tennessee, as determined by the Department of Safety;

(2) An official birth certificate issued by a U.S. state, jurisdiction or territory, including Puerto Rico, U.S. Virgin Islands, Northern Mariana Islands, American Samoa, Swains Island, Guam; provided,

that Puerto Rican birth certificates issued before July 1, 2010, shall not be recognized under this subdivision (c)(2);

(3) A U.S. government-issued certified birth certificate;

(4) A valid, unexpired U.S. passport;

(5) A U.S. certificate of birth abroad (DS-1350 or FS-545);

(6) A report of birth abroad of a citizen of the U.S. (FS-240);

(7) A certificate of citizenship (N560 or N561);

(8) A certificate of naturalization (N550, N570 or N578);

(9) A U.S. citizen identification card (I-197, I-179);

(10) Any successor document of subdivisions (c)(4)-(8); or

(11) A social security number that the entity or local health department may verify with the Social Security Administration in accordance with federal law.

(d)(1) For an applicant who claims qualified alien status, the applicant shall present two (2) forms of documentation of identity and immigration status, as determined by the United States Department of Homeland Security to be acceptable for verification through the SAVE program; provided, no entity or local health department is required to verify such applicant's documents through the SAVE program if two (2) such documents are presented unless otherwise required by federal law.

(2) If an applicant who claims eligibility as a qualified alien is unable to present two (2) forms of documentation as described in subdivision (d)(1), then the applicant shall present at least one (1) such document that the entity or local health department shall then verify through the SAVE program.

(e) Each state governmental entity or local health department shall maintain a copy of all documentation submitted by an applicant for verification in a manner consistent with the entity's or local health department's rules, regulations or policies governing storage or preservation of such documentation.

(f)(1) Any document submitted pursuant to subsections (c) or (d) shall be presumed to be proof of an individual's eligibility under this chapter until a final verification is received by the state governmental entity or local health department, and no entity or local health department shall delay the distribution of any federal, state or local benefit based solely on the pendency of final verification.

(2) Upon receipt of a final verification that indicates that the applicant is not a United States citizen or qualified alien, the state governmental entity or local health department shall terminate any recurring benefit, and shall pursue any action applicable against the applicant pursuant to § 4-57-104 or § 4-57-105.

(g) The verification process required by this section shall be enforced without regard to race, religion, gender, ethnicity or national origin.

4-57-104.

(a) Any natural person eighteen (18) years of age or older who knowingly and willfully makes a false, fictitious or fraudulent statement or representation under this chapter shall be liable under either:

(1) The Tennessee Medicaid False Claims Act, compiled in §§ 71-5-181—71-5-185; or

(2) The False Claims Act, compiled in Chapter 18 of this title.

(b) Any natural person who conspires to defraud the state or any local health department by securing a false claim allowed or paid to another person in violation of this chapter shall be liable under § 4-18-103(a)(3).

(c) A state governmental entity or local health department shall file, with the attorney general and reporter of this state, a complaint alleging a violation of subsections (a) or (b), as applicable.

(d) Any monies collected pursuant to this section shall be deposited with and utilized by the applicable entity or local health department that filed a complaint pursuant to subsection (c). The applicable entity or local health department shall establish a fund for the deposit of such monies, and shall use such monies for the sole purpose of enforcing this chapter. Any interest accruing on investments and deposits of the fund shall be credited to such fund, shall not revert to any general fund, and shall be carried forward into each subsequent fiscal year.

4-57-105. A state governmental entity or local health department shall file, with the United States attorney, a complaint alleging a criminal violation of 18 U.S.C. § 911, for each person who willfully makes a false, fictitious or fraudulent statement or representation of United States citizenship.

4-57-106.

(a) No state governmental entity or local health department shall provide or offer to provide any federal, state or local public benefit in violation of this chapter.

(b) Each entity and local health department, subject to this chapter, shall include in any annual report to the general assembly, as required by law, a report of its compliance with this chapter through June 30 of each year.

4-57-107. Unless otherwise provided by federal law, no state governmental entity or local health department shall be prohibited, or in any way restricted, from sending to or receiving from the immigration and naturalization service information regarding the immigration status, lawful or unlawful, of an alien in the United States.

4-57-108. This chapter shall be interpreted consistently with all federal laws, including, but not limited to, federal laws regulating immigration, labor, and Medicaid, and all state laws.

4-57-109.

(a) Nothing in this chapter shall be interpreted as limiting a state governmental entity or local health department regarding its current application process for administering a federal, state or local public benefit, including, but not limited to, requesting additional information from the applicant or requiring additional verification of eligibility.

(b) The state shall defray the cost to a local health department of verifying each applicant's status for a benefit.

4-57-110. This chapter shall not apply to:

(1) Any person applying for benefits who:

(A) Lacks the mental capacity to commit perjury under oath; and

(B) Has not been judicially appointed a guardian or conservator;

(2) Legal services provided by a district public defender, court-appointed counsel, or other counsel for indigent services;

(3) Prenatal care administered by the Department of Health; or

(4) The Special Supplemental Food Program for Women, Infants and Children administered by the Department of Health.

SECTION 2. Tennessee Code Annotated, Section 4-18-103(d), is amended by deleting the subsection in its entirety and by substituting instead the following language:

(d) This section does not apply to any controversy involving an amount of less than five hundred dollars ($500) in value, unless the controversy arose from a violation of Chapter 57, Part 1 of this title. For purposes of this subsection (d), "controversy" means any one (1) or more false claims submitted by the same person in violation of this chapter.

SECTION 3. All affected state governmental entities are authorized to promulgate rules and regulations to effectuate the purposes of this act. All rules and regulations promulgated by a state governmental entity shall be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5.

SECTION 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 5. For purposes of promulgating rules and regulations, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect October 1, 2012, the public welfare requiring it, and shall apply to all applications for benefits submitted to state governmental entities or local health departments on or after October 1, 2012.

Pursuant to Rule 39(3), Amendment No. 10 was adopted by the following vote:

Ayes 29
Noes 0

Senators voting aye were: Beavers, Bell, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--29.

Senator Herron moved to amend as follows:

AMENDMENT NO. 7

AMEND by adding the following language as a new, appropriately designated section in Chapter 57 in Section 1:

4-57-112. The general assembly finds that unborn children do not have immigration status and therefore, this chapter shall not apply to prenatal care services.

On motion, Amendment No. 7 was adopted.

Senator Henry moved to amend as follows:

AMENDMENT NO. 8

AMEND by deleting in its entirety § 4-57-103(3), in Section 1, and substituting instead the following:

(3) "State public benefit" means any public benefit as described in 8 U.S.C. § 1621 that is provided or administered by a state governmental entity.

AND FURTHER AMEND by deleting the language "and local health department", "or local health department", "or local health departments" wherever it may appear.

Senator Henry moved for the previous question on Amendment No. 8, which motion prevailed.

On motion, Amendment No. 8 failed.

On motion of Senator Marrero, Amendment No. 9 was withdrawn.

Thereupon, **Senate Bill No. 1325**, as amended, passed its third and final consideration by the following vote:

Ayes 30
Noes 2

Senators voting aye were: Barnes, Beavers, Bell, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Herron, Johnson, Kelsey, Ketron, Kyle, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--30.

Senators voting no were: Henry and Marrero--2.

A motion to reconsider was tabled.

Senator Kelsey moved that **Senate Bill No. 3405**, as amended, be rereferred to Committee on Calendar, which motion prevailed.

Senator Ketron moved that **Senate Bill No. 3507** be placed at the heel of Calendar No. 1 for today, which motion prevailed.

Senate Bill No. 3520 -- Criminal Procedure -- As introduced, allows nonviolent offenders who have completed all requirements of their sentence and have no violent convictions to petition the court for expungement of their criminal records every two years. Amends TCA Title 40, Chapter 32.

Senator Beavers moved that Amendment No. 1 be placed at the heel of the Amendments, which motion prevailed.

Senator Beavers moved that Amendment No. 2 be placed at the heel of the Amendments, which motion prevailed.

On motion of Senator Norris, Amendment No. 3 was withdrawn.

Senator McNally moved to amend as follows:

AMENDMENT NO. 4

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 40-32-101, is amended by adding the following new subsection:

(g)(1) For purpose of this subsection (g), "eligible petitioner" means:

(A) A person who was convicted of one of the following Class E felonies and sentenced to imprisonment for a term of three (3) years or less for an offense committed on or after November 1, 1989:

(i) 39-11-411 Accessory after the fact;

(ii) 39-13-306 Custodial interference where person not voluntarily returned by defendant;

(iii) 39-13-604(c)(2) Knowing dissemination of illegally recorded cellular communication;

(iv) 39-14-105(2) Theft ($501-$999);

(v) 39-14-114(c) Forgery (up to $1,000);

(vi) 39-14-115 Criminal simulation (up to $1,000);

(vii) 39-14-116(c) Hindering secured creditors;

(viii) 39-14-117(b) Fraud in insolvency;

(ix) 39-14-118 Fraudulent use of credit card or debit card ($501-$999);

(x) 39-14-121 Worthless checks ($501-$999);

(xi) 39-14-130 Destruction of valuable papers ($501-$999);

(xii) 39-14-131 Destruction or concealment of will;

(xiii) 39-14-133 Fraudulent or false insurance claim ($501-$999);

(xiv) 39-14-137(b) Fraudulent qualifying for set aside programs ($501-$999);

(xv) 39-14-138 Theft of trade secrets ($501-$999);

(xvi) 39-14-139 Sale of recorded live performances without consent ($501-$999);

(xvii) 39-14-143 Unauthorized solicitation for police, judicial or safety associations;

(xviii) 39-14-147(f) Fraudulent transfer of motor vehicle with value of less than $20,000;

(xix) 39-14-149 Communication theft ($501-$999 (fine only));

(xx) 39-14-153 Home improvement fraud ($500-$1,000);

(xxi) 39-14-402 Burglary of an auto;

(xxii) 39-14-408 Vandalism ($501-$999);

(xxiii) 39-14-411 Utility service interruption or property damage;

(xxiv) 39-14-505 Aggravated criminal littering (2nd and 3rd offenses involving certain weight or volume);

(xxv) 39-14-602 Violation of Tennessee Personal and Commercial Computer Act ($501-$999);

(xxvi) 39-14-603 Unsolicited bulk electronic mail ($500-$999);

(xxvii) 39-16-201 Taking telecommunication device into penal institution;

(xxviii) 39-16-302 Impersonation of licensed professional;

(xxix) 39-16-603 Evading arrest in motor vehicle where no risk to bystanders;

(xxx) 39-16-609(e) Failure to appear (felony);

(xxxi) 39-17-106 Gifts of adulterated candy or food;

(xxxii) 39-17-417(f) Manufacture, delivery, sale or possession of Schedule V drug (fine not greater than $5,000);

(xxxiii) 39-17-417(g)(1) Manufacture, delivery, sale or possession of not less than 1/2 ounce and not more than 10 pounds of Schedule VI; drug marijuana (fine not greater than $1,000);

(xxxiv) 39-17-417(h) Manufacture, delivery, sale or possession of Schedule VII drug (fine not greater than $1,000);

(xxxv) 39-17-418(e) Simple possession or casual exchange (3rd offense);

(xxxvii) 39-17-422(c) Selling glue for unlawful purpose;

(xxxviii) 39-17-423(c) Counterfeit controlled substance;

(xxxix) 39-17-425(b)(1), (2), (3) Unlawful drug paraphernalia uses and activities;

(B) Except as provided in this subdivision (g)(1)(B), a person who was convicted of a misdemeanor offense committed on or after November 1, 1989. Misdemeanors excluded from consideration are:

(i) 39-13-101(a)(1) and (2) Assault;

(ii) 39-13-102 Aggravated assault of public employee;

(iii) 39-13-111 Domestic assault;

(iv) 39-13-113(g) Violation of protective or restraining order;

(v) 39-13-113(h) Possession of firearm while order of protection in effect;

(vi) 39-13-511 Public indecency 3rd or subsequent offense;

(vii) 39-13-511 Indecent exposure (victim under 13 years of age) or by person in penal institution exposing to a guard;

(viii) 39-13-526(b)(1)(2) Violation of community supervision by sex offender not constituting offense or constituting misdemeanor;

(ix) 39-13-528 Soliciting minor to engage in Class E sexual offense;

(x) 39-13-533 Unlawful sexual contact by authority figure;

(xi) 39-14-118 Fraudulent use of credit/debit card (up to $500);

(xii) 39-14-304 Reckless burning;

(xiii) 39-14-406 Aggravated criminal trespass of a habitation, hospital, or on the campus of any public or private school, or on railroad property;

(xiv) 39-15-201(b)(3) Coercion — abortion;

(xv) 39-15-210 Third or subsequent violation of "Child Rape Protection Act of 2006";

(xvi) 39-15-401(a) Child abuse (where child is between ages 7-17);

(xvii) 39-15-401(b) Child neglect and endangerment (where child is between ages 7-13);

(xviii) 39-15-404 Enticing a child to purchase intoxicating liquor — purchasing alcoholic beverage for child;

(xix) 39-15-404 Allow person 18-21 to consume alcohol on person's premises;

(xx) 39-15-414 Harboring or hiding a runaway child;

(xxi) 39-17-315 Stalking;

(xxii) 39-17-431 Unlawful dispensing of immediate methamphetamine precursor, sale of meth precursor to person on methamphetamine registry or purchase by someone on registry, possess meth precursor with intent to sell to another for unlawful use, purchase meth precursor for another for unlawful use, purchase meth precursor at different times and places to circumvent limits, and use false ID to purchase meth precursor for purpose of circumventing limits;

(xxiii) 39-17-437 Using substance or device to falsify drug test results and selling synthetic urine;

(xxiv) 39-17-438 Possession of the hallucinogenic plant Salvia Divinorum or the synthetic cannabinoids;

(xxv) 39-17-452 Sale or possession of synthetic derivatives or analogues of methcathinone;

(xxvi) 39-17-902(a) Importing, preparing, distributing, processing, or appearing in obscene material or Class A misdemeanors;

(xxvii) 39-17-907 Unlawful exhibition of obscene material;

(xxviii) 39-17-911 Sale or loan to minors of harmful materials;

(xxix) 39-17-918 Unlawful massage or exposure of erogenous areas;

(xxx) 39-17-1307(f)(1)(A) Possession of firearm after being convicted of misdemeanor crime of domestic violence;

(xxxi) 39-17-1307(f)(1)(B) Possession of firearm while order of protection is in effect;

(xxxii) 39-17-1307(f)(1)(C) Possession of firearm while prohibited by state or federal law;

(xxxiii) 39-17-1312 Failure of adult to report juvenile carrying gun in school;

(xxxiv) 39-17-1320(a) Non parent providing handgun to a juvenile;

(xxxv) 39-17-1352 Failure to surrender handgun carry permit upon suspension;

(xxxvi) 39-17-1363 Violent felon owning or possessing vicious dog;

(xxxvii) 39-13-101(a)(3) Assault (offensive or provocative physical contact);

(xxxviii) 39-13-511(a) Public indecency — first or second offense (punishable by $500 fine only);

(xxxix) 39-13-511(b)(2) Indecent exposure (victim 13 years old or older);

(xl) 39-15-412(b) Disseminating smoking paraphernalia to minor after 3 prior violations;

(xli) 39-16-404 Misuse of official information by public servant;

(xlii) 39-17-317 Disorderly conduct at funerals;

(xliii) 39-17-715 Possession of or consuming alcoholic beverages on K-12 school premises;

(xliv) 39-17-914 Display for sale or rental of material harmful to minors; and

(xlv) 55-10-401 Driving under the influence of an intoxicant; or

(C) A person who was convicted of a felony or misdemeanor committed prior to November 1, 1989, if:

(i) The person was sentenced to a determinate sentence, of three (3) years or less;

(ii) The person was sentenced to an indeterminate sentence for which the person served three (3) years or less;

(iii) The person has never had a previous conviction expunged as the result of the successful completion of a diversion program pursuant to §§ 40-15-102 – 40-15-106 or § 40-35-313; and

(iv) The offense for which the person was convicted:

(A) Did not have as an element the use, attempted use, or threatened use of physical force against the person of another;

(B) Did not involve, by its nature, a substantial risk that physical force against the person of another would be used in the course of committing the offense;

(C) Did not involve the use or possession of a deadly weapon;

(D) Was not a sex offense for which the offender is required to register as a sexual offender or violent sexual offender under Title 40, Chapter 39, Part 2; or any sex offense involving a minor;

(E) Did not result in the death, serious bodily injury or bodily injury to a person;

(F) Did not involve the use of alcohol or drugs and a motor vehicle;

(G) Did not involve the sale or distribution of a Schedule I, II, III, or IV controlled substance;

(H) Did not involve a minor as the victim of the offense; or

(I) Did not result in causing the victim or victims to sustain a loss of twenty-five thousand dollars ($25,000) or more.

(2) Notwithstanding the provisions of this section, effective July 1, 2012, an eligible petitioner may file a petition for expungement of that person's public records involving a criminal offense if:

(A) At the time of filing, the person has never been convicted of any criminal offense, including federal offenses and offenses in other states, other than the offense committed for which the petition for expungement is filed;

(B) At the time of the filing of the petition for expungement at least five (5) years have elapsed since the completion of the sentence imposed for the offense;

(C) The person has fulfilled all the requirements of the sentence imposed by the court in which the individual was convicted of the offense, including:

(i) Payment of all fines, restitution, court costs and other assessments;

(ii) Completion of any term of imprisonment or probation;

(iii) Meeting all conditions of supervised or unsupervised release; and

(iv) If so required by the conditions of the sentence imposed, remaining free from dependency on or abuse of alcohol or a controlled substance or other prohibited substance for a period of not less than one (1) year.

(4) A person seeking expungement shall petition the court in which the petitioner was convicted of the offense sought to be expunged is filed. Upon filing of the petition, the clerk shall serve the petition on the district attorney general for that judicial district. Not later than sixty (60) days after service of the petition, the district attorney may submit recommendations to the court and provide a copy of such recommendations to the petitioner.

(5) Both the petitioner and the district attorney general may file evidence with the court relating to the petition.

(6) In making a decision on the petition, the court shall consider all evidence and weigh the interests of the petitioner against the best interests of justice and public safety.

(7) If the court denies the petition, the petitioner may not file another such petition until at least two (2) years from the date of the denial.

(8) The district attorneys general conference shall, by September 1, 2012, create a simple form to enable a lay person to petition the court for expungement under this subsection (g).

(9) The petition and proposed order shall be prepared by the office of the district attorney general and given to the petitioner to be filed with the clerk of the court. A petitioner shall be entitled to a copy of the order of expungement and such copy shall be sufficient proof that the person named in the order is no longer under any disability, disqualification or other adverse consequence resulting from the expunged conviction.

(10) The district public defender of each judicial district shall annually conduct at least one (1) educational program providing information and assistance with the expungement process generally and the expungement process established pursuant to this subsection. The district public defenders conference shall maintain a video of the educational program on the conference's Web site, if available.

(11) The petitioner shall pay to the clerk of the court a fee of three hundred fifty dollars ($350.00) upon the filing of the petition. Fifty dollars ($50.00) of the fee shall be transmitted to the Tennessee Bureau of Investigation for the purpose of defraying the costs incurred from the additional expungement petitions filed and granted as the result of this subsection. The clerk shall retain ten dollars ($10.00) of the fee and shall remit the remainder to the trustee to be allocated in the following manner:

(A) Five percent (5%) to the public defenders expungement fund;

(B) Forty percent (40%) to the district attorneys expungement fund for the fiscal year 2012-2013; provided, however, for all fiscal years following 2012-2013 this percent shall be forty-five percent (45%); and

(C) Fifty-five percent (55%) to the state general fund for fiscal year 2012-2013; provided, however, for all fiscal years following 2012-2013 this percent shall be fifty percent (50%).

(12) There is created within the district attorneys general conference a district attorneys expungement fund. Monies in the district attorneys expungement fund shall be used to defray the expense incurred for the required record search and preparation of the petition and the proposed order of expungement under this subsection. Any remaining monies in the district attorneys expungement fund may be used by the district attorneys generals for law enforcement purposes, including, but not limited to, the hiring of expert witnesses, training, matching federal grants directly related to prosecutorial duties, the purchase of equipment and supplies necessary to carry out prosecutorial functions, the expenses of travel in the performance of official duties of the office, provided all reimbursement for travel expenses shall be in accordance with the provisions of the comprehensive travel regulations as promulgated by the Department of Finance and Administration and approved by the attorney general, salaries and salary supplements, which may only be paid through the district attorneys general conference for support staff. Such payments shall be subject to the limitation of § 40-3-209(b) on the use of any funds to supplement the salary of any assistant district attorney. Monies in the district attorneys expungement fund shall not revert to the general fund but shall be carried forward into the subsequent fiscal year. All funds in the district attorneys expungement fund shall be subject to annual audit by the comptroller of the treasury.

(13) There is created within the state treasury a public defenders expungement fund. Monies in the public defenders expungement fund shall be used to defray the expense incurred by conducting the educational activities required pursuant to this subsection. Subject to annual appropriation, any remaining monies in the public defenders expungement fund may be used in furtherance of the services and programs provided by public defenders for each judicial district. Monies in the public defenders expungement fund shall not revert to the general fund but shall be carried forward into the subsequent fiscal year.

(14) Beginning on July 1, 2013, the Tennessee Bureau of Investigation shall review the number of expungement petitions pursuant to this subsection, the cost of processing each petition and the amount of money paid in expungement fees to determine if the amount allotted the bureau to implement this subsection is adequate and if some portion of such funds could be used for other criminal justice purposes such as the criminal injuries compensation fund or drug court funding. The bureau shall report its findings to the general assembly in January of 2014.

(15)(A) Notwithstanding any other law to the contrary, an order of expungement granted pursuant to this subsection (g) entitles the petitioner to have all public records of the expunged conviction destroyed in the manner set forth in this section.

(B) Additionally, such an expungement has the legal effect of restoring the petitioner, in the contemplation of the law, to the same status occupied before the arrest, indictment, information, trial and conviction. Once the expungement order is granted and the petitioner pays the fee required by this subsection, no direct or indirect collateral consequences that are generally or specifically attendant to the petitioner's conviction by any provision of law shall be imposed or continued.

(C) A petitioner with respect to whom an order has been granted under this subsection (g) shall not be guilty of perjury or otherwise giving a false statement by reason of the person's failure to recite or acknowledge the arrest, indictment, information, trial or conviction in response to any inquiry made of the petitioner for any purpose.

(D) Expungement under this subsection (g) means, in contemplation of law, the conviction for the expunged offense never occurred and the person shall not suffer any adverse affects or direct disabilities by virtue of the criminal offense that was expunged.

(E) Notwithstanding § 39-17-1307(b)(1)(B) and (c), a petitioner whose petition is granted pursuant to this subsection (g), and who is otherwise eligible under state or federal law to possess a firearm, shall be eligible to purchase a firearm pursuant to § 39-16-1316 and apply for and be granted a handgun carry permit pursuant to § 39-17-1351.

SECTION 2. The clerk of the court maintaining records expunged pursuant to this subsection shall keep such records confidential. These records shall not be public and can only be used to enhance a sentence if the petitioner is subsequently charged and convicted of another crime. This confidential record is only accessible to the district attorney general, the defendant, the defendant's attorney and the circuit or criminal court judge.

SECTION 3. This act shall take effect July 1, 2012, the public welfare requiring it.

On motion, Amendment No. 4 was adopted.

On motion of Senator Beavers, Amendment No. 1 was withdrawn.

On motion of Senator Beavers, Amendment No. 2 was withdrawn.

Thereupon, **Senate Bill No. 3520**, as amended, passed its third and final consideration by the following vote:

Ayes 19
Noes 10

Senators voting aye were: Barnes, Burks, Campfield, Crowe, Faulk, Finney, Ford, Harper, Haynes, Henry, Herron, Ketron, Kyle, Marrero, Roberts, Southerland, Summerville, Tate and Mr. Speaker Ramsey--19.

Senators voting no were: Gresham, Johnson, Kelsey, Massey, McNally, Norris, Overbey, Tracy, Watson and Yager--10.

A motion to reconsider was tabled.

Senate Bill No. 3603 -- Fairs -- As introduced, authorizes the Commissioner of Agriculture to appoint a State Fair Advisory Commission to develop criteria and other standards for the Tennessee state fair. Amends TCA Title 4; Title 5; Title 12; Title 43 and Title 67.

Senator Haynes declared Rule 13 on **Senate Bill No. 3603**.

On motion, Senate Bill No. 3603 was made to conform with **House Bill No. 3208**.

On motion, House Bill No. 3208, on same subject, was substituted for Senate Bill No. 3603.

On motion of Senator Bell, Amendment No. 1 was withdrawn.

On motion of Senator Bell, Amendment No. 2 was withdrawn.

On motion of Senator Henry, Amendment No. 3 was withdrawn.

Thereupon, **House Bill No. 3208** passed its third and final consideration by the following vote:

Ayes 33
Noes 0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

Senate Bill No. 3770 -- Budget Procedures -- As introduced, authorizes the index of appropriations from state tax revenues for the 2011-2012 fiscal year to exceed the index of estimated growth in the state's economy by $250,000,000 or 2.01 percent.

On motion, Senate Bill No. 3770 was made to conform with **House Bill No. 3837**.

On motion, House Bill No. 3837, on same subject, was substituted for Senate Bill No. 3770.

House Bill No. 3837 passed its third and final consideration by the following vote:

Ayes 28
Noes 4

Senators voting aye were: Barnes, Beavers, Berke, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Henry, Herron, Johnson, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey --28.

Senators voting no were: Bell, Campfield, Kelsey and Roberts--4.

A motion to reconsider was tabled.

Senator Watson moved that **Senate Bill No. 233** be placed on the next Calendar, which motion prevailed.

Senator Marrero moved that **Senate Bill No. 3142** be placed at the heel of Calendar No. 1 for today, which motion prevailed.

FURTHER ACTION ON SENATE JOINT RESOLUTION NO. 725, AS AMENDED

Senator Bell withdrew his motion to refer **Senate Joint Resolution No. 725**, as amended, to the Committee on Energy and Environment.

Thereupon, **Senate Joint Resolution No. 725**, as amended, failed for lack of a constitutional majority by the following vote:

Ayes 14
Noes 6
Present, not voting . . . 8

Senators voting aye were: Barnes, Berke, Burks, Finney, Ford, Harper, Henry, Ketron, Kyle, Marrero, Norris, Stewart, Tate and Mr. Speaker Ramsey--14.

Senators voting no were: Bell, Johnson, McNally, Southerland, Summerville and Yager--6.

Senators present and not voting were: Beavers, Campfield, Crowe, Faulk, Gresham, Kelsey, Massey and Roberts--8.

A motion to reconsider was tabled.

Pursuant to Rule 62, **Senate Joint Resolution No. 725**, as amended, was rereferred to Committee on Calendar.

Senate Bill No. 3507 -- Taxes -- As introduced, raises from $15.00 to $30.00 the minimum penalty assessed, regardless of the amount of tax due or whether there is any tax due, when any person fails to timely make any return or report or fails to timely pay any taxes shown to be due on the return or report. Amends TCA Title 67.

Senator McNally moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all of the language following the enacting clause and substituting instead the following:

SECTION 1. (a) The comptroller of the treasury, in conjunction with the Department of Environment and Conservation and the Department of Revenue, is urged to:

(1) Study laws and policies dealing with Tennessee's taxation of recycle products using a raw material in the manufacturing process; and

(2) Investigate any tax policy or make any recommendation that would help promote Tennessee's businesses using more recycled material in their manufacturing process.

(b) The comptroller of the treasury shall report findings and recommendations to the Finance, Ways and Means Committees of the Senate and House of Representatives by January 15, 2013.

SECTION 2. This act shall take effect upon becoming law, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 3507**, as amended, passed its third and final consideration by the following vote:

Ayes 30
Noes 0

Senators voting aye were: Beavers, Bell, Berke, Burks, Crowe, Faulk, Finney, Ford, Gresham, Harper, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--30.

A motion to reconsider was tabled.

Mr. Speaker Ramsey moved that **Senate Bill No. 3142** be placed on the next Calendar, which motion prevailed.

MOTION

Senator Faulk moved that Rule 19 and Rule 40 be suspended for the purpose of making and considering the Message Calendar consisting of the following bills: **Senate Bills Nos. 420, 1878, 2633 and 2735**; and **House Bill No. 1105**, which motion prevailed.

MESSAGE CALENDAR

SENATE BILL ON HOUSE AMENDMENT

Senate Bill No. 420 -- Mental Health, Dept. of -- As introduced, changes the requirement that the statewide planning and policy council meet at least quarterly to meeting at least twice each year. Amends TCA Title 33.

HOUSE AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 33, Chapter 6, Part 6, is amended by adding the following as a new section:

33-6-624.

(a)(1) There shall be created a pilot project in Knox County, Tennessee, for up to two (2) years for a maximum of ten (10) patients at any given time to receive assisted outpatient treatment.

(2) In addition to any authorized action under § 33-6-502, a court of competent jurisdiction may order a proposed patient to receive assisted outpatient treatment upon finding that the conditions of § 33-6-502(1)-(3) have been met.

(b) Before ordering an outpatient treatment plan pursuant to this part, the court shall comply with subsections (c)-(f).

(c)(1) A proposed outpatient treatment plan, developed pursuant to this section by a physician or a professional designated under § 33-6-427(a) or (b) who has examined the proposed patient no more than ten (10) days prior to the entering of an order pursuant to this part, shall be presented to the court in writing. The plan shall include all services the examining physician or a professional designated under § 33-6-427(a) or (b) recommends that the proposed patient receive, and for each such recommended service, identify an appropriate community-based provider that has agreed to provide it.

(2) If the proposed outpatient treatment plan includes alcohol or substance abuse counseling and treatment, it may include a provision requiring relevant testing for either alcohol or illegal substances; provided the clinical basis of the physician or a professional designated under § 33-6-427 (a) or (b) for recommending such plan provides sufficient facts for the court to find:

(A) That such person has a history of alcohol or substance abuse that is clinically related to the mental illness; and

(B) That such testing is necessary to prevent a relapse or deterioration which would be likely to result in serious harm to the person or others.

(3) The examining physician or a professional designated under § 33-6-427(a) or (b) shall:

(A) Provide an opportunity to actively participate in the development of the treatment plan to the proposed patient, the treating physician or a professional designated under § 33-6-

427(a) or (b), if any, and, upon the rest of the proposed patient, any other individual significant to the proposed patient; and

(B) Make reasonable efforts to gather information that may be relevant in the development of the treatment plan from the proposed patient's family or significant others.

(d) At all stages of a proceeding commenced under this section, the proposed patient shall have the right to be represented by counsel. If neither the patient nor others provide counsel, the court shall appoint counsel for the proposed patient. Upon request of the proposed patient, the court shall order an independent examination by a physician or a professional designated under § 33-6-427(a) or (b) only when retained by the proposed patient.

(e)(1) Upon receipt of a petition for which assisted outpatient treatment may be an option, the court shall fix the date for a hearing. Such date shall be no later than ten (10) days from the date such petition is received by the court excluding Saturdays, Sundays, and holidays. Adjournments shall be permitted only for good cause shown. In granting adjournments, the court shall consider the need for further examination of the proposed patient and the potential need to provide assisted outpatient treatment expeditiously. The court shall cause the proposed patient, any other person to whom notice is due under this chapter, the petitioner, the physician or a professional designated under § 33-6-427(a) or (b) whose affirmation or affidavit accompanied the petition, and such other persons as the court may determine to be advised of such date. Upon such date, or upon such other date to which the proceeding may be adjourned, the court shall hear testimony and, if it is deemed advisable and the proposed patient is available, examine the proposed patient in or out of court. If the proposed patient does not appear at the hearing, and appropriate attempts to elicit the attendance of the proposed patient have failed, the court may conduct the hearing in the proposed patient's absence. In such case, the court shall set forth the factual basis for such determination.

(2) If the affidavit or affirmation of the physician or a professional designated under § 33-6-427(a) or (b) accompanying the petition indicates that the proposed patient has not submitted to an examination in the ten (10) days prior to the filing of the petition, the court may request the proposed patient to submit to an examination by a physician or a professional designated under § 33-6-427(a) or (b) appointed by the court. If the proposed patient does not consent and the court finds reasonable cause to believe that the allegations in the petition are true, the court may order law enforcement officers to take the proposed patient into custody in accordance with § 33-6-618 and transport the patient to a hospital for examination by a physician or a professional designated under § 33-6-427(a) or (b). Transportation will be conducted in accordance with Parts 4 and 9 of this chapter. The subject may be detained for the period required to complete the examination, but not more than forty-eight (48) hours. The physician or

a professional designated under § 33-6-427(a) or (b) whose affirmation or affidavit accompanied the petition may perform such examination of the proposed patient if the physician or a professional designated under § 33-6-427(a) or (b) is privileged or otherwise authorized by such hospital to do so. If such examination is performed by another physician or a professional designated under § 33-6-427(a) or (b), the examining physician or a professional designated under § 33-6-427(a) or (b) may consult with the physician or a professional designated under § 33-6-427(a) or (b) whose affirmation or affidavit accompanied the petition as to whether the subject meets the criteria for assisted outpatient treatment. Upon completion of the examination, the subject shall be released and the examining physician or a professional designated under § 33-6-427(a) or (b) shall report the finding of the examination to the court. The court shall not hold a hearing on the petition unless and until the examining physician or a professional designated under § 33-6-427(a) or (b) submits to the court:

(A) An affidavit or affirmation stating that the physician or a professional designated under § 33-6-427(a) or (b) concurs that the proposed patient meets the criteria for assisted outpatient treatment; and

(B) A proposed assisted outpatient treatment plan for the proposed patient, developed by the examination physician or a professional designated under § 33-6-427(a) or (b), and conforming to the requirements of subsection (c).

(3) The court shall not order assisted outpatient treatment unless an examining physician or a professional designated under § 33-6-427(a) or (b) who has personally examined the proposed patient no more than ten (10) days before the filing of the petition and recommends assisted outpatient treatment, testifies at the hearing. Such physician or a professional designated under § 33-6-427(a) or (b) shall testify to:

(A) The facts and clinical determinations that support the allegations that the proposed patient meets each of the criteria for assisted outpatient treatment; and

(B) The proposed assisted outpatient treatment plan, the rationale for each component of such plan, and whether each such component is the least restrictive available alternative to serve the clinical needs of the proposed patient; and

(C) A history of medication compliance.

(4) The proposed patient shall be afforded an opportunity to present evidence, to call witnesses on the patient's behalf, and to cross-examine adverse witnesses.

(5) Unless the proposed patient requests a public hearing, the hearing shall be confidential and a report of the proceedings shall not be released to the public or press.

(f)(1) If after hearing all relevant evidence, the court does not find by clear and convincing evidence that the proposed patient meets the criteria for assisted outpatient treatment, the court shall not order outpatient treatment under this section and shall order inpatient care and treatment under § 33-6-502 or make other dispositions as authorized by law.

(2) If after hearing all relevant evidence, the court finds by clear and convincing evidence that the proposed patient meets the criteria for assisted outpatient treatment, the court may order the proposed patient to receive assisted outpatient treatment for an initial period not to exceed six (6) months. In fashioning the order, the court shall specifically make findings by clear and convincing evidence that the ordered treatment is the least restrictive treatment appropriate and feasible for the proposed patient, and that community resources and a willing treatment provider are available to support such treatment. The order shall state an assisted outpatient treatment plan, which shall include all categories of assisted outpatient treatment that the proposed patient is to receive, but shall not include any such category that has not been recommended in both the proposed written treatment plan and the testimony provided to the court.

(3) If after hearing all relevant evidence the court finds by clear and convincing evidence that the proposed patient meets the criteria for assisted outpatient treatment and that the treatment recommended by the examining physician or a professional designated under § 33-6-427(a) or (b) is in whole or in part appropriate, but the court does not find by clear and convincing evidence that community resources and a willing treatment provider are available to provide such treatment, the court shall state such findings of fact on the record and deny assisted outpatient treatment without prejudice and may order such other treatment or commitment as authorized by law.

(4) The petitioner shall cause a copy of any court order issued pursuant to this section to be served personally, or by mail, facsimile or electronic means, upon the assisted outpatient and all service providers identified in the treatment plan.

(g) In addition to any other right or remedy available by law with respect to the order for assisted outpatient treatment, either party to the order may apply to the court, on notice to the other party and all others entitled to notice, to stay, vacate, or modify the order.

(h) The treatment provider may modify the treatment plan according to the treatment needs of the assisted outpatient and provide notice to the court and petitioner.

(i) Within thirty (30) days prior to the expiration of an order for assisted outpatient treatment, the original applicant, if the petitioner retains the status of an authorized petitioner pursuant to this chapter, or, in the absence of a timely petition by the original petitioner, any other person authorized to petition pursuant to this chapter, may apply to the court to order continued assisted outpatient treatment and the court may order continued assisted outpatient treatment for a period not to exceed six (6) months from the expiration date of the current order if the court finds by clear and convincing evidence that the assisted outpatient treatment continues to meet the criteria in this part. If the court's disposition of such petition does not occur prior to the expiration date of the current order, the current order shall remain in effect for up to an additional thirty (30) days without further action of the court. If the court's disposition of such petition does not occur within thirty (30) days after the expiration date of the current order, the order for assisted outpatient treatment shall terminate. The procedures for obtaining any order pursuant to this subsection (i) shall be in accordance with this section;

(j) Section 33-6-607 shall apply to the costs incurred for services ordered under this section.

(k) An assisted outpatient's substantial failure to comply with the order of the court shall constitute reason for a physician or a professional designated under § 33-6-427(a) or (b) to determine whether the assisted outpatient is subject to emergency detention under § 33-6-401, and shall give rise to the authority under § 33-6-402 for such physician or a professional designated under § 33-6-427(a) or (b) to take custody of the assisted outpatient. Failure to comply with an order of assisted outpatient treatment shall not be grounds for a finding of contempt of court or for non-emergency involuntary detention under this title. Nothing in this section precludes the use of detention by law enforcement officers under § 33-6-402.

(l) The Commissioner of Mental Health is authorized to promulgate rules to implement the provisions of this section in accordance with the Uniform Administration Procedures Act, compiled in Title 4, Chapter 5.

SECTION 2. This act shall take effect July 1, 2012, the public welfare requiring it. For purposes of rulemaking, this act shall be effective upon becoming a law.

Senator Massey moved that the Senate concur in House Amendment No. 1 to **Senate Bill No. 420**, which motion prevailed by the following vote:

Ayes 28
Noes 0

Senators voting aye were: Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Massey, McNally, Norris, Overbey, Roberts, Southerland, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--28.

A motion to reconsider was tabled.

HOUSE AMENDMENT NO. 2

AMEND by deleting in § 33-6-624(c)(3)(A) of Section 1 the language "rest" and substituting instead the language "request".

AND FURTHER AMEND in § 33-6-624(e)(2) of Section 1 by deleting the language "finding" and substituting instead the language "findings".

AND FURTHER AMEND in § 33-6-624(e)(2)(B) of Section 1 by deleting the language "examination" and substituting instead the language "examining".

AND FURTHER AMEND in § 33-6-624(f)(2) of Section 1 by deleting the language "lease" and substituting instead the language "least".

AND FURTHER AMEND in § 33-6-624(i) of Section 1 by deleting the language "assisted outpatient for" and substituting instead "assisted outpatient treatment for" and by deleting the language "assisted outpatient continues" and substituting instead the language "assisted outpatient treatment continues".

Senator Massey moved that the Senate concur in House Amendment No. 2 to **Senate Bill No. 420**, which motion prevailed by the following vote:

Ayes 30
Noes 0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--30.

A motion to reconsider was tabled.

SENATE BILL ON HOUSE AMENDMENT

Senate Bill No. 1878 -- Administrative Procedure (UAPA) -- As introduced, requires new fees or fee increases created by state agencies through the promulgation of a rule to take effect on July 1 following the date of filing of the rule with the secretary of state. Amends TCA Title 4, Chapter 5, Part 2.

HOUSE AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 5, Part 2, is amended by adding the following as a new, appropriately designated section:

4-5-2__.

(a) Except as provided in subsections (b) and (c), any new fee or fee increase promulgated by state agency rule, in accordance with Title 4, Chapter 5, shall take effect on the July 1st following expiration of the ninety (90) days as provided in § 4-5-207.

(b) This section shall not apply to rules that implement new fees or fee increases that are promulgated as emergency rules pursuant to § 4-5-208(a) and to subsequent rules that make permanent the provisions of such emergency rules, as amended during the rulemaking process.

(c) This section shall not apply to state agencies that did not, during the preceding two (2) fiscal years, collect fees in an amount sufficient to pay the cost of operating the board, commission or entity in accordance with § 4-29-121(b).

SECTION 2. This act shall take effect July 1, 2013, the public welfare requiring it, and shall apply to new fees and fee increases created by rules filed with the secretary of state after such date.

Senator Kyle moved that the Senate concur in House Amendment No. 1 to **Senate Bill No. 1878**, which motion prevailed by the following vote:

Ayes 31
Noes 0

Senators voting aye were: Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--31.

A motion to reconsider was tabled.

SENATE BILL ON HOUSE AMENDMENT

Senate Bill No. 2633 -- Licenses -- As introduced, increases the minimum fees for unrestricted initial staff leasing company licenses and renewals thereof from $100 for residents and $150 for nonresidents to $150 and $200 respectively. Amends TCA Title 56, Chapter 56 and Title 62, Chapter 43.

HOUSE AMENDMENT NO. 4

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 62, Chapter 43, is amended by deleting the chapter in its entirety and by substituting instead the following:

62-43-101. This chapter shall be known and may be cited as the "Tennessee Professional Employer Organization Act".

62-43-102. As used in this chapter, unless the context otherwise requires:

(1) "Applicant" means a person seeking an initial or renewal registration pursuant to this chapter;

(2) "Audit" means an engagement performed in accordance with the Statements on Auditing Standards (SAS);

(3) "Client" means any person who enters into a professional employer agreement with a professional employer organization;

(4) "Co-employer" means either a professional employer organization or a client;

(5) "Co-employment relationship" means a relationship which is intended to be an ongoing relationship rather than a temporary or project specific one, wherein the rights, duties, and obligations of an employer which arise out of an employment relationship have been shared and allocated between co-employers pursuant to a professional employer agreement and this chapter;

(6) "Covered employee":

(A) Means an individual having a co-employment relationship with a professional employer organization and a client who meets all of the following criteria:

(i) The individual has received written notice of co-employment with the professional employer organization; and

(ii) The individual's co-employment relationship results pursuant to a professional employer agreement; and

(B) Includes individuals who are officers, directors, shareholders, partners, and managers of the client; provided, that such individuals meet the criteria of subdivision (6)(A) and act as operational managers or perform day-to-day operational services for the client, unless the professional employer organization and the client have expressly agreed in the professional employer agreement that such individuals shall not be covered employees;

(7) "Department" means the Department of Commerce and Insurance;

(8) "Local governmental entity" means a governing body, board, commission, committee or department of a municipality or county;

(9) "Person" has the same meaning as in § 1-3-105 and as amended;

(10) "Professional employer agreement" means a written contract between a client and a professional employer organization that provides:

(A) For the co-employment of covered employees;

(B) For the allocation of employer rights and obligations between the client and the professional employer organization with respect to covered employees; and

(C) That the professional employer organization and the client assume the responsibilities required by this chapter;

(11) "Professional employer organization":

(A) Means any person engaged in the business of providing professional employer services, regardless of the use of the term or conducting business as a "professional employer organization", "PEO", "staff leasing company", "registered staff leasing company", "employee leasing company", "administrative employer", or any other name; and

(B) Includes a professional employer organization group;

(12) "Professional employer organization benefit and welfare plan" means a plan offered to covered employees of a professional employer organization registered pursuant to this chapter;

(13) "Professional employer organization group" means two (2) or more professional employer organizations that are majority owned or commonly controlled by the same entity, parent or controlling person;

(14) "Professional employer services" means the service of entering into co-employment relationships under this chapter in which all or a majority of the employees providing services to a client, a division or work unit of a client are covered employees;

(15) "Registrant" means a professional employer organization registered under this chapter;

(16) "Small operations" means an applicant or registrant with less than fifty million dollars ($50,000,000) in annualized wages;

(17) "Temporary help services" means services consisting of a person:

(A) Recruiting and hiring its own employees;

(B) Finding other organizations that need the services of its employees;

(C) Assigning its employees:

(i) To perform work at or services for the other organizations to support or supplement the other organizations' workforces;

(ii) To provide assistance in special work situations such as, but not limited to, employee absences, skill shortages or seasonal workloads; or

(iii) To perform special assignments or projects; and

(D) Customarily attempting to reassign its employees to other organizations when they finish each assignment; and

(18) "Working capital" means the excess of current assets over current liabilities as determined by generally accepted accounting principles.

62-43-103.

(a)(1) The department may promulgate rules and prescribe forms reasonably necessary for the administration and enforcement of §§ 62-43-106, 62-43-107 and 62-43-112.

(2) Rules shall be promulgated pursuant to the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5 and as amended.

(b)(1) The professional employer organization advisory council is created and shall consist of five (5) members to be appointed by the governor to four (4) year terms. A term shall become effective on appointment and continue until a successor has been appointed. A vacancy shall be filled by appointment to the unexpired term by the governor.

(2)(A) Three (3) members of the council shall be individuals owning or working for a professional employer organization.

(B) The remaining two (2) members shall:

(i) Be residents of this state; and

(ii) Not be, or ever have been, connected with a professional employer organization.

(C) Among the members described in subdivision (b)(2)(B):

(i) One (1) such member shall represent the consumer interests of this state; and

(ii) One (1) such member shall be a representative of the department.

(3) The council shall elect a chair and other officers to a term of one (1) year or until a successor is elected. Meetings may be called by the chair or by any two (2) members. A meeting may be held by electronic means. Three (3) members shall constitute a quorum to conduct business. Whenever vacancies prevent a quorum, the remaining members shall constitute a quorum for the purposes of recommending to the governor appointments to the council.

(4) Members shall serve without compensation.

(5) The following are the powers and duties of the council:

(A) Determine its rules of order and procedure;

(B) Recommending to the governor appointments to the council;

(C) Send notice of its agenda and proceedings to any requesting person;

(D) Petition the department, pursuant to § 4-5-201 and as amended; and

(E) Advise the department on this chapter.

(6)(A) The council is attached to the department for the purposes of administration and cooperation.

(B) The department shall notify the council of any action pursuant to the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5 and as amended, relating to a rule promulgated pursuant to this chapter.

(C) Any nonprofit organization representing five (5) or more professional employer organizations registered in this state may recommend appointments to the council.

62-43-104. All records, reports and other information obtained from an applicant or registrant under this chapter, except to the extent necessary for the proper administration of this chapter by the department, shall be confidential and shall not be published or open to public inspection other than to public employees in the actual performance of their public duties.

62-43-105.

(a) Nothing contained in this chapter or in any professional employer agreement shall affect, modify or amend any collective bargaining agreement, or the rights or obligations of any client, professional employer organization or covered employee under:

(1) The National Labor Relations Act, compiled in 29 U.S.C. §§ 131 et seq. and as amended;

(2) The Railway Labor Act, compiled in 45 U.S.C. §§ 151 et seq and as amended; or

(3) Applicable state labor relations law, compiled in Titles 12 and 50 and as amended.

(b) Nothing in this chapter or in any professional employer agreement shall:

(1) Diminish, abolish or remove rights of covered employees to a client or obligations of such client to a covered employee existing prior to the effective date of the professional employer agreement;

(2) Affect, modify or amend any contractual relationship or restrictive covenant between a covered employee and any client in effect at the time a professional employer agreement becomes effective;

(3) Prohibit or amend any contractual relationship or restrictive covenant that is entered into subsequently between a client and a covered employee;

(4) Impose responsibility or liability on a professional employer organization in connection with, or arising out of, any such existing or new contractual relationship or restrictive covenant between the client and a covered employee unless the professional employer organization has specifically agreed otherwise in writing; or

(5) Create any new or additional enforceable right of a covered employee against a professional employer organization that is not specifically provided by the professional employer agreement or this chapter.

(c) Nothing contained in this chapter or any professional employer agreement shall affect, modify or amend any state, local governmental entity or federal licensing, registration, or certification requirement applicable to any client or covered employee.

(1) A covered employee who must be licensed, registered or certified according to law or regulation is deemed solely an employee of the client for purposes of any such license, registration or certification requirement.

(2) A professional employer organization shall not be deemed to engage in any occupation, trade, profession or other activity that is subject to licensing, registration or certification requirements, or is otherwise regulated by a local governmental entity solely by entering into and maintaining a co-employment relationship with a covered employee who is subject to such requirements or regulation.

(3) A client shall have the sole right of direction and control of the professional or licensed activities of covered employees and of the client's business. Such covered employees and clients shall remain subject to regulation by the state or local governmental entity responsible for licensing, registration or certification of such covered employees or clients.

(d)(1) For purposes of determination of tax credits and other economic incentives provided by this state or a local government entity and based on employment, covered employees shall be deemed employees solely of the client.

(2) A client shall be entitled to the benefit of any tax credit, economic incentive or other benefit arising as the result of the employment of covered employees of such client.

(3) Notwithstanding that the professional employer organization is the W-2 reporting employer, the client shall continue to qualify for such benefit, incentive or credit.

(4) If the grant or amount of any such credit, incentive or benefit is based on the number of employees, then each client shall be treated as employing only those covered employees co-employed by the client. Covered employees working for other clients of the professional employer organization shall not be counted.

(5) Each professional employer organization shall provide, upon request by a client, an agency or department of this state or local governmental entity, employment information reasonably required by any agency or department of this state responsible for administration of any such tax credit, economic incentive or benefit and necessary to support any request, claim, application or other action by a client seeking any such tax credit, economic incentive or benefit.

(e) With respect to a bid, contract, purchase order or agreement entered into with this state or a local governmental entity, a client company's status or certification as a Tennessee small business, minority-owned business, Tennessee service-disabled veteran owned business, disadvantaged business or woman-owned business, or as a historically underutilized business enterprise, is not affected because the client company has entered into an agreement with a professional employer organization or uses the services of a professional employer organization.

(f) In a co-employment relationship:

(1) The professional employer organization is entitled to enforce only such employer rights, and is subject to only those obligations, specifically allocated to the professional employer organization by the professional employer agreement or this chapter;

(2) The client is entitled to enforce:

(A) The rights, and obligated to provide and perform the employer obligations, allocated to the client by the professional employer agreement and this chapter; and

(B) Any right or obligation, not specifically allocated to the professional employer organization by the professional employer agreement or this chapter.

(g) A person is not a professional employer organization if the person:

(1)(i) Engages in a principal business activity that does not involve entering into professional employer arrangements;

(ii) Does not hold itself out as a professional employer organization; and

(iii) Shares employees with a commonly owned company within the meaning of §§ 414(b) and (c) of the Internal Revenue Code of 1986, as amended;

(2) Provides temporary help services; or

(3) Assumes responsibility through independent contractor arrangements for the product produced or service performed by such person or his agents and retains and exercises primary direction and control over the work performed by the individuals whose services are supplied under such arrangements.

62-43-106.

(a)(1) No person shall provide, advertise or otherwise hold itself out as providing professional employer services in this state unless such person is registered under this chapter.

(2) The department shall register an applicant meeting the requirements of this chapter.

(3)(A) If the department denies registration to an applicant, the department shall provide written notice that includes the reasons for the denial. The applicant shall have sixty (60) days from the date the notice was sent to:

(i) Submit proof to the department that the reasons for the denial have been cured; or

(ii) Request, in writing, reconsideration from the commissioner.

(B) The department shall provide written notice of its determination after considering the applicant's submission or request under subdivisions (a)(3)(A)(i) or (a)(3)(A)(ii) within thirty (30) days of receiving a submission or request.

(C)(i) After submission of a written request for consideration, an initial applicant shall have the right to appear before the commissioner or the commissioner's designee to present the applicant's request for reconsideration. If an applicant wishes to appear before the commissioner or the commissioner's designee to present their request for reconsideration, then the department shall provide written notice of its determination within thirty (30) days after such appearance; provided, that it is the commissioner's decision as to whether or not the defect or defects have been cured and whether or not to issue the registration.

(ii) An applicant who is not an initial applicant may request a hearing pursuant to § 4-5-320 before the commissioner makes a final determination to deny a renewal registration.

(4) Registration under this chapter shall remain in force for two (2) years from the date of issuance of registration.

(b) Each applicant for initial registration under this chapter shall submit to the department the following:

(1) Any name under which the applicant conducts business;

(2) The address of the principal place of business of the applicant and of each office it maintains in this state;

(3) The applicant's taxpayer or employer identification number;

(4) A list by state of each name under which the applicant has operated in the preceding five (5) years, including any alternative names, names of predecessors and, if known, successor business entities;

(5) A statement of ownership, which shall include the name, address and principal occupation of any person that, individually or acting in concert with one (1) or more other persons, owns or controls, directly or indirectly:

(A) Twenty percent (20%) or more of the equity interests of the applicant who is a publicly traded entity; or

(B) Ten percent (10%) or more of the equity interest of the applicant who is not a publicly traded entity;

(6) A statement of management, which shall include the name, address and principal occupation of any person who serves as president, chief executive officer or otherwise has the authority to act as a senior executive officer of the applicant;

(7) If the applicant or a person listed in subdivisions (b)(5) or (6) has in any jurisdiction:

(A) Been convicted of or entered a plea of *nolo contendere* to a crime relating to the operation of a professional employer organization;

(B) Been disciplined relating to the operation of a professional employer organization;

(C) Been convicted of or entered a plea of *nolo contendere* to an offense relating to bribery, dishonesty or fraud;

(D) Been convicted of or entered a plea of *nolo contendere* to any felony; or

(E) Been found liable for civil fraud;

(8) A financial statement setting forth the financial condition of the applicant; provided, that:

(A) The applicant shall submit the most recent audit of the applicant with its initial application;

(B) No financial statement submitted with the initial application shall be older than thirteen (13) months from the date of the report of the auditor;

(C) Within one hundred eighty (180) days of the close of an applicant's fiscal year, the applicant shall submit its most recent financial statement; provided, that an applicant may apply to the department for additional time to submit its financial statements, and such a request shall be accompanied by a letter from the auditors stating the reasons for the delay and the anticipated audit completion date;

(D) Financial statements submitted pursuant to this subdivision (b)(8) shall be prepared in accordance with generally accepted accounting principles and audited by an independent certified public accountant licensed to practice in the jurisdiction in which such accountant is located; provided, that no resulting report of the auditor shall include:

(i) A qualification or disclaimer of opinion as to adherence to generally accepted accounting principles; or

(ii) A statement expressing substantial doubt about the ability of the applicant to continue as a going concern;

(E) An applicant may submit combined or consolidated audited financial statements to meet the requirements of this section;

(F) Notwithstanding subdivision (b)(8)(D)(i):

(i) An applicant that has not had sufficient operating history to have financial statements based upon at least twelve (12) months of operating history shall meet the financial capacity requirements in subsection (c) and submit financial statements reviewed by an independent certified public accountant; and

(ii) If an applicant is a subsidiary or is related to a variable interest entity, then the applicant may submit financial statements of the professional employer organization, professional employer organization group or the controlling organization;

(G)(i) In lieu of audited financial statements required by this subdivision (b)(8), an applicant or registrant with small operations may submit financial statements compiled by an independent certified public accountant.

(ii) The department shall consider an applicant or registrant a professional employer organization with small operations if the applicant or registrant submits to the department:

(a) A request to be deemed a PEO with small operations on a form prescribed by the department; and

(b) The most recent fourth quarter federal Form 941 of the applicant or registrant and any related person that offers professional employer services; provided, the aggregate annualized wages shall be less than fifty million dollars ($50,000,000).

(iii) The form required in subdivision (b)(8)(G)(ii) shall be submitted to the department in any year the applicant or registrant seeks to be considered a professional employer organization with small operations.

(iv) In any year that an applicant or registrant with small operations does not meet the requirements to maintain such status, that applicant or registrant shall have six (6) months from the close of the current fiscal year of the applicant or registrant to either:

(a) Meet the requirements of this subdivision (b)(8)(G); or

(b) Submit audited financial statements;

(9) Evidence of workers' compensation coverage for covered employees in this state who are subject to the Tennessee Workers' Compensation Law, compiled in Title 50, Chapter 6 and as amended; and

(10) A written statement in regards to whether the applicant sponsors a self-insured health plan.

(c) Except as provided by subdivision (b)(8)(F)(i) and subsection (f), an applicant shall maintain either:

(1) Positive working capital at registration as reflected in the financial statements submitted to the department under subdivision (b)(8); or

(2) An applicant that does not have positive working capital may provide a bond, irrevocable letter of credit or securities with a minimum market value equaling the deficiency plus one hundred thousand dollars ($100,000) to the department; provided, that such instruments are to be held by an institution designated by the department, securing payment by the applicant of all taxes, wages, benefits or other entitlements due to or with respect to covered employees if the applicant does not make such payments when due.

(d)(1) No later than one hundred eighty (180) days after the applicant's fiscal year that is the second year of its current registration, the applicant may renew its registration by:

(A) Notifying the department of any changes in the information submitted under subsection (b); and

(B) Submitting the financial statement required under subdivision (b)(8) or the alternatives under subdivision (b)(8)(G) or subsection (c), as applicable.

(2) An applicant's existing registration shall remain in effect during the pendency of a renewal application.

(e) An applicant who is a professional employer organization group may satisfy the requirements in this section on a combined or consolidated basis provided that each member of the professional employer organization group guarantees the financial capacity obligations under this chapter of each other member of the professional employer organization group. In the case of a professional employer organization group that submits a combined or consolidated audited financial statement including entities that are not professional employer organizations or that are not in the professional employer organization group, the controlling entity of the professional employer organization group under the consolidated or combined statement shall guarantee the obligations of the professional employer organizations in the professional employer organization group.

(f)(1) An applicant is eligible for a limited registration under this chapter if such applicant:

(A) Submits a request for limited registration to the department;

(B) Is domiciled outside this state and is licensed or registered as a professional employer organization in another state;

(C) Does not maintain an office in this state or directly solicits clients located or domiciled within this state; and

(D) Does not have more than fifty (50) covered employees employed or domiciled in this state.

(2) Limited registration is valid for two (2) years and may be renewed.

(3) An applicant seeking limited registration under this subsection (f) shall provide the department with information and documentation necessary to show that the applicant qualifies for a limited registration.

(4) Subdivision (b)(8) and subsection (c) shall not apply to applicants for limited registration.

(g) Notwithstanding § 62-43-104, the department shall maintain a list of registrants that is readily available to the public by electronic or other means.

(h)(1) The department shall to the extent practical, permit the acceptance of electronic filings in conformance with the Uniform Electronic Transactions Act, compiled in Title 47, Chapter 10 and as amended, including applications, documents, reports and other filings required by this chapter.

(2) The department may provide for the acceptance of electronic filings and other assurance by an independent and qualified assurance organization approved by the department that provides satisfactory assurance of compliance acceptable to the department consistent with or in lieu of the requirements in subsections (b) and (c), and other requirements of this chapter or the rules promulgated pursuant to it.

(3) The department may permit an applicant to authorize such an approved assurance organization to act on the applicant's behalf in complying with the registration requirements of this chapter, including electronic filings of information and payment of registration fees; provided, that use of such an approved assurance organization shall be optional and not mandatory for an applicant.

(4) Nothing in this subsection (h) shall limit or change the department's authority to register or terminate registration of a registrant or applicant or to investigate or enforce this chapter.

(i) A registrant shall:

(1) Submit to the department, within ninety (90) days of the end of each calendar quarter, a statement by an independent certified public accountant or independent public accountant that for the quarter

all applicable payroll taxes have been paid on a timely basis. Upon a showing of reasonable cause, one (1) thirty-day extension per quarter shall be granted by the department;

(2) Maintain and make available for the department's inspection any and all records concerning the registrant's conduct of business under its registration, which records shall be maintained for a period of three (3) years after termination of the professional employer agreement;

(3) Notify the department in writing of a change in the information submitted under subdivisions (b)(1)-(7) within thirty (30) days of such change;

(4) Post the registration issued under this chapter in a conspicuous place in the principal place of business and display in clear public view in each registrant's office in this state a notice stating that the professional employer organization is licensed and regulated by the department and that any questions or complaints should be directed to the department; and

(5) Submit a written response to a written inquiry from the department within thirty (30) days of receiving the inquiry.

62-43-107.

(a) The department may establish the following fees by rule:

(1) Initial application fee;

(2) Initial registration fee, which includes a fee for limited registration, as applicable; and

(3) Renewal registration fee.

(b) No fee charged pursuant to this section shall exceed the amount reasonably necessary for the administration of this chapter. All fees collected by this state pursuant to this chapter shall be used by the department to implement and administer this chapter. The fees shall be deposited in a reserve for such purposes and the principal and interest of the reserve shall not revert on June 30 of any year.

(c) Fees under this section shall be:

(1) Remitted with the application or with the hearing request;

(2) Payable to this state; and

(3) Nonrefundable.

62-43-108.

(a)(1) The co-employment relationship shall be based on a written professional employer agreement between the client and the professional employer organization setting forth the responsibilities and duties of each co-employer. The professional employer agreement shall disclose to the client the services to be rendered, including charges and fees, the respective rights and obligations of the parties and provide that the professional employer organization:

(A) Reserves a right of direction and control over covered employees of the client; however, the client may retain sufficient direction and control over covered employees that is necessary to conduct the client's business and without which the client would be unable to conduct its business, discharge any fiduciary responsibility that it may have or comply with any applicable licensure, regulatory or statutory requirement of the client;

(B) Pursuant to this section, assumes responsibility for the payment of wages of its covered employees, its payroll-related taxes and its employee benefits from its own accounts without regard to payments by the client to the professional employer organization; and

(C) Retains a right to hire, terminate and discipline covered employees.

(2) A professional employer organization shall give written notice of the general nature of the relationship between the professional employer organization and the client to each covered employee.

(3) A professional employer organization shall be deemed an employer of its covered employees and shall pay wages to covered employees; withhold, collect, report and remit payroll-related and unemployment taxes; and, to the extent the professional employer organization has assumed responsibility in the professional employer agreement, make payments for employee benefits for covered employees. As used in this section, the term "wages" does not include any obligation between a client and a covered employee for payments beyond or in addition to the covered employee's salary, draw, or regular rate of pay, such as bonuses, commissions, severance pay, deferred compensation, profit sharing or vacation, sick or other paid time off pay, unless the professional employer organization has expressly agreed to assume liability for such payments in the professional employer agreement.

(b) Except to the extent otherwise expressly provided by the applicable professional employer agreement:

(1) A client shall be solely responsible for the quality, adequacy or safety of the goods or services produced or sold in client's business;

(2) A client shall be solely responsible for directing, supervising, training and controlling the work of the covered employees with respect to the business activities of the client and solely responsible for the acts, errors or omissions of the covered employees with regard to such activities;

(3) A client shall not be liable for the acts, errors or omissions of a professional employer organization, or of any covered employee of the client and a professional employer organization when such covered employee is acting under the express direction and control of the professional employer organization;

(4) A professional employer organization shall not be liable for the acts, errors, or omissions of a client or of any covered employee of the client when such covered employee is acting under the express direction and control of the client;

(5) Nothing in this subsection (b) shall serve to limit any contractual liability or obligation specifically provided in the written professional employer agreement; and

(6) A covered employee is not, solely as the result of being a covered employee of a professional employer organization, an employee of the professional employer organization for purposes of general liability insurance, fidelity bonds, surety bonds, employer's liability which is not covered by workers' compensation, or liquor liability insurance carried by the professional employer organization unless the covered employees are included by specific reference in the professional employer agreement and applicable prearranged employment contract, insurance contract or bond.

(c)(1) A professional employer organization may sponsor and maintain employee benefit and welfare plans for the benefit of its covered employees. Any of those plans that are plans of insurance shall comply with the applicable provisions of the insurance laws of this state. The self-insured plans developed under this section are not subject to premium taxes. The department may promulgate rules regulating self-insured plans under this section.

(2) An applicant or registrant shall disclose to the department, to each client company and to all eligible covered employees the following information relating to any benefit plan of insurance provided for the benefit of its covered employees:

(A) The type of coverage and a copy of the insurance policy or certificate or summary plan description;

(B) The identity of each insurer for each type of coverage;

(C) The amount of benefits for each type of coverage and to whom or on whose behalf benefits will be paid; and

(D) The policy limits on each insurance policy.

(3) Nothing in this subsection (c) shall require a professional employer organization to provide comparable benefits to covered employees located at different clients.

(4) The sale of professional employer services in conformance with this chapter shall not constitute the sale of insurance within the meaning of applicable state law.

62-43-109.

(a) A professional employer organization shall be deemed an employer of its covered employees and shall pay state unemployment premiums as required by the Tennessee Employment Security Law, compiled in Title 50, Chapter 7 and as amended.

(b) A professional employer organization shall keep separate records and submit separate state unemployment insurance wage and premium reports with payments pursuant to Title 50, Chapter 7, Part 4 and as amended, to report the covered employees of each client by using the client's state employer account number as provided for in subsection (c) and using the premium rate based on the aggregate reserve ratio of the professional employer organization as provided in subsection (d).

(c)(1) For each professional employer organization having one (1) or more covered employees with a client in this state, such professional employer organization shall file an application with the chief administrative officer of the division of employment security of the Department of Labor and Workforce Development for an account number for each client having one (1) or more covered employees in this state; provided, the application shall include:

(A) The aggregate state number assigned to the professional employer organization, along with the name, address and phone number of the professional employer organization;

(B) The name, physical address and phone number of the client;

(C) The name of the client's owner, partners, corporate officers, limited liability company members and managers, if board managed, or general partners;

(D) The federal identification number of the client;

(E) The signature of the client's principal or attorney in fact;

(F) A brief description of the client's major business activity, listing any products produced or sold, or service provided; and

(G) Any other information which may be required by the Department of Labor and Workforce Development.

(2) The professional employer organization shall notify the Department of Labor and Workforce Development in writing of any additions or deletions of clients during the quarter in which such changes occur.

(3) All information furnished to the Department of Labor and Workforce Development under this subsection (c) shall be treated as confidential information as provided in § 50-7-701 and as amended.

(d) A professional employer organization shall determine the aggregate reserve ratio of a professional employer organization by using one (1) of the following two (2) methods:

(1)(A) Total all the state unemployment premiums paid on both the state taxable wages of a professional employer organization and on the state taxable wages of all the clients of such professional employer organization for all years during which the professional employer organization has been subject to Title 50, Chapter 7 and all the years each individual client has been a client of the professional employer organization as of the computation date, as provided in § 50-7-403(k)(1) and as amended;

(B) Subtract therefrom the total of all benefits charged to the aggregate reserve account of the professional employer organization for all years, including the benefits charged resulting from benefits paid to covered employees of each individual client for all the years each client has been a client of the professional employer organization as of the computation date;

(C) Divide the difference determined in subdivision (d)(1)(A)(ii) by the average taxable payroll for the three (3) most recently completed calendar years, ending on the computation date, of the professional employer organization, plus the average taxable payroll of each client for that portion of the three-year period during which such client was a client of the professional employer organization;

(D) The resulting quotient shall be the aggregate reserve ratio of the professional employer organization beginning the July 1 following the computation date; and

(E) The employer premium rate for the professional employer organization shall be determined by matching its aggregate reserve ratio to the appropriate premium rate table pursuant to Title 50, Chapter 7 and as amended; or

(2) In cases where the aggregate reserve account of a professional employer organization has not been chargeable with benefits for thirty-six (36) consecutive months ending on the computation date, the professional employer organization shall be assigned the new employer premium rate based upon the reserve ratio of the professional employer organization's industrial classification as determined pursuant to § 50-7-403(b)(1)(B) and as amended.

(e) A professional employer organization shall not be considered a successor employer, within the meaning of Title 50, Chapter 7 and as amended, to any client and shall not acquire the experience history of any client with whom there is not any common ownership, management or control. The client, upon terminating its relationship with the professional employer organization, shall not be considered a successor employer, within the meaning of Title 50, Chapter 7 and as amended, to the professional employer organization and shall not acquire any portion of the experience history of the aggregate reserve account of the professional employer organization with whom there is not any common ownership, management or control. For purposes of this subsection (e), the existence of professional employer agreement, without other evidence of common control, shall not constitute common ownership, management or control.

(f)(1) A client shall be jointly and severally liable with a professional employer organization for state unemployment premiums for each of the client's covered employees; provided, however, that a client shall be relieved of joint and several liability for state unemployment premiums if the professional employer organization has posted a corporate surety bond, as described in this subsection (f), with the administrator of the division of employment security of the Tennessee Department of Labor and Workforce Development in the amount of one hundred thousand dollars ($100,000) for so long as the bond remains in force.

(2) The corporate surety bond shall be in form and content approved by the Department of Labor and Workforce Development as evidenced by the department's written consent thereto, and shall be issued by an organization currently licensed and authorized to issue the bond in this state.

(3) The bond shall be conditioned for the benefit of the Department of Labor and Workforce Development, who may enforce the bond to collect unpaid unemployment insurance premiums, interest and penalties owed by the professional employer organization pursuant to Title 50, Chapter 7, Part 4 and as amended.

(4) Any surety is required to provide the administrator of the division of employment security of the Department of Labor and Workforce Development sixty (60) days' notice of cancellation of the bond.

(5) If after three (3) full calendar years, throughout which a professional employer organization has paid all unemployment insurance premiums due in a timely manner and has a positive unemployment insurance reserve account, the bond may be reduced to an amount no less than thirty-five thousand dollars ($35,000) as determined and approved by the administrator conditioned upon the total taxable payroll for the previous calendar year and other factors deemed relevant by the administrator.

(6) Any reduced bond shall be subject to review on no less than an annual basis by the administrator, who may adjust the required amount of the bond as is deemed appropriate.

62-43-110.

(a) A professional employer organization shall:

(1) Ensure that its Tennessee covered employees are covered by workers' compensation insurance provided in accordance with Title 50 and the applicable Tennessee insurance laws and regulations as amended;

(2) Notify the department and its clients within ten (10) days of any notice of cancellation of its workers' compensation coverage; and

(3) Notify the department and its workers' compensation carrier, if applicable, of the termination of the professional employer organization's relationship with any client with covered employees in this state.

(b) The professional employer organization shall be entitled along with the client to the exclusivity of the remedy under both the workers' compensation and employer's liability provisions of a workers' compensation policy or plan that either party has secured.

62-43-111.

(a) Covered employees whose services are subject to sales tax shall be deemed the employees of the client for purposes of collecting and levying sales tax on the services performed by the covered employee. Nothing contained in this chapter shall relieve a client of any sales tax liability with respect to its goods or services.

(b) Any tax or assessment imposed upon professional employer services or any business license or other fee which is based upon "gross receipts" shall allow a deduction from the gross income or receipts of the

business derived from performing professional employer services that is equal to that portion of the fee charged to a client that represents the actual cost of wages and salaries, benefits, workers' compensation, payroll taxes, withholding or other assessments paid to or on behalf of a covered employee by the professional employer organization under a professional employer agreement.

(c) Any tax assessed or assessment or mandated expenditure on a per capita or per employee basis shall be assessed against the client for covered employees and against the professional employer organization for its employees who are not covered employees co-employed with a client. Benefits or monetary consideration that meet the requirements of mandates imposed on a client and that are received by covered employees through the professional employer organization either through payroll or through benefit plans sponsored by the professional employer organization shall be credited against the client's obligation to fulfill such mandates.

(d) In the case of a tax or an assessment imposed or calculated upon the basis of total payroll, the professional employer organization shall be eligible to apply any small business allowance or exemption available to the client for the covered employees for purpose of computing the tax.

(e) Except to the extent provided otherwise in the professional employer agreement with a client, a professional employer organization is not liable for the general debts, obligations, loss of profits, business goodwill or other consequential special or incidental damages of a client with which it has entered into a professional employer agreement.

(f) This section applies to this state and local governmental entities.

62-43-112.

(a) No person shall:

(1) Submit false information to the department;

(2) Make a materially false entry in the records of a professional employer organization; or

(3) Violate this chapter.

(b) The following constitute grounds for which the department may take action under subsection (c) against a person subject to this chapter:

(1) Being convicted of an offence or disciplined as described in § 62-43-106(b)(7);

(2) Committing a prohibited act under subsection (a);

(3) Making, issuing, circulating or causing to be made, issued or circulated, any estimate, illustration, circular, statement, advertisement, sales presentation, omission or comparison that

misrepresents the benefits, advantages, conditions or terms of any professional employer services or is otherwise untrue, deceptive or misleading;

(4) Entering into any agreement to commit or, by any concerted action, committing any act of boycott, coercion or intimidation resulting in or tending to result in unreasonable restraint of or monopoly in the business of employee leasing; or

(5) Permitting to be used or using, permitting to be filed or filing, any name, trade name, fictitious name or business identity which is the same as, similar to or may be confused with the name, trade name, fictitious name or business identity of an existing licensee, any governmental agency or any nonprofit organization.

(c) For violating subsection (a) or when grounds exist under subsection (b), the department may:

(1) Issue an order:

(A) To comply with the chapter; or

(B) To cease and desist;

(2) Impose an administrative penalty not to exceed one thousand dollars ($1,000) for each set of facts constituting a separate violation;

(3) Restrict or suspend a registration;

(4) Place the registrant on probation for a period of time not to exceed the next full term of registration where the registrant is subject to the terms and conditions determined by the department;

(5) Deny an application or revoke a registration; or

(6) Enjoin or restrain by bringing an action in the Chancery Court of Davidson County.

(d) If the department finds that a violation has occurred or that grounds exist to take an action under subsection (c), the department shall consider the following when determining what action to take:

(1) Whether the person committing the act or failing to act did so:

(A) Knowingly;

(B) Recklessly;

(C) Repeatedly; or

(D) Relying on information of another person or was subject to an illegal act;

(2) The materiality and severity of the violation; and

(3) The person's actions to cure the violation.

(e) If the action under subdivision (c)(5) is taken by the department:

(1) The department shall notify:

(A) The Department of Labor and Workforce Development; and

(B) Each client of which the department has knowledge of the department's action; and

(2) The person with a revoked registration shall:

(A) Immediately cease soliciting clients for professional employer services;

(B) Not execute additional professional employer agreements or enter into any arrangement wherein it agrees to provide professional employer services;

(C) Wind down the operations of the professional employer organization so that the professional employer organization will no longer be in operation sixty (60) days after the effective date of the revocation; and

(D) Return the registration that was revoked to the department.

(f)(1) The department may make or cause to be made investigations, audits or reviews within or without this state as the department deems necessary:

(A) To determine whether a person has violated or is in danger of violating this chapter, including any regulation or rule promulgated under this chapter; or

(B) To aid in the enforcement of this chapter.

(2) All material compiled by the department in any investigation, audit or review under this section shall be confidential and exempt from public disclosure pursuant to Title 10, Chapter 7 and as amended, until ten (10) days after a finding of probable cause resulting from the investigation, audit or review; however, financial information, including, but not limited to, client lists, obtained by the department in

connection with investigations, audits or reviews shall be kept confidential and exempt from the public disclosure requirements of Title 10, Chapter 7.

(3) The department may impose upon the person found to have violated this chapter the cost of investigation and prosecution, including reasonable attorney fees.

(g) The Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5 and as amended, governs all matters and procedures regarding the hearing and judicial review of any contested case arising under this chapter.

62-43-113. The provisions of this chapter are severable. If any provision of this chapter or application thereof to any person or circumstance, is held invalid, such invalidity shall not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application.

62-43-114.

(a) Rules promulgated pursuant to the "Tennessee Employee Leasing Act", that are in effect prior to enactment of this act, shall remain in effect unless such rules are in conflict with this chapter or until modified or repealed by the department.

(b) A plan, adopted by a study committee establishing criteria for a staff leasing company sponsoring and maintaining a plan for self-insurance for health benefits on or before January 1, 1998, shall be deemed a rule of the department and shall remain in effect unless such rule is in conflict with this chapter or until modified or repealed by the department.

(c) A current license in effect at the effective date of this act shall remain in effect until one hundred eighty (180) days after the close of the licensee's current fiscal year.

(d) The most recent appointments to the advisory board under the Tennessee Employee Leasing Act shall be considered appointments to the advisory council unless the governor appoints a successor to an expired term.

SECTION 2. Tennessee Code Annotated, Title 56, Chapter 56, is amended by deleting the chapter in its entirety and by substituting instead the following language:

56-56-101. As used in this chapter, "professional employer organization benefit and welfare plan" means a plan offered to the covered employees of a professional employer organization registered pursuant to the Tennessee Professional Employer Organization Act, compiled in Title 62, Chapter 43 and as amended.

56-56-102. A professional employer organization may sponsor and maintain employee benefit and welfare plans in accordance with § 62-43-108(c), for the benefit of covered employees. The self-insured plans developed under this section are not subject to the premium taxes imposed by this title. The department may promulgate rules regulating self-insured plans under this section.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

Senator Johnson moved that the Senate concur in House Amendment No. 4 to **Senate Bill No. 2633**, which motion prevailed by the following vote:

Ayes 31
Noes 0

Senators voting aye were: Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--31.

A motion to reconsider was tabled.

SENATE BILL ON HOUSE AMENDMENT

Senate Bill No. 2735 -- State Government -- As introduced, authorizes the State Building Commission to allocate energy efficient commercial building tax deductions from the IRS to persons designing such buildings. Amends TCA Title 4, Chapter 15 and Title 12, Chapter 3.

HOUSE AMENDMENT NO. 2

AMEND by deleting in the second sentence of Section 1 the language "may" and by substituting instead the language "shall".

AND FURTHER AMEND by adding the following language to the end of the amendatory language of Section 1:

If the property is financed with bonds issued by the State of Tennessee, no energy efficient commercial building tax deduction shall be awarded without approval of bond counsel.

Senator Johnson moved that the Senate concur in House Amendment No. 2 to **Senate Bill No. 2735**.

Senator Johnson moved that **Senate Bill No. 2735** be placed on the next Message Calendar, which motion prevailed.

REPORT OF SELECT COMMITTEE
CONFERENCE COMMITTEE REPORT ON
HOUSE BILL NO. 1105/SENATE BILL NO. 1923

The House and Senate Conference Committee appointed pursuant to motions to resolve the differences between the two houses on House Bill No. 1105/Senate Bill No. 1923 has met and recommends that the following amendment be deleted: Senate Amendment 2 (SA 1086).

The Committee further recommends that the following amendment be adopted: House Amendment 1 (HA 0964).

The Committee further recommends that the following amendment be adopted:

AMEND by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION ___. Tennessee Code Annotated, Title 49, Chapter 2, Part 1, is amended by adding the following language as a new, appropriately designated section:

(a) If a municipality is located within any county in which a transition planning commission has been created pursuant to § 49-2-502(b); and if the municipality is authorized by its charter, as set forth by statute or private act, to operate a city school system; and if the proposed city school system would possess a student population of sufficient size to comply with state requirements; then the governing body of the municipality may request the county election commission to conduct a referendum pursuant to § 49-2-106; however, if a special election is requested, then the municipality shall pay the costs of the election.

(b) If a majority of the voters participating in the referendum elect to raise local funds to support the proposed city school system, then the governing body of the municipality shall, by ordinance, establish a city board of education in compliance with § 49-2-201; however, there shall be not less than three (3) nor more than eleven (11) members, and the members may be elected in the same manner, either from districts or at large, or a combination of both, used to elect members of the governing body of the municipality. In order to comply with the § 49-2-201 requirement for staggered four-year terms, the governing body of the municipality shall establish initial terms that vary in length; however, all subsequently elected members, other than members elected to fill a vacancy, shall be elected to four-year terms. If a special election is requested to elect members of the initial board of education, then the municipality shall pay the costs of the election. The members shall take office on the first day of the first month following certification of the election results.

(c) The initial board of education shall plan and manage the formation of the new city school system and, subsequently, shall manage and operate the system when student instruction commences. The board shall possess all powers and duties granted to or required of boards of education as set forth by § 49-2-203 or other statute, including, but not limited to, employment of a full-time director of schools and other personnel; and construction, acquisition, lease, or modification of buildings and facilities.

(d) Upon the commissioner's determination of the new city school system's general readiness to commence student instruction, city schools shall open between August 1 and the first Monday following Labor Day; however, in no event shall the city schools open prior to the effective date of the transfer of the administration of the schools in the special school district to the county board of education pursuant to § 49-2-502(b).

/s/ Senator Gresham
/s/ Senator Norris
/s/ Senator Tate

/s/ Representative McCormick
/s/ Representative Montgomery
/s/ Representative Parkinson

Senator Gresham moved that the Conference Committee Report on **House Bill No. 1105/Senate Bill No. 1923** be adopted and made the action of the Senate, which motion prevailed by the following vote:

Ayes 21
Noes 10
Present, not voting . . . 1

Senators voting aye were: Beavers, Bell, Campfield, Crowe, Faulk, Gresham, Johnson, Kelsey, Ketron, Massey, McNally, Norris, Overbey, Roberts, Southerland, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--21.

Senators voting no were: Barnes, Berke, Burks, Finney, Ford, Harper, Haynes, Kyle, Marrero and Stewart--10.

Senator present and not voting was: Henry--1.

A motion to reconsider was tabled.

RECESS

Senator Norris moved the Senate stand in recess until 7:00 p.m., which motion prevailed.

CALL TO ORDER

The Senate was called to order by Mr. Speaker Ramsey.

ROLL CALL

The Speaker declared that a quorum was present.

On motion, the roll call was dispensed with.

RECESS

Senator Norris moved the Senate stand in recess for fifteen minutes, which motion prevailed.

CALL TO ORDER

The Senate was called to order by Mr. Speaker Ramsey.

ROLL CALL

The Speaker declared that a quorum was present.

On motion, the roll call was dispensed with.

MOTION

Senator Faulk moved that Rule 19 and Rule 38 be suspended for the purpose of making and considering the Local Bill Consent Calendar consisting of the following bills: **Senate Bills Nos. 3813, 3814, 3816 and 3817**, which motion prevailed.

LOCAL BILL
CONSENT CALENDAR

Senate Bill No. 3813 -- Oliver Springs -- As introduced, subject to local approval, moves the date of the city election to coincide with the November general election; extends the four-year terms of office of the mayor and councilmen elected at the regular city election held in June, 2009 and the councilmen elected at the regular city election held in June, 2011 to expire on the first Thursday in November in 2013 and 2015 respectively. Amends Chapter 247 of the Acts of 1905; as amended and rewritten.

Senate Bill No. 3814 -- Shelby County -- As introduced, subject to local approval by both the City of Memphis and Shelby County, changes the name of the Memphis and Shelby County Convention Center to the "Memphis Convention Center", changes the name of the commission to the "Memphis Convention Center Commission" and provides for the appointment of the commissioners solely by the Mayor of the City of Memphis. Amends Chapter 420 of the Private Acts of 1917.

On motion, Senate Bill No. 3814 was made to conform with **House Bill No. 3884**.

On motion, House Bill No. 3884, on same subject, was substituted for Senate Bill No. 3814.

Senate Bill No. 3816 -- Lake County -- As introduced, subject to local approval, reduces number of school districts from four to three; increases Lake County board of education from eight members to nine members. Amends Chapter 119 of the Private Acts of 2002.

On motion, Senate Bill No. 3816 was made to conform with **House Bill No. 3887**.

On motion, House Bill No. 3887, on same subject, was substituted for Senate Bill No. 3816.

Senate Bill No. 3817 -- Lake County -- As introduced, subject to local approval, restructures Lake County Highway Commission by increasing the number of highway commission districts from two to three, to be coextensive with the county commission districts. Amends Chapter 262 of the Private Acts of 1980, as amended.

On motion, Senate Bill No. 3817 was made to conform with **House Bill No. 3886**.

On motion, House Bill No. 3886, on same subject, was substituted for Senate Bill No. 3817.

Senator Faulk moved that all Senate Bills and House Bills be passed on third and final consideration, which motion prevailed by the following vote:

Ayes 32
Noes 0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--32.

A motion to reconsider was tabled.

NOTICES

SENATE EDUCATION COMMITTEE
REPORT ON THE TENNESSEE BOARD OF REGENTS

The report was received and filed with the Clerk.

REPORT OF SELECT COMMITTEE
CONFERENCE COMMITTEE REPORT ON
HOUSE BILL NO. 3835/SENATE BILL NO. 3768

The report was received and filed with the Clerk.

REPORT OF SELECT COMMITTEE
CONFERENCE COMMITTEE REPORT ON
HOUSE BILL NO. 3839/SENATE BILL NO. 3771

The report was received and filed with the Clerk.

REPORT OF SELECT COMMITTEE
CONFERENCE COMMITTEE MINORITY REPORT NO. 1 ON
HOUSE BILL NO. 3835/SENATE BILL NO. 3768

The report was received and filed with the Clerk.

REPORT OF SELECT COMMITTEE
CONFERENCE COMMITTEE MINORITY REPORT NO. 2 ON
HOUSE BILL NO. 3835/SENATE BILL NO. 3768

The report was received and filed with the Clerk.

REPORT OF SELECT COMMITTEE
CONFERENCE COMMITTEE MINORITY REPORT NO. 3 ON
HOUSE BILL NO. 3835/SENATE BILL NO. 3768

The report was received and filed with the Clerk.

REPORT OF SELECT COMMITTEE
CONFERENCE COMMITTEE MINORITY REPORT NO. 4 ON
HOUSE BILL NO. 3835/SENATE BILL NO. 3768

The report was received and filed with the Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Bill No. 3835. The House adopted the Conference Committee Report and made it the action of the House.

JOE MCCORD,
Chief Clerk.

RECESS

Senator Kyle moved the Senate stand in recess for ten minutes, which motion prevailed.

CALL TO ORDER

The Senate was called to order by Mr. Speaker Ramsey.

ROLL CALL

The Speaker declared that a quorum was present.

On motion, the roll call was dispensed with.

MOTION

Senator Faulk moved that Rule 19 and Rule 37 be suspended for the purpose of making and considering Calendar No. 2 consisting of the following bills and resolutions: **Senate Bills Nos. 2777 and 3005; House Joint Resolution No. 807**; and **Senate Bills Nos. 233, 422 and 3142**, which motion prevailed.

CALENDAR NO. 2

Senate Bill No. 2777 -- Taxes, Inheritance Gift -- As introduced, eliminates the gift tax in 2013 and thereafter. Amends TCA Title 67, Chapter 8, Part 6; Title 67, Chapter 8, Part 1 and Title 67, Chapter 8, Part 4.

Senator McNally moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting amendatory Section 1(a)(2) in its entirety and by substituting instead the following:

> (2) No tax shall be imposed upon the transfer by gift made by any person on or after October 1, 2012; provided, however, this subdivision (a)(2) shall not be construed to absolve any taxpayer of liability for any tax duly imposed by this section, during any tax year that began prior to January 1, 2013.

AND FURTHER AMEND by deleting the language "January 1, 2013" in Sections 2, 3 and 4 and by substituting instead the language "October 1, 2012".

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 2777**, as amended, passed its third and final consideration by the following vote:

Ayes 30
Noes 3

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Johnson, Kelsey, Ketron, Kyle, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--30.

Senators voting no were: Henry, Herron and Marrero--3.

A motion to reconsider was tabled.

Senate Bill No. 3005 -- Criminal Offenses -- As introduced, includes the commission of or attempt to commit a criminal gang offense within the definition of racketeering activity and enterprise for purposes of the "Racketeer and Corrupt Organization Act (RICO)". Amends TCA Title 39, Chapter 12, Part 2.

Senator Beavers moved to amend as follows:

AMENDMENT NO. 1

AMEND by adding the language "and its subdivisions" to the amendatory language of Section 1 after the language "§ 39-17-417(i) and (j)" and before the language "or involving".

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 3005**, as amended, passed its third and final consideration by the following vote:

Ayes 33
Noes 0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

House Joint Resolution No. 807 -- General Assembly, Statement of Intent or Position -- Opposes the location of a proposed rock quarry in Sumner County.

House Joint Resolution No. 807 was concurred in by the following vote:

Ayes 26
Noes 2
Present, not voting . . . 2

Senators voting aye were: Barnes, Beavers, Burks, Crowe, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Ketron, Kyle, Marrero, Massey, McNally, Norris, Roberts, Southerland, Stewart, Summerville, Tate, Watson, Yager and Mr. Speaker Ramsey--26.

Senators voting no were: Bell and Campfield--2.

Senators present and not voting were: Faulk and Tracy--2.

A motion to reconsider was tabled.

Senator Watson moved that **Senate Bill No. 233** be placed at the heel of Calendar No. 2 for today, which motion prevailed.

MOTION

Senator Marrero moved that Rule 37 be suspended for the immediate consideration of **House Joint Resolution No. 1154**, out of order, which motion prevailed.

RESOLUTION LYING OVER

House Joint Resolution No. 1154 -- Memorials, Recognition -- Saj Crone.

On motion of Senator Marrero, the rules were suspended for the immediate consideration of the resolution.

On motion, **House Joint Resolution No. 1154** was concurred in.

A motion to reconsider was tabled.

CALENDAR NO. 2

Senate Bill No. 422 -- Health, Dept. of -- As introduced, clarifies the legislative committees designated to receive information concerning TANF and Medicaid. Amends TCA Title 68.

Senator Crowe moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. (a) There is hereby created a special joint committee to study services provided to traumatic brain injury survivors in Tennessee.

(b) The study shall determine:

(1) What efforts the State of Tennessee can undertake to help survivors receive the physical and mental therapy they need to increase their confidence, pride, and dignity;

(2) What efforts the State of Tennessee can initiate to help survivors continue their careers;

(3) What efforts the State of Tennessee can provide to decrease the need survivors have for government assistance;

(4) Steps the State of Tennessee can take to educate families about their ability to encourage survivors to reach their highest potential; and

(5) Steps the State of Tennessee can take to educate and encourage businesses that survivors, with proper accommodation, are capable of contributing to their success.

(c) The study should:

(1) Provide the State of Tennessee with numerous opportunities to help traumatic brain injury survivors become more self-sufficient and less dependent on government assistance;

(2) Provide Tennessee's business community with more employment options and more opportunities for tax breaks for hiring disabled citizens;

(3) Determine what cost Tennessee would incur from providing these services; and

(4) Put Tennessee at the forefront of treatment for survivors of traumatic brain injuries.

(d) The committee shall consist of three (3) members of the House of Representatives and three (3) members of the Senate, to be appointed by the respective speakers.

(e) All appropriate state agencies shall provide assistance to the special joint committee upon request of the chair.

(f) All legislative members of the special joint committee who are duly elected members of the general assembly shall remain members of such committee until the committee reports its findings and recommendations to the general assembly.

(g) The special joint committee shall be convened by the member with the most years of continuous service in the general assembly, and at its first meeting shall elect a chair, vice-chair, and such other officers the committee deems necessary. The committee may meet when the general assembly is meeting in session or in committee. If the committee meets when the general assembly is not in session or in committee, then members of the committee shall not be entitled to any reimbursement for expenses under Tennessee Code Annotated, § 3-1-106 for such meetings.

(h) The special committee shall timely report its findings and recommendations, including any proposed legislation, to the One Hundred Eighth General Assembly no later than February 1, 2013, at which time the committee shall cease to exist.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, Amendment No. 1 was adopted.

Thereupon, **Senate Bill No. 422**, as amended, passed its third and final consideration by the following vote:

Ayes 33
Noes 0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

Mr. Speaker Ramsey moved that **Senate Bill No. No. 3142** be placed at the heel of Calendar No. 2 for today, which motion prevailed.

NOTICES

REPORT OF SELECT COMMITTEE
CONFERENCE COMMITTEE REPORT ON
HOUSE BILL NO. 3835/SENATE BILL NO. 3768

The House and Senate Conference Committee appointed pursuant to motions to resolve the differences between the two houses on House Bill No. 3835/Senate Bill No. 3768 has met and recommends that the following amendments be deleted:

House Amendment No. 2
House Amendment No. 3
Senate Amendment No. 18
Senate Amendment No. 4
Senate Amendment No. 5
Senate Amendment No. 6
Senate Amendment No. 7

The Committee further recommends that the following amendment be adopted:

AMEND by deleting each and every section of House Bill No. 3835/Senate Bill No. 3768 and by substituting instead new Sections 1 through 69, namely:

Sections 1 through 69 of House Bill No. 3835/Senate Bill No. 3768 as filed for introduction on February 6, 2012, and considered to be part of this amendment.

ADMINISTRATION AMENDMENT

2011-2012 SUPPLEMENTAL APPROPRIATIONS

AND FURTHER AMEND by deleting the following language from Section 38 of the printed bill:

Commerce and Insurance

1. Administration – Interdepartmental Revenue Loss – Regulatory Boards Indirect Costs..... $ 3,382,500.00

Revenue

1. Tax Refund Interest Expense – Accounting Change..... $ 2,500,000.00

TOTAL ..... $ 147,909,500.00

and by substituting instead:

Commerce and Insurance

1.	Administration – Interdepartmental Revenue Loss – Regulatory Boards Indirect Costs	$	1,280,200.00

Revenue

1.	Tax Refund Interest Expense – Accounting Change	$	2,500,000.00
2.	Sales Tax Disaster Relief		525,000.00
	Total Revenue	$	3,025,000.00
	TOTAL	$	146,332,200.00

Provided further that the line item appropriation in the amount of $525,000.00 relative to Department of Revenue, Sales Tax Disaster Relief, may be increased by a sum sufficient to provide such relief as authorized by Senate Bill No. 2701/House Bill No. 2889, if it becomes a law.

From the appropriation to the Department of Economic and Community Development in the amount of $34,000,000 for headquarters relocation assistance, it is the legislative intent to make the following allocations to the Volkswagen Project: (a) $19,110,000 for site preparation and infrastructure; (b) $684,000 to FastTrack Infrastructure and Job Training Assistance for training a third shift; and (c) $371,000 to Business Development for recruitment purposes.

The appropriations to the Department of Mental Health and to the Department of Economic and Community Development, including allocations to the Volkswagen Project, shall not revert to the general fund at June 30, 2012, and are hereby reappropriated in the fiscal year beginning July 1, 2012.

AND FURTHER AMEND in Section 41 of the printed bill by inserting a new item as follows:

Item __. In the fiscal year ending June 30, 2012, there hereby is appropriated the sum of $1,400,000 (non-recurring) to Loan/Scholarships Programs for the graduate nursing loan forgiveness program. The appropriation is intended to reinstate a non-recurring appropriation that reverted to the general fund balance. Pursuant to Tennessee Code Annotated, Section 49-4-702(d), this appropriation shall not revert to the general fund.

AND FURTHER AMEND in Section 48 of the printed bill by inserting the following items:

Item __. In the fiscal year ending June 30, 2012, there hereby is reappropriated from the TennCare reserve the sum of $58,700,000 (non-recurring) to the TennCare program for pharmacy costs and Medicare crossover payments. The Commissioner of Finance and Administration is authorized to adjust federal aid and other departmental revenue accordingly.

Item __. In the fiscal year ending June 30, 2013, there hereby is reappropriated from the TennCare reserve the sum of $65,000,000 (non-recurring) to the TennCare program for pharmacy costs and Medicare crossover payments. The Commissioner of Finance and Administration is authorized to adjust federal aid and other departmental revenue accordingly.

AND FURTHER AMEND by inserting a new section, to follow Section 70 of this amendment, to read as follows:

SECTION 71. Supplemental Appropriation for Land Acquisition. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. In the fiscal year ending June 30, 2012, it is the legislative intent to recognize a contingency appropriation in the amount of $8,800,000 for land acquisition made under the provisions of Section 75 in Chapter 473, Public Acts of 2011. Funding for the appropriation is identified in the 2012-2013 Budget Document on page A-10 ($8,500,000) and in the administration budget amendment overview ($300,000). Any unexpended balance of the appropriation at June 30, 2012, is hereby reappropriated to be expended in the 2012-2013 fiscal year for the purpose stated in Section 75 of Chapter 473, Public Acts of 2011.

2012-2013 ITEMS AFFECTING REVENUE AVAILABILITY

AND FURTHER AMEND by deleting in its entirety Item 9 in Section 43 of the printed bill and substituting instead the following:

Item 9. Pursuant to Tennessee Code Annotated, Section 67-6-103(k), there is apportioned from the general fund share of the sales and use tax into cities and counties state shared taxes for the County Revenue Partnership Fund the sum of $400,000 in the fiscal year ending June 30, 2012 and the sum of $1,000,000 in the fiscal year ending June 30, 2013.

It is the legislative intent that $600,000 of the $1,000,000 apportionment is for the purpose of funding the state share of the mandated local cost of Senate Bill No. No. 2251/House Bill No. No. 2389, relative to domestic violence, if that bill becomes a law. If that bill does not become a law, then the apportionment to the County Revenue Partnership Fund in the year ending June 30, 2013, shall be $400,000.

AND FURTHER AMEND by deleting the following language from Title III-31 in Section 1 of the printed bill:

4. Amortization of Authorized and Unissued Construction Bonds ..		88,450,000.00
Total Title III-31	$	436,460,000.00

and by substituting instead the following:

4. Amortization of Authorized and Unissued Construction Bonds ..		84,750,000.00
Total Title III-31	$	432,760,000.00

CERTAIN SECTION 1 AND 4 AMENDMENTS

AND FURTHER AMEND by deleting the following language from Title III-22 in Section 1 of the printed bill:

13. State Employees 2.5% Salary Increase		36,000,000.00
27. Severance Benefit Plan		2,900,000.00

33.	Temporary Office Space		6,000,000.00
	Total Title III-22	$	139,085,300.00

and by substituting instead the following:

13.	State Employees 2.5% Salary Increase		35,500,000.00
27.	Severance Benefit Plan		2,100,000.00
33.	Temporary Office Space		11,400,000.00
34.	OIR – Mainframe Outsourcing		3,700,000.00
	Total Title III-22	$	146,885,300.00

AND FURTHER AMEND in Section 1 of the printed bill by deleting in its entirety Title III-14 and by substituting instead the following:

14. Department of Mental Health

1.	Administration			
	1.1	Administrative Services Division	$	13,653,000.00
		Total Administration	$	13,653,000.00
2.	Mental Health Services			
	2.1	Middle Tennessee Mental Health Institute	$	27,250,000.00
	2.2	Western Mental Health Institute		19,656,700.00
	2.3	Moccasin Bend Mental Health Institute		16,379,800.00
	2.4	Memphis Mental Health Institute		17,110,000.00
	2.5	Community Mental Health Services		72,854,100.00
	2.6	Major Maintenance		450,000.00
		Total Mental Health Services	$	153,700,600.00
3.	Alcohol and Drug Abuse Services			
	3.1	Community Alcohol and Drug Abuse Services	$	17,190,600.00
		Total Alcohol and Drug Abuse Services	$	17,190,600.00
		Total Title III-14	$	184,544,200.00

AND FURTHER AMEND in Section 4 of the printed bill by deleting in its entirety Title III-14 and by substituting instead the following:

14. Department of Mental Health

1.	Administration			
	1.1	Administrative Services Division	$	4,731,400.00
		Total Administration	$	4,731,400.00
2.	Mental Health Services			
	2.1	Community Mental Health Services	$	18,300,400.00

2.2	Middle Tennessee Mental Health Institute.....		14,890,200.00
2.3	Western Mental Health Institute		13,823,500.00
2.4	Moccasin Bend Mental Health Institute		11,467,600.00
2.5	Memphis Mental Health Institute		4,094,900.00
	Total Mental Health Services	$	62,576,600.00
3.	Alcohol and Drug Abuse Services		
3.1	Community Alcohol and Drug Abuse Services	$	35,255,800.00
	Total Alcohol and Drug Abuse Services	$	35,255,800.00
	Total Title III-14	$	102,563,800.00

AND FURTHER AMEND the printed bill by inserting the following new paragraphs immediately after the introductory paragraph of Section 64 and by inserting the following additional sections immediately after Section 64 as amended and renumbering subsequent sections of the printed bill accordingly:

LEGISLATION RECONCILIATION

Provided that the negative amounts in line-items of this section are appropriation reductions or deletions and the positive amounts are appropriation increases. Federal and other departmental revenue adjustments may be made as indicated in the text of the line items or in reconciliation to fiscal notes and to available federal aid. Adjustments to the number of authorized positions indicated in the line items as full-time (FT) and part-time (PT) shall be reconciled to the fiscal notes.

Provided further that the term fiscal note in this item refers to the final fiscal note on the bill as enacted.

Provided further that the line item appropriation in Item 1 for Senate Bill No. (SB) 2701/House Bill No. (HB) 2889, relative to Department of Revenue, Sales Tax Disaster Relief, may be increased by a sum sufficient to provide such relief as authorized by the bill, if it becomes a law, notwithstanding contrary provisions of this section regarding reconciliation to the fiscal note on the enacted bill.

Item 1. General Fund and Education Fund Appropriations. The following appropriations are from the general fund and education fund, as applicable.

		Recurring	Non-Recurring
1.	Misc. Approp. - Administration Legislation - Delete	$ (2,000,000)	$ 0
2.	SB 884/HB 984 - Labor & WFD - Unemployment Benefits for Military Spouses – Reduce	(1,200)	0
3.	SB 2199/HB 2337 - Children's Services - Transitioning Youth Empowerment Act ($4,800 Federal)	1,900	0
4.	SB 2210/HB 2348 - Education - BEP Class Size and Salary Component Change – Delete	(795,000)	0
5.	SB 2233/HB 2371 - Dept. of Revenue - E-Filing	0	0

		Recurring	Non-Recurring
6.	SB 2246/HB 2384 - Civil Service Reform	0	0
7.	SB 2249/HB 2387 - Boards and Commissions - Net Reduction	(247,400)	0
8.	SB 2250/HB 2388 - Correction - Felons with Firearms - Incarceration	4,900	0
9.	SB 2251/HB 2389 - Correction - Domestic Violence – Delete – Replaced by $600,000 State-Shared Revenue to Counties	(780,000)	0
10.	SB 2251/HB 2389 - Correction - Domestic Violence – Incarceration - Delete	(868,200)	0
11.	SB 2252/HB 2390 - Correction - Gang Related Crime - Incarceration - Reduce	(1,913,900)	0
12.	SB 2253/HB 2391 - Health - Prescription Drug Bill - Controlled Substance Monitoring Database	230,300	0
13.	SB 2253/HB 2391 - Mental Health - Prescription Drug Bill - Controlled Substance Monitoring Database ($281,700 Federal)	0	0
14.	SB 2253/HB 2391 - Correction - Prescription Drug Bill - Incarceration	29,100	0
15.	SB 2280/HB 2286 - Correction - Imitation Controlled Substances - Incarceration	86,100	0
16.	SB 2701/HB 2889 - Revenue Dept. - Sales Tax Disaster Relief	250,000	0
17.	SB 2809/HB 2613 - Higher Education - TBR - Dual Credit Courses	150,000	300,000
18.	SB 3018/HB 3175 - Correction - Controlled Substance Analogue - Incarceration	236,100	0
19.	SB 3070/HB 3459 - Secretary of State - Model Business Corporation Act - Computer Programming ($400 Departmental Revenue)	0	59,500
20.	SB 3620/HB 3727 - Envir. & Cons. - Bicentennial Mall - Andrea Conte Walking Path - Signs	0	6,000
21.	SB 3658/HB 3431 - Labor & WFD - Unemployment Insurance Benefits - Effort to Secure Work	0	122,000
22.	SB 3659/HB 3429 - Labor & WFD - Unemployment Insurance - Internet-Based Electronic Notices (1 FT, 5 PT)	115,500	0
	Total	$ (5,501,800)	$ 487,500

Item 2. Dedicated Source and Earmarked Appropriations. The following appropriations are from dedicated state revenue sources and departmental revenues. The appropriation line item below for Senate Joint Resolution (SJR) 353, relative to naming a building at McGhee Tyson Air Guard Base, is from federal sources, and the appropriation for that line item shall take effect upon becoming law, the public welfare requiring it.

		Recurring
1.	SB 2247/HB 2385 - Tennessee Regulatory Authority (5 Part-Time Directors, 1 FT Exec. Dir., -3 FT)	$ (199,700)
2.	SB 2249/HB 2387 - Boards and Commissions - Net Reduction	(1,200)
3.	SB 3094/HB 3373 - Transportation - S.R. 385 in Shelby & Fayette Counties - Gov. Dunn Parkway - Signs (Highway Fund Earmark)	300
4.	SJR 353 - Military - McGhee Tyson Air Guard Base - Building Named for Maj. Gen. Frederick H. Forster (Federal Funds Earmark)	10,500
	Total	$ (190,100)

OTHER ADDITIONS TO BUDGET

SECTION 65. Mortgage Servicer Settlement Agreement.

Item 1. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. The provisions of this section are contingent upon the state's receipt of funds from the national mortgage servicer settlement agreement(s) or consent judgments approved by the U.S. District Court in April 2012. There hereby is appropriated such sums as may be received from this source.

Item 2. The Commissioner of Finance and Administration is authorized to recognize the national mortgage servicer settlement revenue and allot the appropriations or allocate the funds in the manner required by generally accepted accounting principles; and such allotments and allocations shall be made for purposes and in such amounts available, as directed by the Attorney General and Reporter or the Commissioner of Financial Institutions for the funds each receives. If such funds are received or recognized in state revenue accounts as available in the year ending June 30, 2012, the Commissioner of Finance and Administration is authorized to allot a sum sufficient of such funds as may be expended in fiscal year 2011-2012 and to reserve at June 30, 2012 and 2013, the balance of such funds as may be available for expenditure in fiscal year 2012-2013 or thereafter; and such funds as are reserved at June 30, 2012, hereby are appropriated for expenditure in the year beginning July 1, 2012. At the closing of any fiscal year, it is the legislative intent that revenue received through this settlement shall be reserved for the intended purposes until expended.

Item 3. The State of Tennessee estimates that the amount of $42,432,810 will be received, including $41,432,810 by the Attorney General and Reporter and $1,000,000 by the Department of Financial Institutions, for the benefit of the citizens of the State of Tennessee, to be used for purposes consistent with the applicable

provisions of the consent judgments, as directed by the Attorney General and Reporter, including foreclosure prevention counseling; other housing and legal assistance programs; related compliance, investigative, enforcement, and education purposes; or to fund other programs reasonably targeted to housing or tenant issues; and to be used, as directed by the Commissioner of Financial Institutions, for Department of Financial Institutions examiner training, information technology support, financial literacy, and consumer education. From the amount of revenue estimated above, the allocations to be made, subject to approval and adjustments by the Attorney General and Reporter for sub-items (a) through (e) of this item, are as follows, and such amounts in this item hereby are appropriated or allocated for these purposes:

(a) To the general fund, allocation of a civil penalty of $4,120,781.

(b) To the Tennessee Housing Development Agency, $34,500,000 to be used for its Keep My Tennessee Home financial assistance program and for foreclosure counseling.

(c) To the Department of Commerce and Insurance, Division of Consumer Affairs, for the Consumer Education Fund, $250,000.

(d) To the Miscellaneous Appropriations, $700,000 for grants to four legal aid entities (Memphis Area Legal Services, West Tennessee Legal Services, Legal Aid of East Tennessee, and Legal Aid Society of Middle Tennessee and the Cumberlands) for the purpose of training, education, and legal services relating to housing and foreclosure matters. The Commissioner of Finance and Administration is authorized to transfer this appropriation to the Attorney General and Reporter or to make the grants as directed by the Attorney General and Reporter.

(e) To the Attorney General's litigation settlement reserve, $1,862,029, including $1,637,029 for investigative and enforcement purposes and $225,000 for executive committee work.

(f) To the Department of Financial Institutions, $1,000,000 from the Conference of State Bank Supervisors to be allocated as follows and used for: (a) $350,000 for examiner training; (b) $350,000 for information technology support and equipment; (c) $125,000 for a financial literacy grant to the Tennessee Financial Literacy Commission; and (d) $175,000 for consumer education efforts by the consumer resources section of the Department of Financial Institutions. The Commissioner of Financial Institutions is authorized to adjust these amounts to the amount of revenue available from the settlement(s) and to reallocate amounts among these purposes. The Commissioner of Finance and Administration is authorized to adjust the departmental revenue estimate and allotment of the Treasury Department for the grant to the Financial Literacy Commission.

(g) The Commissioner of Finance and Administration is authorized to adjust the allocations and appropriations in this item as realized receipts require and as directed by the Attorney General and Reporter or, relative to paragraph (f), by the Commissioner of Financial Institutions.

SECTION 66. Budget Reductions Restored. In addition to the amounts appropriated in Section 1 of this act, the following amounts are appropriated from the general fund and education fund, as applicable, and the Commissioner of Finance and Administration is authorized to adjust federal aid and other departmental revenues and position authorizations accordingly. Provided, however, that the negative amounts in line-items of this section are appropriation reductions or deletions and the positive amounts are appropriation increases. Such federal aid adjustments and full-time (FT) and part-time (PT) position authorizations are estimated in the text of the following line items:

		Recurring	Non-Recurring
1.	TennCare for Children's Services - Base Reduction Reconciliation (Federal $425,200)	$ 217,200	$ 0
2.	TennCare for Dept. of Finance and Administration, Inspector General - Vacancy Reduction Reconciliation ($118,800 Federal)	118,800	0
3.	Envir. & Cons. - Core Services FY 11 #8 - West TN River Basin Authority Maintenance	0	300,000
4.	Education - Core Services FY 10 #20 - Family Resource Centers	0	3,050,000
5.	Mental Health - Core Services FY 10 #7 - Peer Support Centers	0	1,377,300
6.	Health - Core Services FY 10 #18 - Poison Control Center	375,000	0
7.	Intellectual and Developmental Disabilities - Core Services FY 10 #7 - Family Support @ $5.5 M	0	1,000,000
8.	TBI - Base Reduction FY 10 #3 - Drug Enforcement Funds	0	603,800
9.	Safety - Base Reduction FY 13 #2 - Highway Patrol - Homeland Security & Wrecker Inspection (8 FT)	851,200	0
10.	Children's Services - Base Reduction FY 13 #2 - Juvenile Court Supplement	855,000	0
11.	Children's Services - Core Services FY 10 #3 - Juvenile Court Prevention Grants - Reduce	(855,000)	0
12.	Health - Core Services FY 10 DCS #14 - Healthy Start	0	3,060,100
13.	Health - Core Services FY 10 DCS #2 - Child Health & Development (CHAD)	0	838,100
14.	Children's Services - Base Reduction FY 13 #9 - Child Advocacy Centers	0	250,000
	Total	$ 1,562,200	$ 10,479,300

SECTION 67. Group Health Insurance Premium Adjustment. In addition to the amounts appropriated in Section 1 of this act, an amount of $1,300,000 is appropriated for the purpose of adjusting the state share of group health insurance premium increases at

January 1, 2013. The appropriations shall be adjusted as follows, and the Commissioner of Finance and Administration shall allocate the adjustments to the appropriate organizational units.

(a) From the Miscellaneous Appropriations, Group Health Insurance Premium – State Employees, in Section 1, Title III-22-15, reduced by $2,600,000 to reflect a 2 percent premium increase, rather than the 4 percent included in the Budget Document.

(b) From the Higher Education systems, in Section 1, Title III-10, reduced by $2,100,000 to reflect a 2 percent premium increase, rather than the 4 percent included in the Budget Document.

(c) To the Department of Education, Basic Education Program, in Section 1, Title III-9, Item 2.1(c), an additional $6,000,000 for the state formula share of a 9.2 percent average increase, rather than the 5 percent included in the Budget Document.

SECTION 68. Other Additions to the Operational Budget. In addition to the amounts appropriated in Sections 1 and 4 of this act, the following amounts are appropriated, and the Commissioner of Finance and Administration is authorized to adjust federal aid and other departmental revenues and position authorizations accordingly. Such federal aid and other departmental revenue adjustments and full-time (FT) and part-time (PT) position authorizations are estimated in the text of the following line items.

Item 1. General Fund Appropriations. The following appropriations are from the general fund.

		Recurring	Non-Recurring
1.	Correction Dept. - Dairy Farm Boiler Operators (3 FT)	$ 129,100	$ 0
2.	Correction Dept. - Dairy Farm Operation - Utilities	300,000	0
3.	Correction Dept. - Big Brothers Big Sisters - Amachi Mentoring for Children of Inmates - Grant	0	250,000
4.	TennCare - Medicaid Systems Development Staffing (Federal $1,252,500) (32 FT)	481,500	0
5.	TennCare - Diabetic Test Strips - Rate Adjustment (Federal $565,900)	289,100	0
6.	Finance and Administration - Business Solutions Delivery (8 FT)	1,400,000	0
7.	Veterans Affairs - Communications and Public Affairs Position (1 FT)	68,000	0
8.	Correction - Local Jails Reimbursement @ $37 per Day	4,000,000	0
9.	Labor & WFD - Career Centers - Federal Revenue Decrease ($6.8 M)	0	5,000,000
10.	Health – Comprehensive Sickle Cell Clinic of Memphis - Grant	0	50,000

	Recurring	Non-Recurring
11. Safety - Motor Vehicle Operations	1,600,000	900,000
Total	$ 8,267,700	$ 6,200,000

Item 2. State Treasurer. From the general fund, the sum of $200,000 (non-recurring) hereby is appropriated to the State Treasurer for expenditures relative to veterans organizations.

Item 3. Dedicated Source Appropriations. The following appropriations are from dedicated state revenue sources.

	Recurring
1. Agriculture - Beef Promotion Fund - Sum Sufficient from 50¢ per Head Assessment	$ 235,000
2. Health - Health-Related Boards - Complaint Resolution - Mediator and Investigation Positions (7 FT)	760,400
Total	$ 995,400

Item 4. State Treasurer. In addition to the appropriation of departmental revenue to the Treasury Department in Section 4, Title III-1, Item 6.1, there hereby is appropriated from the state pooled investment fund revolving account created pursuant to Tennessee Code Annotated, Section 9-4-603(g):

(a) An amount not to exceed $250,000 for costs associated with employee relocation and office consolidation of the Department of Revenue and for costs of providing shared facilities services supporting the Treasury Department and the Department of Revenue.

(b) An amount not to exceed $200,000 for implementation of image cash letter deposit initiatives within state agencies.

SECTION 69. Reorganization of Appropriations. In addition to the amounts appropriated in Section 1 of this act, the following amounts are appropriated, and the Commissioner of Finance and Administration is authorized to adjust federal aid and other departmental revenues and position authorizations accordingly. Provided, however, that the negative amounts in line-items of this section are appropriation reductions or deletions and the positive amounts are appropriation increases. Full-time (FT) and part-time (PT) position authorizations are estimated in the text of the following line items.

	Recurring	
	Appropriation	Departmental Revenue
1. Correction – Field Services (-44 FT) - Reduce	$ (4,019,500)	$ 0
2. Parole Board - Staffing (44 FT)	4,019,500	0
3. Correction - Sentencing Act of 1985 - Reduce	(1,411,900)	0

		Recurring	
		Appropriation	Departmental Revenue
4.	Correction – Southeastern TN Regional Prison Expansion – Accelerated Staffing	1,411,900	0
5.	General Services - Real Estate Asset Management – Staffing (-2 FT) – Reduce	(127,500)	0
6.	Finance and Administration - State Architect - Staffing (2 FT)	127,500	0
7.	Intellectual and Developmental Disabilities – Home- and Community-Based Services - Interdepartmental	0	(6,748,000)
	Total	$ 0	$ (6,748,000)

BUDGET REDUCTIONS AND RECONCILIATION

SECTION 70. Budget Reductions and Reconciliation.

Item 1. Court System - Core Services Program Reduction. The appropriation in Section 4, Title II, Item 7, to the Court System, Administrative Office of the Courts, from its reserves is reduced by $456,300, and the authorized positions are reduced by five (5) for the purpose of deleting the item recommended in the 2012-2013 Budget Document, Volume 2, Base Budget Reductions, on pages 99 and 138, and identified as Core Services 2010-2011 Reductions, Number 1, Staffing and Operational.

Item 2. Commerce and Insurance Department - Indirect Cost Reconciliation. The appropriation in Section 1, Title III-11, Item 1, Commerce and Insurance, Administration, is reduced by $2,102,300 and the interdepartmental revenue estimate increased by the same amount to correct the estimated indirect costs of Regulatory Boards to an amount of $1,280,200, rather than the amount of $3,382,500 stated on page A-47 of the 2012-2013 Budget Document.

AND FURTHER AMEND in Section 2, Item 12(a), of the printed bill by deleting the figure "$24,492,500" and substituting in lieu thereof the figure "$25,904,400".

AND FURTHER AMEND in Section 11, Item 1 of the printed bill by deleting sub-item (b) in its entirety and substituting instead:

(b) The dollar value of the BEP instructional positions component shall be thirty-nine thousand eight hundred forty-nine dollars ($39,849);

SECTION 39 – FEDERAL AND OTHER DEPARTMENTAL REVENUE

AND FURTHER AMEND by deleting in its entirety Section 39 of the printed bill and substituting the following as a new Section 39:

SECTION 39. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. At June 30, 2012, any unexpended balances of departmental revenues and federal aid funds appropriated in this section are hereby reappropriated in the fiscal year beginning July 1, 2012.

(a) There hereby is appropriated from departmental revenues and federal aid funds the amounts hereinafter set out:

	2011-2012	2012-2013
District Attorneys General Conference		
1. District Attorneys General	$ 143,400	$ 0
Higher Education - State Administered Programs		
1. Tennessee Higher Education Commission	150,000	0
Labor and Workforce Development		
1. Employment Security	1,362,100	0
Mental Health		
1. Community Alcohol and Drug Abuse Services	$ 2,090,700	$ 4,354,600
2. Community Mental Health Services	0	2,200,000
Sub-Total Mental Health	$ 2,090,700	$ 6,554,600
Health		
1. Maternal and Child Health	$ 500,000	$ 7,852,200
2. Communicable and Environmental Disease Services	26,900	90,400
3. Community and Medical Services	129,600	0
4. Local Health Services	509,800	0
Sub-Total Health	$ 1,166,300	$ 7,942,600
Children's Services		
1. Custody Services	0	30,000
Sub-Total Section 39(a)	$ 4,912,500	$14,527,200

The Commissioner of Finance and Administration is authorized to establish eighteen (18) full-time positions and to allocate them to the appropriate organizational units, including three (3) positions in the District Attorneys General Conference; one (1) in the Department of Commerce and Insurance, Tennessee Law Enforcement Training Academy; five (5) positions in the Department of Labor and Workforce Development; and nine (9) positions in the Department of Health, including eight (8) for continuation of federally funded positions in the Division of Communicable and Environmental Disease Services.

(b) From funds available from U.S. Public Law 111-5, the American Recovery and Reinvestment Act, there is hereby appropriated from federal funds and other departmental revenues the amounts hereinafter set out:

	2011-2012	2012-2013
Executive Department		
1. Governor's Office	$ 15,000	$ 45,000
Health		
1. Maternal and Child Health	69,800	209,500
Human Services		
1. Community Services	127,900	554,100
Sub-Total Section 39(b)	$ 212,700	$ 808,600

The Commissioner of Finance and Administration is authorized to establish three (3) full-time positions and to allocate them to the appropriate organizational units, including one (1) position in the Executive Department, one (1) position in the Department of Health, and one (1) position in the Department of Human Services.

Total Section 39	$ 5,125,200	$15,335,800

CAPITAL OUTLAY

AND FURTHER AMEND by deleting the following language from Title III-32 in Section 1 of the printed bill:

5.	Department of Environment and Conservation	12,940,000.00
7.	Department of General Services	12,930,000.00
13.	Tennessee Board of Regents	48,930,000.00
14.	University of Tennessee	34,345,000.00
	Total Title III-32	$ 138,600,000.00

and by substituting instead the following:

5.	Department of Environment and Conservation	13,940,000.00
7.	Department of General Services	15,660,000.00
13.	Tennessee Rehabilitative Initiative in Correction	2,600,000.00
14.	Tennessee Board of Regents	48,930,000.00
15.	University of Tennessee	34,345,000.00
	Total Title III-32	$ 144,930,000.00

AND FURTHER AMEND in Section 2 of the printed bill by inserting the following new items:

Item __. The capital maintenance project, ETSU CoM Family Practice Replace Roof, to be funded in the amount of $500,000 from the Tennessee Board of Regents appropriation in Section 1, Title III-32, Item 14 of this act and listed on page A-147 of the 2012-2013 Budget Document, is deleted and there is hereby reappropriated the sum of $500,000 for the ETSU CoM Education Building Electrical Updates.

Item __. In addition to the capital budget projects listed on pages A-144 through A-146 of the 2012-2013 Budget Document, two capital improvement projects and one capital maintenance project are funded in the appropriations in Section 1, Title III-32, Items 5, 7 and 13 of this act:

(a) Department of Environment and Conservation - Radnor Lake State Natural Area – Land Acquisition	$1,000,000.00
(b) Department of General Services – Capital Maintenance - Management Support Services	$2,730,000.00
(c) Tennessee Rehabilitative Initiative in Correction - Cook-Chill Equipment Replacement and Repair	$2,600,000.00

SECTION 1 AND 4 AMENDMENTS - FACILITIES REVOLVING FUND (FRF)

AND FURTHER AMEND by deleting the following language from Title III-29 in Section 1 of the printed bill:

2.	General Services Project Maintenance	5,547,600.00
3.	Capital Projects	125,100,000.00
	Total Title III-29 $	138,164,800.00

and by substituting instead the following:

2.	General Services Project Maintenance	1,100,000.00
3.	Facilities Management	5,547,600.00
4.	Capital Projects	115,870,000.00
	Total Title III-29 $	130,034,800.00

AND FURTHER AMEND by deleting the following language from Title III-26 in Section 4 of the printed bill:

4.	Capital Projects	6,680,000.00
	Total Title III-26 $	138,902,200.00

and by substituting instead:

4.	Capital Projects	13,667,300.00
	Total Title III-26 $	145,889,500.00

HIGHER EDUCATION DISCLOSED CAPITAL OUTLAY
FROM SCHOOL BONDS AND INSTITUTIONAL SOURCES

AND FURTHER AMEND in Section 29, Item 21 of the printed bill by inserting a new item to read:

The following proposed capital outlay projects, to be funded from school bonds, institutional/auxiliary and other funds, are in addition to those projects listed on pages A-150 through A-151 in the 2012-2013 Budget Document:

State University and Community College System
(Tennessee Board of Regents)

Austin Peay State University		
Dunn Center Scoreboard Replacement	$	1,870,000
Total APSU	$	1,870,000

East Tennessee State University		
Baseball Stadium Upgrades	$	4,500,000

Gray Fossil Site Improvements		180,000
Pedestrian Safety Improvements		1,000,000
Total ETSU	$	5,680,000

Middle Tennessee State University		
Athletic Track Refurbishment	$	400,000
Data Center Consolidation		5,250,000
Keathley University Center Renovation		3,000,000
McFarland Building Renovations		2,000,000
Total MTSU	$	10,650,000

Tennessee State University		
Campus-wide Relocations and Renovations	$	250,000
Charter School Facilities Development		1,700,000
Hankal Hall Relocations and Renovations		1,000,000
Total TSU	$	2,950,000

Tennessee Technological University		
Foundation Hall Parking	$	630,000
Intramural Sports and Activities Building		7,210,000
Parking and Transportation Improvements		750,000
Warf/Ellington Residence Hall Upgrade		2,250,000
Science & Engineering Complex Parking Garage		18,000,000
Tech Village Apartments Renovations Phase 3		9,680,000
Total TTU	$	38,520,000

University of Memphis		
Annex Facility Improvements	$	400,000
Dining Pavilion Construction		150,000
Emergency Operations Generator		150,000
Intramural Field Development		1,300,000
Park Avenue Campus Entry		500,000
Traffic and Circulation Improvements		3,000,000
Zach Curlin Parking Extension		1,100,000
Carney-Johnston Dormitory Renovation		3,000,000
Dormitory Reroofing		920,000
Total UoM	$	10,520,000

Cleveland State Community College		
Fire Alarm System Upgrade	$	1,000,000
Total CLSCC	$	1,000,000

Jackson State Community College		
Student Center Repairs and Updates	$	500,000
Total JSCC	$	500,000
Nashville State Community College		
Antioch Teaching Site Renovations	$	3,680,000
Total NASCC	$	3,680,000
Pellissippi State Community College		
Campus Window Replacement	$	300,000
Career Center Renovation		700,000
Division Street Parking		820,000
Magnolia Campus Student Parking		600,000
Modular Classroom Building		370,000
Total PSCC	$	2,790,000
Southwest Tennessee Community College		
F Building Renovations	$	190,000
Whitehaven Renovations		5,600,000
Total STCC	$	5,790,000
Volunteer State Community College		
Campus Loop Road Extension	$	3,000,000
Wood Campus Center Upgrades		3,000,000
Total VSCC	$	6,000,000
TTC Nashville		
Aviation Hanger Construction	$	100,000
Total TTC Nashville	$	100,000
Total Tennessee Board of Regents	$	90,050,000
University of Tennessee System		
University of Tennessee Chattanooga		
West Campus Parking & Housing Complex Planning	$	2,500,000
Arena Renovations Planning		100,000

Dining Services Improvements		1,000,000
Life Sciences Laboratory Facility Planning		3,000,000
Total UTC	$	6,600,000
UT Institute of Agriculture		
Energy & Enviro. Sciences Education Ctr. Planning	$	2,000,000
Total UTIA	$	2,000,000
University of Tennessee Knoxville		
Phillip Fulmer Way Expansion	$	15,000,000
Greve Hall Improvements Phase 2		4,000,000
Panhellenic Building Renovation Phase 2		4,000,000
Lab Renovations		11,000,000
Deferred Maintenance		12,500,000
New Student Housing Planning		3,000,000
Total UTK	$	49,500,000
UT Martin		
Fine Arts Renovation and Addition Planning	$	500,000
Football Pressbox Improvements Planning		100,000
Total UTM	$	600,000
Total University of Tennessee	$	58,700,000
Grand Total	$	148,750,000

The UT Chattanooga request for Mackenzie Arena Seating & Curtain System Improvements in the amount of $1,200,000 and the UT Knoxville request for Shelbourne Tower Renovation in the amount of $18,000,000 as identified on page A-151 of the 2012-2013 Budget Document are to be canceled.

OTHER PROVISIONS

AND FURTHER AMEND in Section 29 by inserting the following new item at the end of the section:

Item ___. From non-recurring funds appropriated in this act to the Community College System of the Tennessee Board of Regents for purposes of implementing the phase in of the outcome-based formula, the board is authorized to reserve a portion of such funds to: (a) supplement future funding of such formula phase in for the community college system; or (b) fulfill the requirements of Tennessee Code Annotated, Section 49-8-101(c) regarding the operation of the Tennessee community college system as a unified system.

AND FURTHER AMEND in Section 9, Item 4, by deleting the words "investment performance" and substituting in lieu thereof the words "investment and pensions administration performance" and by

deleting the words "investment staff" and inserting in lieu thereof the words "investment and administrative staff".

AND FURTHER AMEND in Section 9, Item 5, by deleting the words and punctuation "for payment of Unclaimed Property – Claims" and inserting in lieu thereof the words and punctuation ", Unclaimed Property, for payment of claims and claims administrative expense".

AND FURTHER AMEND in Section 34 of the printed bill by inserting a new item to read:

Item __. To the administration and support services programs in Section 1, Title III-10, Items 1.1 through 1.7, which are administered by the Tennessee Higher Education Commission or the Tennessee Student Assistance Corporation.

AND FURTHER AMEND in Section 35 of the printed bill by inserting a new item to read:

Item __. To the University of Tennessee System in Section 1, Title III-10, Item 3 to provide for technical corrections to the allocation of funding for 401K benefits.

AND FURTHER AMEND in Section 36, by deleting Item 56 in its entirety and inserting in lieu thereof the following:

Item 56. To the Treasury Department for college savings incentive initiatives and a college savings plan in Public Acts of 2010, Chapter 1108, Section 1, Title III-1, Item 7.3, and Section 35, Item 3; and Public Acts of 2011, Chapter 473, Section 1, Title III-1, Item 7.3, and Section 72, Item 3, and Section 36, Item 60.

AND FURTHER AMEND in Section 36 of the printed bill by inserting new items at the end of the section to read:

Item __. To the Department of Children's Services in Section 1, Title III-23 to fund operational expenses during the closure process of the Taft Youth Developmental Center. The carry-forward amount is subject to approval by the Commissioner of Finance and Administration.

Item __. To the Department of Environment and Conservation in Section 1, Title III-5, the unexpended balance of the $750,000 non-recurring appropriation for May 2010 flood, stream debris removal and repair.

AND FURTHER AMEND in Section 41 by inserting the following new items at the end of the section:

Item __. For the purpose of defraying administrative costs of authorized programs of the Tennessee Local Development Authority, there is hereby appropriated to the Tennessee Local Development Authority an amount not to exceed $700,000 from loan repayment amounts attributable to community provider loans. Such amounts shall be determined as necessary by the State Funding Board and the Tennessee Local Development Authority.

Item __. Court Interpreter Services. The cost increase described in the Budget Document on page B-212 as "General Sessions Courts – Interpreter Services" is incorrectly described in the Budget Document. From the appropriation to the Court System, Administrative Office of the Courts, in Section 1, Title II, Item 13, the sum of $2,000,000 hereby is appropriated for the purpose of providing interpreter services, in accordance with the rules prescribed by the Supreme Court, to persons with limited English language

proficiency who have a matter before courts established by or pursuant to Tennessee law. Provided further that the appropriation is authorized to be transferred by the Commissioner of Finance and Administration to a new line item to be called Court Interpreter Services; and provided further that the commissioner, subject to approval of the Administrative Director of the Courts, is authorized to transfer the sum of $1,000,000 from Indigent Defendants Counsel to Court Interpreter Services, such sum being the estimated amount that otherwise would be expended for interpreter services to indigent defendants in criminal cases in the state courts.

Item __. Settlement and Judgment Awards and Similar Awards. In addition to the appropriations in Public Acts of 2011, Chapter 473, and in this act, such sums as are received by the Attorney General and Reporter or other state officials and agencies in settlements and judgments and similar awards hereby are appropriated for the purposes received, as determined by the Attorney General and Reporter in accordance with such settlements and judgments. The Commissioner of Finance and Administration shall classify such funds as are received in accordance with generally accepted accounting principles and, as advised by the Attorney General and Reporter, is authorized to allot such funds for expenditure by the appropriate departments and organizational units of state government. At June 30, 2012, and any subsequent fiscal year end, the unexpended balance of such funds shall be reserved and carried forward for expenditure in the subsequent fiscal year; and such funds as are carried forward hereby are appropriated for the intended purposes. The provisions of this item shall not require the reserving of such funds in cases in which the settlement or judgment does not require the set-aside or expenditure of funds for a specific purpose or in amounts that are intended to benefit the general fund, provided, however, that funds designated for the Attorney General and Reporter shall be reserved in the Attorney General Litigation Settlement Reserve.

Item __. Tourist Development Department Support of National Festivals and Conventions. From the appropriation to the Department of Tourist Development, Administration and Marketing, in Section 1, Title III-4, Item 1, of this act, the sum of $50,000 (non-recurring), identified in the 2012-2013 Budget Document on page B-330, is authorized to be expended for the following purposes:

(a) Making a grant to the National Council for the Traditional Arts to support the 2012 National Folk Festival in Nashville, if such festival will occur;

(b) Increasing support for national conventions to be held in Nashville, if the Commissioner of Tourist Development determines that the purpose set forth in paragraph (a) is not possible or advisable; and under this circumstance, the sum of $50,000 hereby is appropriated for the purpose of increasing sponsorships in cooperation with the Nashville Convention and Visitors Bureau to support national conventions of the Student Youth Travel Association and American Bus Association.

OVER-APPROPRIATION AND REVERSION ADJUSTMENTS

AND FURTHER AMEND by deleting the following language and punctuation from Item 1(a) in Section 43 of the printed bill:

"and a non-recurring reversion of $94,500,000".

and by substituting instead the following:

"and a non-recurring reversion of $107,100,000".

AND FURTHER AMEND by inserting a new sub-item in Item 1 in Section 43 of the printed bill to read:

(c) In fiscal year 2012-2013 to recognize an Office for Information Resources (OIR) rate decrease in the estimated recurring amount of $2,600,000 by reducing appropriations made in Section 1 of this act.

TENNCARE FEDERAL PROGRAM EXPANSION

AND FURTHER AMEND by inserting a new item in Section 48 of the printed bill to read:

Item __. There is hereby appropriated a sum sufficient from federal grant revenues to the Department of Finance and Administration, Health Care Planning and Innovation, related to contingency activities. The Commissioner of Finance and Administration is authorized to adjust federal revenue allotments required to fund the Strategic Health Care Programs accordingly.

2012-2013 SALARY POLICY

AND FURTHER AMEND by deleting in its entirety Item 2 in Section 49 of the printed bill and by renumbering the subsequent items in Section 49.

AND FURTHER AMEND by inserting a new paragraph at the end of the newly designated Item 4 in Section 49 (Item 5 of the printed bill) to read:

From the $15,000,000 appropriation it is the legislative intent to earmark for non-executive agencies the following amounts in fiscal year 2012-2013:

Legislature	$ 253,500.00
Fiscal Review Committee	12,000.00
Court System	244,500.00
Attorney General and Reporter	550,000.00
Secretary of State	225,000.00
Comptroller of the Treasury	379,500.00
Treasury Department	1,500.00
Total Non-Executive Agencies	$1,666,000.00

AND FURTHER AMEND in Section 60 of the printed bill by adding the following at the end of the first paragraph:

Provided, however, that severance benefits shall not be considered to have been due to any terminated employee who is re-employed by the state within sixty days of termination, and any such employee shall reimburse the state on a pro-rata basis in such circumstance. Any such repayment shall be made in accordance with applicable payroll and accounting policies and procedures so that the repayment amount is paid by the end of the calendar year.

HOUSEKEEPING PROVISIONS

AND FURTHER AMEND in Section 1, Title III-30, in the fourth paragraph thereof, by deleting the word "Chairmen" in both instances and substituting in both places the word "Chairs".

AND FURTHER AMEND in Section 3, Item 1, in the third paragraph, by deleting the word "chairman" and substituting in lieu thereof the word "chair".

AND FURTHER AMEND in Section 6, Item 12, by deleting the citation "Senate Bill No. ___/House Bill No. ___" in both instances and substituting in lieu thereof in both places the citation "Senate Bill No. 3769/House Bill No. 3836".

AND FURTHER AMEND in Section 7, Item 1, by deleting the date "2011-2012" and substituting in lieu thereof the date "2012-2013".

AND FURTHER AMEND in Section 7, Item 2, by deleting the word "Chairman" and substituting in lieu thereof the word "Chair" and by deleting the word "him" in both instances and in the first instance substituting the words "the Chair" and in the second instance substituting the words "the Secretary".

AND FURTHER AMEND in Section 7, Item 12, by deleting the word "firemen" and substituting in lieu thereof the word "firefighters", by deleting the word "fireman's" and substituting the word "firefighter's", and by deleting the word "his" and substituting the word "the".

AND FURTHER AMEND in Section 7, Item 13, by deleting the word "his" and substituting in lieu thereof the word "the".

AND FURTHER AMEND in Section 8, Item 5, by deleting the first comma and by inserting after the word and punctuation "General," the words and punctuation "in accordance with Tennessee Code Annotated, Section 8-6-106,".

AND FURTHER AMEND in Section 8, Item 11, by deleting the word "Agency" and inserting in lieu thereof the word "Authority".

AND FURTHER AMEND in Section 8, Item 16(e) by deleting the words and citation "and Section 67-4-606".

AND FURTHER AMEND in Section 8, Item 19(e) by deleting the word "Authority" and substituting in lieu thereof the word "Agency".

AND FURTHER AMEND in Section 8, Item 30(b) by deleting the words and date "Act of 1989" and substituting in lieu thereof the words "Incentive Account".

AND FURTHER AMEND in Section 8, Item 37, by deleting the word "unit" and substituting in lieu thereof the word "Division".

AND FURTHER AMEND in Section 10, Item 16, of the printed bill by inserting after the citation "Item 2," the words "and in Section 68, Item 1(8)," and by deleting the amount "$35.00" in all three places and inserting in lieu thereof the amount "$37.00".

AND FURTHER AMEND in Section 10, Item 17, by deleting the amount "five hundred dollars ($500.00)" and substituting in lieu thereof the amount "one thousand dollars ($1,000.00)".

AND FURTHER AMEND in Section 10, Item 25, by deleting the word "specialty" and inserting in lieu thereof the words and punctuation "cultural, specialty earmarked, new specialty earmarked, and collegiate"; and by inserting the following before the period at the end of the sentence: ", as provided in Tennessee Code Annotated, Title 55, Chapter 4".

AND FURTHER AMEND in Section 10, by renumbering Items 30, 31, 32, and 33, as Items 28, 29, 30, and 31, respectively.

AND FURTHER AMEND in Section 12, Item 2, by deleting the TCA citation "4-5-209" and substituting in lieu thereof the citation "4-5-208".

AND FURTHER AMEND in Section 12, Item 3, by deleting the words "bill is minimal" and inserting in lieu thereof the words "bill as enacted is minimal".

AND FURTHER AMEND in Section 15, Item 7 of the printed bill by deleting the words "Finance and Administration" in two places in the item and substituting instead the words "General Services" in both places.

AND FURTHER AMEND in Section 20 by deleting the year "2012" and substituting in lieu thereof the year "2013".

AND FURTHER AMEND in Section 23, Item 1, in the second paragraph, in its first sentence, by deleting the words "estimated federal" and inserting in lieu thereof the word "federal".

AND FURTHER AMEND the printed bill in Section 23, Item 3, by deleting the item in its entirety and by substituting instead the following:

> Item 3. The capital budget and appropriations for capital outlay shall be presented as provided in Senate Bill No. 2418/House Bill No. 2552 or Senate Bill No. 3771/House Bill No. 3839, if such provisions in either bill become law. If such provisions in either cited bill do not become law, the following provisions of this item shall not apply and Tennessee Code Annotated, Section 9-4-5108(b) shall apply; if such provisions in either cited bill become law, then the provisions of such bill and the following provisions of this item shall apply:
>
> The capital budget, to be included in Part 3 of the Budget Document, shall contain funding for all capital outlay. Funding for all capital improvement projects of whatever amount and funding for each capital maintenance project of one million dollars ($1,000,000) or more shall be specified by project, by affected spending agency, and by funding sources, including state current funds, bonds, and other revenue. Funding for each capital maintenance project of less than one million dollars ($1,000,000) shall be specified in such detail in the Budget Document as the Governor shall determine. Appropriations for capital improvement and capital maintenance projects shall be specified by state agency in lump sums consistent with capital improvement and maintenance projects detailed in the Budget Document.

AND FURTHER AMEND in Section 23, Item 4, of the printed bill by deleting the word "Chairmen" and inserting in lieu thereof the word "Chairs".

AND FURTHER AMEND in Section 26, Item 6, by deleting, in the first instance in which they appear, the words "as authorized under" and substituting in lieu thereof the words "at the same rates and in the same manner provided by".

AND FURTHER AMEND in Section 28 by inserting after the word "Administration" at the end of the second sentence the words "and the Comptroller of the Treasury, pursuant to Tennessee Code Annotated, Section 4-3-304".

AND FURTHER AMEND in Section 31 of the printed bill by:

(a) deleting the following language:

2. Mental Health Services block grant in the amount of $8,174,600

and inserting in lieu thereof the following:

2. Mental Health Services block grant in the amount of $10,374,600

; and,

(b) deleting the following language:

8. Substance Abuse Prevention and Treatment block grant in the amount of $30,275,500

and inserting in lieu thereof the following:

8. Substance Abuse Prevention and Treatment block grant in the amount of $34,275,500

AND FURTHER AMEND in Section 35, Item 1, by inserting after the word and punctuation "Counsel," the words and punctuation, "Court Interpreter Services,".

AND FURTHER AMEND in Section 36, Item 57, by deleting the citation "Section 77, Item 19" and inserting in lieu thereof the citation "Section 41, Item 35, of this act".

AND FURTHER AMEND in Section 36, Item 4, by deleting the TCA citation "67-4-606(a)(B)(9)" and substituting in lieu thereof the citation "67-4-606(a)(9)".

AND FURTHER AMEND in Section 41, Item 19, by deleting the words and punctuation "(d) Governor's Schools; and (e) Governor's Institute for Science and Math" and inserting in lieu thereof the words and punctuation "and (d) Governor's Schools".

AND FURTHER AMEND in Section 41, Item 20, by deleting the words "the Tennessee Infant Parent Services School" and inserting in lieu thereof the words "Tennessee Early Intervention Services".

AND FURTHER AMEND in Section 41, Item 24, by deleting the word "rent" and inserting in lieu thereof the word "rental".

AND FURTHER AMEND in Section 41, Item 33, by deleting the TCA citation "67-801(b)(1)" and substituting in lieu thereof the citation "67-1-801(b)(1)".

AND FURTHER AMEND by inserting new items at the end of Section 41 of the printed bill to read:

Item __. The Commissioner of Finance and Administration is authorized to establish three (3) additional full-time positions in the Department of Environment and Conservation, State Parks, to correct a position count error.

Item __. The Commissioner of Finance and Administration is authorized to establish one (1) additional full-time position in the Comptroller of the Treasury, Division of County Audit, to correct a position count error.

AND FURTHER AMEND in Section 48 of the printed bill by deleting in Item 7 the date "June 30, 2012" and the figure "$10,100,000" and by substituting instead the date "June 30, 2013" and the figure "$8,969,100".

AND FURTHER AMEND by adding the following new sections:

LEGISLATIVE SOURCE ADJUSTMENTS

SECTION 72.

Item 1. The appropriation in Section 1, Title III-9, Item 2.1(b) to the Department of Education, Career Ladder, is reduced by the sum of $1,500,000 (recurring) for the purpose of recognizing program savings because of attrition.

Item 2. At June 30, 2012, the sum of $15,000,000 shall be transferred to the general fund from Tennessee Emergency Management Agency (TEMA), Reserve for Disaster Relief, and the remaining unexpended balance of TEMA disaster relief appropriations and reserves shall be carried forward at June 30, 2012, and hereby is appropriated for expenditure in the year beginning July 1, 2012. The provisions of this item shall take effect upon becoming law, the public welfare requiring it.

Item 3. The appropriation in Section 1, Title III-29, to the Facilities Revolving Fund, Capital Projects, is reduced by $5,500,000 for the purpose of reducing to $69,500,000 the Office Consolidation Project identified on page A-170 of the 2012-2013 Budget Document.

Item 4. Of the appropriation in Section 1, Title III-8, Item 3, to the Department of Economic and Community Development, FastTrack Infrastructure and Job Training Assistance Program, and identified on page B-330 of the 2012-2013 Budget Document as a cost increase of $10,000,000 recurring and $10,000,000 non-recurring, the recurring sum of $10,000,000 hereby is designated as a non-recurring appropriation, such that the entire $20,000,000 FastTrack program cost-increase described on page B-330 shall be non-recurring.

Item 5. Of the appropriation in Section 1, Title III-9, Item 2.1(c), to the Department of Education, Basic Education Program (BEP), and identified as core-services continuation of BEP ADM Growth Funding on page 118 of the 2012-2013 Budget Document, Volume 2, a sum of $3,500,000 hereby is designated as a non-recurring appropriation.

DEDICATED SOURCE & EARMARKS

SECTION 73.

Item 1.(a) From the funds appropriated to the Department of Transportation, there is earmarked a sum sufficient for the sole purpose of implementing Chapter 734 of the Public Acts of 2012, Chapter 739 of the Public Acts of 2012, Chapter 740 of the Public Acts of 2012, Senate Bill No. 2278/House Bill No. 2682, Senate Bill No. 2401/House Bill No. 2329, Senate Bill No. 2678/House Bill No. 2803, Senate Bill No. 2684/House Bill No. 2794, Senate Bill No. 2732/House Bill No. 2793, Senate Bill No. 2733/House Bill No. 2878,

Senate Bill No. 2778/House Bill No. 3570, House Joint Resolution No. 872, and Senate Joint Resolution No. 629, if such bills and resolutions become law.

(b) From the funds appropriated to the Department of Transportation, there is earmarked a sum sufficient for the sole purpose of funding any general bill or resolution, that becomes law, designating an interstate, United States highway or state highway as a memorial highway or as a memorial bridge for certain individuals killed in the line of duty, pursuant to § 54-1-133 or § 54-5-1003, that is not otherwise funded in this act. It is the legislative intent that such funding be earmarked for implementation of such bills and resolutions in the fiscal year ending June 30, 2013, and in subsequent fiscal years.

(c) This item shall take effect upon becoming a law, the public welfare requiring it.

Item 2. From funds available and appropriated to the Department of Commerce and Insurance (Scrap Metal Registration Program), there is earmarked a sum sufficient for the sole purpose of implementing Senate Bill No. 2895/House Bill No. 3246, relative to scrap metal dealers, if such bill becomes law.

Item 3. From funds available and appropriated to the Department of Health (Division of Health Related Boards), there is earmarked a sum sufficient for the sole purpose of implementing Senate Bill No. 3644/House Bill No. 3688, relative to electronic notifications, if such bill becomes law.

Item 4. From funds appropriated to the Tennessee Wildlife Resources Agency, there is earmarked the sum of $1,500 for the sole purpose of implementing Senate Bill No. 3655/House Bill No. 3690, relative to licenses for disabled minors, if such bill becomes law.

Item 5. From funds appropriated to the Tennessee Wildlife Resources Agency, there is earmarked the sum of $400 for the sole purpose of implementing Senate Bill No. 3590/House Bill No. 2776, relative to reorganization of the agency, if such bill becomes law.

Item 6. From funds appropriated to the Tennessee Wildlife Resources Agency, there is earmarked the sum of $1,500 for the sole purpose of implementing Senate Bill No. 2403/House Bill No. 2294, relative to licenses for persons with intellectual disabilities, if such bill becomes law.

Item 7. From funds appropriated to the University of Tennessee System and the Tennessee Board of Regents System, there is earmarked a sum sufficient for the sole purpose of implementing Senate Bill No. 3022/House Bill No. 3665, relative to higher education, if such bill becomes law.

Item 8. From the funds appropriated to the Secretary of State, there is earmarked a sum sufficient for the sole purpose of publishing Senate Joint Resolution No. 221, in accordance with Section 3 of Article XI of the Tennessee Constitution, if such resolution is adopted.

Item 9. From the funds appropriated to the Secretary of State, there is earmarked a sum sufficient for the sole purpose of publishing Senate Joint Resolution No. 183 and/or Senate Joint Resolution No. 710, in accordance with Section 3 of Article XI of the Tennessee Constitution, if either, or both, such resolutions are adopted.

Item 10. From the funds appropriated to the Secretary of State, there is earmarked a sum sufficient for the sole purpose of publishing Senate Joint Resolution No. 222, in accordance with Section 3 of Article XI of the Tennessee Constitution, if such resolution is adopted.

Item 11. It is the legislative intent that the appropriations to the Department of Economic and Community Development for the Film and Television Incentive Fund in Section 4, Title III-8, Item 10, and in Section 36, Item 31, of this act, are authorized to be used for projects that have been approved under Tennessee Code Annotated, Section 67-4-2109(j), but have not yet received funding from the state, as a result of the implementation of Senate Bill No. 3771/House Bill No. 3839, if such bill becomes law.

LEGISLATIVE INITIATIVES

SECTION 74.

Item 1. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient to the Department of Finance and Administration for distribution to the appropriate entities for the sole purpose of implementing Senate Bill No. 2863/House Bill No. 3213, Senate Bill No. 3155/House Bill No. 3272, Senate Bill No. 2368/House Bill No. 2488, Senate Bill No. 2371/House Bill No. 2493, Senate Bill No. 1325/House Bill No. 1379, Senate Bill No. 3005/House Bill No. 2868, Senate Bill No. 2349/House Bill No. 2311, Senate Bill No. 2606/House Bill No. 2655, Senate Bill No. 2759/House Bill No. 3082, Senate Bill No. 2129/House Bill No. 2309, Senate Bill No. 2886/House Bill No. 3225, Senate Bill No. 2438/House Bill No. 2733, Senate Bill No. 3176/House Bill No. 2334, Senate Bill No. 2066/House Bill No. 2114, Senate Bill No. 2819/House Bill No. 2663, and Senate Joint Resolution No. 701, if such bills and resolutions become law. It is the legislative intent that if funding is earmarked for such implementation in such bills or resolutions that the funds appropriated in this item be reduced accordingly.

Item 2. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $250,000 (non-recurring) to the Department of Education for the sole purpose of allocating such sum as grants in equal amounts to each Tennessee public television station, to be used for equipment, programs and operational expenses.

Item 3. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $75,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making grants in the amount of $37,500 each to the Rutherford County Drug Court and the Williamson County Drug Court, to be used for operational expenses.

Item 4. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $50,000 (recurring) to the Department of Finance and Administration for the sole purpose of contracting with a nonprofit organization for promotion of health awareness among Tennessee males. Such nonprofit organization must have been established prior to January 1, 2004; must have received a contract administered through the Tennessee Department of Health; must have received funding through the vitamin supplement settlement of June 2003, administered by the Tennessee attorney general's office; and must possess substantial experience with general health outreach and education activities for males in Tennessee, including activities for the general population and the underserved living in Tennessee.

Item 5. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $100,000 (non-recurring) to the Department of Health for the sole purpose of making a grant in such amount to the Crumley House located in Washington County, to be used for the provision of programs and services on behalf of persons suffering from traumatic brain injuries.

Item 6. In addition to any other funds appropriated by the provision of this act, there is appropriated the sum of $125,000 (non-recurring) to the Department of Health for the sole purpose of making a grant in such amount to the Memphis Oral School for the Deaf, to be used for programs and operational expenses.

Item 7. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $500,000 (non-recurring) to the Department of Health for the sole purpose of the vaccine billables project.

Item 8. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $150,000 (non-recurring) to the Administrative Office of the Courts for the sole purpose of making grants to legal aid programs in each grand division to be used for domestic violence prevention and services.

Item 9. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $335,000 (non-recurring) to the Department of Environment and Conservation for the sole purpose of restoring base funding for the West Tennessee River Basin Authority major maintenance program.

Item 10. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $100,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to Tennessee History for Kids, Inc., to be used for programs, services, and operational expenses.

Item 11. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $157,500 (non-recurring) to the Department of Tourist Development for the purposes of Web site development, marketing, advertising and other support services for the Tennessee Sesquicentennial Commission.

Item 12. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $316,000 (non-recurring) to the Department of Human Services for the sole purpose of making a grant in such amount to the

Second Harvest Food Bank of Middle Tennessee, to be used for the purpose of purchasing, handling, and transporting food for hunger relief. The Second Harvest Food Bank of Middle Tennessee shall distribute the funds to the five (5) food banks across the state, as follows:

35% to Second Harvest Food Bank of Middle Tennessee;

25% to Memphis Food Bank;

20% to Second Harvest Food Bank of East Tennessee;

10% to Chattanooga Area Food Bank;

10% to Second Harvest Food Bank of Northeast Tennessee.

Item 13. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $450,000 (non-recurring) to the Department of Economic and Community Development for the sole purpose of local planning transition grants. It is the intent of the General Assembly that each of the nine (9) development districts receive $50,000.

Item 14. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $120,000 (recurring) to the Commission on Children and Youth for the sole purpose of making grants of $15,000 each to seven (7) counties participating in the Court Appointed Special Advocates (CASA) program and to one (1) additional county seeking to participate in the program, bringing the total counties receiving state funds to forty-five (45).

Item 15. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $1,681,500 (non-recurring) to the Department of Intellectual and Developmental Disabilities for the sole purpose of restoring funding for the Family Support Program that provides assistance to developmentally disabled individuals who do not qualify for intellectual disabilities services.

Item 16. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $100,000 (non-recurring) to the Tennessee Bureau of Investigation (TBI) for the sole purpose of making grants to local governments in which Crime Stoppers operates. The TBI is authorized to award such grants upon application submitted by a local government as required by the TBI.

Item 17. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $180,000 (non-recurring) to the Department of Education for the sole purpose of grants-in-aid to science alliance museums.

Item 18. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $2,000,000 (non-recurring) to the Department of Education for the sole purpose of restoring funds for school Internet connectivity.

Item 19. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $25,000 (non-recurring) to the District Attorneys General Conference for the sole purpose of training and improving administrative practices for drug task forces.

Item 20. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $105,000 (non-recurring) to the Department of Education for the sole purpose of career and technical education programming implemented through the Tennessee Alliance of Boys & Girls Clubs.

Item 21. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $800,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to Meharry Medical College, to be used in support of the Meharry HBCU Wellness Project.

Item 22. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $95,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the National Institute for Law and Equity (NILE), to be used for operational expenses and programs, including continuation of the Parent Partner Program.

Item 23. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $15,000 (non-recurring) to the District Attorneys General Conference for the sole purpose of hosting the National Association of Prosecutor Coordinators (NAPC) conference in Nashville during December 2012.

Item 24. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $49,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the Secret Safe Place for Newborns, to be used for the purpose of informing the community of safe, secret options under the Safe Haven Law.

Item 25. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $100,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the Shelby County Drug Court under the guidance of Judge Tim Dwyer, to be used for programs, services and operational expenses.

Item 26. In addition to any other funds appropriated by the provisions of this act, there is appropriated an amount up to $100,000 (non-recurring) to the Tennessee Historical Commission for the sole purpose of research and publication of up to one thousand two hundred (1,200) hardbound copies of the next volume of the Biographical Directory of the Tennessee General Assembly.

Item 27. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $150,000 (non-recurring) to the Department of Health for the sole purpose of making a grant in such amount to St. Jude Hospital in Memphis, to defray, in whole or in part, the expenses of patients and their families who are citizens and residents of Tennessee in traveling to and from St. Jude Hospital. Such payments shall be administered by the hospital and shall be made on the basis of need. Such patients, or their families, requesting assistance from these funds shall supply such documents supporting need and travel expenses as the hospital may require.

Item 28. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $206,300 (non-recurring) to the Department of Health, Bureau of Health Services, Community and Medical Services, for the sole purpose of restoring funding for the epilepsy program.

Item 29. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $100,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the Nashville Drug Court Support Foundation, a non-profit corporation, to be used for general operating costs to help prevent and resolve issues related to substance abuse.

Item 30. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $50,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to a Tennessee nonprofit fund supporting services to communities of greatest need to be used for enterprise development week youth economic summits in Nashville, Chattanooga and Memphis.

Item 31. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $100,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to A Bridge of Hope, to be used to provide human trafficking training programs to law enforcement officers.

Item 32. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $125,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the Tennessee Association of Rescue Squads, to be used for the acquisition of underwater radar and associated costs.

Item 33. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $15,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the Tennessee Association of Rescue Squads, to be used for operational costs.

Item 34. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $500,000 (non-recurring) to the University of Tennessee System for the sole purpose of programs and services provided through the UT Law Enforcement Innovation Center.

Item 35. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $10,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to Tennessee CASA, to be used for programs and services.

Item 36. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $100,000 (non-recurring) to the Department of Environment and Conservation for the sole purpose of making a grant in such amount to the Chickasaw Basin Authority.

Item 37. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $35,000 (non-recurring) to the Tennessee Historical Commission for the sole purpose of conducting an audit of war memorials to ensure that all appropriate individuals have been listed on such memorials. No later than December 1, 2012, the commission shall report to the members of the Finance, Ways and Means Committees of the Senate and the House of Representatives on the physical condition of the various memorials to identify substandard memorials. The commission shall develop a plan to remedy any problems discovered with such memorials.

Item 38. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $1,000,000 (non-recurring) to the Board of Regents, for the sole purpose of building out the space for the third floor of the new Allied Health and Technologies Building of the Roane State Community College, Oak Ridge campus. Such state funding is supplemental to institutional funding in the amount of $1,300,000 to complete the third floor. It is intended that this state funding in support of the additional space will assist the school in meeting the demand for health science programs.

Item 39. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $600,000 (non-recurring) to the Tennessee Arts Commission for the sole purpose of making grants for musical heritage.

Item 40. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of $244,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making grants, in equal amounts, to the drug courts located in non-urban counties, to be used for programs, services and operational expenses.

Item 41. To the University of Tennessee, $5,000,000 is made available from National Academy-Level Faculty unobligated reserves for use toward the completion of the Joint Institute for Advanced Materials Science (JIAMS) research laboratory facility at Cherokee Farm. The provisions of this item shall take effect upon becoming a law, the public welfare requiring it.

LANGUAGE AMENDMENTS

SECTION 75.

Item 1. From the funds appropriated by this act, the Department of Finance and Administration is directed to study the increasing prices of gasoline compared to the applicable rate of mileage reimbursement paid to state employees, excluding members of the General Assembly, for using personally owned or leased vehicles in the course of official state business. The department shall propose recommendations arising from the study, including recommendations for increasing the rate of reimbursement when the average price of regular gas in this state exceeds four dollars ($4.00) per gallon or a higher amount, as certified by the American Automobile Association's ("AAA") Daily Fuel Gauge Report. Such recommendations shall be reported to the chairs of the Finance, Ways and Means Committees of the Senate and the House of Representatives no later than December 1, 2012.

Item 2. Each state agency shall report to the chairs of the Finance, Ways and Means Committees of the Senate and the House of Representatives and to the office of legislative budget analysis when the agency applies for a federal grant of more than $100,000.

Item 3. From the appropriations made in this act, the Department of Finance and Administration, Bureau of TennCare, is requested to examine the impact to the budget of moving the CoverKids program, Tennessee's Children's Health Insurance Program (CHIP), into the TennCare program. The Bureau of TennCare shall report no later than January 1, 2013 to the chairs of the Finance, Ways and Means Committees of the Senate and the House of Representatives on the budget impact.

Item 4. It is the legislative intent that in the fiscal year ending June 30, 2013 and in subsequent fiscal years, any required reversion to the general fund balance from any unexpended funds available to the Secretary of State, Division of Public Documents, be reduced by a sum sufficient and transferred to the division for the sole purpose of funding any joint resolution, that becomes law, calling for an amendment to the Tennessee Constitution. It is the legislative intent that such funding be used to provide notice of any constitutional amendments proposed by the General Assembly.

Item 5. From the appropriations made in this act, the Administrative Office of the Courts is requested to conduct a statewide study of the assessment of all unpaid court fees, fines and costs compared to the actual collection of such fees, fines and costs. The study shall be limited to those assessments and collections made in the 2011-2012 fiscal year. The results of the study, including any recommended legislation, shall be reported to the chairs of the Finance, Ways and Means Committees, the Judiciary Committees of the Senate and House of Representatives, and the executive director of the fiscal review committee no later than January 1, 2013.

SECTION 76. The provisions of this section take effect upon becoming law, the public welfare requiring it. From the appropriations made in this act, there is hereby appropriated a sum sufficient for implementation of any legislation cited, or otherwise described by category, in this act that has an effective date prior to July 1, 2012.

FACILITIES REVOLVING FUND (FRF)

SECTION 77. It is the legislative intent to recognize revisions in the Facilities Revolving Fund (FRF) capital improvements and capital maintenance projects listed on pages A-170 and A-171 of the 2012-2013 Budget Document. The projects are funded by appropriations made in Section 1, Title III-29, Item 4, and in Section 4, Title III-26, Item 4, of this act and from residual bond reserves of the Facilities Revolving Fund.

Item 1. In addition to the projects identified in the 2012-2013 Budget Document, $4,720,000 is provided from revenues of the Facilities Revolving Fund for Capital Maintenance – Management Support Services.

Item 2. In addition to the projects identified in the 2012-2013 Budget Document, $3,900,000 is provided from residual bond reserves ($3,100,000) of the Facilities Revolving Fund and Office of Information Resources revenues ($800,000) for the OIR Data Center North Renovation.

Item 3. The Davy Crockett Building Renovations project in the amount of $1,000,000, as identified in the 2012-2013 Budget Document is hereby increased by $2,720,000 in state appropriations, and $1,480,000 from revenues of the Facilities Revolving Fund.

Item 4. In addition to the projects identified in the 2012-2013 Budget Document, $427,300 is provided from revenues of the Facilities Revolving Fund to address security upgrades of the Legislative Plaza.

Item 5. The Rachel Jackson Building Renovations project in the amount of $2,200,000, as identified in the 2012-2013 Budget Document, is hereby canceled.

Item 6. The R.S. Gass Laboratory Interior Renovations project in the amount of $2,450,000, as identified in the 2012-2013 Budget Document, is hereby reduced by $1,800,000.

Item 7. The John Sevier Interior Renovation project in the amount of $6,000,000 as identified in the 2012-2013 Budget Document, is hereby canceled.

Item 8. The Central Services Building Interior Renovation project in the amount of $1,950,000, as identified in the 2012-2013 Budget Document, is hereby canceled.

Item 9. The TPS Hardison Complex Flooring Updates project in the amount of $440,000, as identified in the 2012-2013 Budget Document, is hereby canceled.

PUBLIC DEFENDER OFFICES

SECTION 78. Public Defender Offices in Davidson and Shelby counties.

Item 1. From the appropriation for state employees 2.5 percent salary increase in Section 1, Title III-22, Item 13, the sum of $92,300 is earmarked for the public defenders offices in Davidson County and Shelby County, to be allocated as follows:

(a) Davidson County, $31,300; and

(b) Shelby County, $61,000.

The amounts earmarked above are determined on the following basis:

The 2.5 percent salary policy adjustment for the district public defenders is an amount equal to 1.95 percent of the base recommended state appropriation for district public defenders; and the amounts earmarked above for Davidson and Shelby counties are equal to 1.95 percent of the base recommended state appropriations for the public defenders offices in Davidson County and Shelby County.

Item 2. The Commissioner of Finance and Administration is directed to study issues pertaining to implementation of the provisions of Tennessee Code Annotated, Section 8-14-210, relative to budget increases for the public defender offices in

Davidson and Shelby counties. No later than the day after transmittal of the next Budget Document to the General Assembly, a report of findings and recommendations shall be transmitted by the commissioner to the Speakers of the Senate and House of Representatives; the chairs of the Finance, Ways and Means Committees; the majority and minority leaders of both houses; and the director of the office of legislative budget analysis.

The commissioner shall examine the meaning of the language "the state shall pay to the county or metropolitan government an amount equal to the percentage of any general increases in appropriations for district public defenders"; the manner in which such increase has been calculated; whether a base budget adjustment is recommended in consideration of the meaning of § 8-14-210 or for other reasons; other associated matters that the commissioner deems appropriate; and recommendations for clarifying the language of § 8-14-210. Clarification of § 8-14-210 may include alternative means of providing for budget adjustments.

If the commissioner finds in the study that a base budget adjustment should be made or that § 8-14-210 should be clarified or changed for future budget adjustments, it is the legislative intent that the 2013-2014 Budget Document transmitted by the governor to the General Assembly include the recommended appropriation increase and that the governor's budget legislation include any recommended change in law.

HIGHER EDUCATION LOTTERY SCHOLARSHIPS

AND FURTHER AMEND by adding the following language as new items to Section 52:

Item 6. From the Lottery for Education Account, there is appropriated a sum sufficient for the sole purpose of implementing Senate Bill No. 2687/House Bill No. 3332, relative to a short form lottery scholarship application, if such bill becomes a law.

Item 7. From the Lottery for Education Account, there is appropriated a sum sufficient for the sole purpose of implementing Senate Bill No. 3599/House Bill No. 3816, relative to lottery scholarships for home school students, if such bill becomes a law.

Item 8. From the Lottery for Education Account, there is appropriated a sum sufficient for the sole purpose of implementing Senate Bill No. 3170/House Bill No. 3622, relative to the eligibility status of the Art Institute of Nashville, if such bill becomes a law.

MISCELLANEOUS

AND FURTHER AMEND by adding the following paragraph to the end of Section 23, Item 3:

The Commissioner of Finance and Administration shall provide a written quarterly report to the director of the Office of Legislative Budget Analysis and to the executive director of the Fiscal Review Committee identifying additions, deletions or other modifications of capital improvement and capital maintenance projects occurring subsequent to enactment of the annual budget through the appropriations and bond authorization acts.

AND FURTHER AMEND by adding the following sentence to the end of Section 63, Item 2:

It is the intent of the General Assembly that such funds shall not be distributed by means of the higher education formula.

AND FURTHER AMEND by deleting the item within Section 29 which reads as follows:

> From non-recurring funds appropriated in this act to the Community College System of the Tennessee Board of Regents for purposes of implementing the phase in of the outcome-based formula, the board is authorized to reserve a portion of such funds to: (a) supplement future funding of such formula phase in for the community college system; or (b) fulfill the requirements of Tennessee Code Annotated, Section 49-8-101(c) regarding the operation of the Tennessee community college system as a unified system.

and by substituting instead the following language:

> From non-recurring funds appropriated in this act to the Community College System of the Tennessee Board of Regents for purposes of implementing the phase in of the outcome-based formula, the board is authorized to reserve a portion of such funds to: (a) supplement future funding of such formula phase in for the community college system; or (b) fulfill the requirements of Tennessee Code Annotated, Section 49-8-101(c) regarding the operation of the Tennessee community college system as a unified system. The Tennessee Board of Regents shall file a written report with the chairs of the Education Committees of the Senate and House of Representatives concerning the provisions of this item.

AND FURTHER AMEND by adding the following sentence to the end of the item within Section 41 which begins "Settlement and Judgment Awards and Similar Awards":

> The Attorney General and Reporter shall file a written report with the Speaker of the Senate, the Speaker of the House of Representatives and the Office of Legislative Budget Analysis upon receipt of any settlement or judgment in excess of $1,000,000; such report shall specify the nature of the settlement or judgment, the amount of the settlement or judgment and the purposes for which any such settlement or judgment funds are received.

AND FURTHER AMEND by deleting the item within Section 41 which reads as follows:

> Tourist Development Department Support of National Festivals and Conventions. From the appropriation to the Department of Tourist Development, Administration and Marketing, in Section 1, Title III-4, Item 1, of this act, the sum of $50,000 (non-recurring), identified in the 2012-2013 Budget Document on page B-330, is authorized to be expended for the following purposes:
>
> > (a) Making a grant to the National Council for the Traditional Arts to support the 2012 National Folk Festival in Nashville, if such festival will occur;
> >
> > (b) Increasing support for national conventions to be held in Nashville, if the Commissioner of Tourist Development determines that the purpose set forth in paragraph (a) is not possible or advisable; and under this circumstance, the sum of $50,000 hereby is appropriated for the purpose of increasing sponsorships in cooperation with the Nashville Convention and Visitors Bureau to support national conventions of the Student Youth Travel Association and American Bus Association.

and by substituting instead the following:

> Tourist Development Department Support of National Festivals and Conventions. From the appropriation to the Department of Tourist Development, Administration and

Marketing, in Section 1, Title III-4, Item 1, of this act, the sum of $50,000 (non-recurring), identified in the 2012-2013 Budget Document on page B-330, is authorized to be expended for making a grant to the National Council for the Traditional Arts to support the 2012 National Folk Festival in Nashville, if such festival will occur.

AND FURTHER AMEND by deleting the language "$107,100,000" from Section 43, Item 1 and by substituting instead the language "$107,300,000".

AND FURTHER AMEND by deleting the item within Section 48 which reads as follows:

There is hereby appropriated a sum sufficient from federal grant revenues to the Department of Finance and Administration, Health Care Planning and Innovation, related to contingency activities. The Commissioner of Finance and Administration is authorized to adjust federal revenue allotments required to fund the Strategic Health Care Programs accordingly.

AND FURTHER AMEND by requesting the Engrossing Clerk to:

(1) Insert between Sections 64 and 65 of the printed bill any new sections added to the bill so that Sections 65 through 69 of the printed bill will be the renumbered final sections of the engrossed bill;

(2) Delete the bold underlined explanatory headings in this amendment; and

(3) Exclude this paragraph from the engrossed bill.

/s/ Senator McNally
/s/ Senator Finney
/s/ Senator Ketron
/s/ Senator Kyle
/s/ Senator Norris
/s/ Senator Watson

/s/ Representative Sargent
/s/ Representative Alexander
/s/ Representative Fitzhugh
/s/ Representative Harrison
/s/ Representative McCormick
Representative Mike Turner

Senator McNally moved that the Conference Committee Report on **House Bill No. 3835/Senate Bill No. 3768** be adopted and made the action of the Senate, which motion prevailed by the following vote:

Ayes 31
Noes 2

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Johnson, Kelsey, Ketron, Kyle, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--31.

Senators voting no were: Herron and Marrero--2.

A motion to reconsider was tabled.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Bill No. 3839. The House adopted the Conference Committee Report and made it the action of the House.

JOE MCCORD,
Chief Clerk.

REPORT OF SELECT COMMITTEE
CONFERENCE COMMITTEE REPORT ON
HOUSE BILL NO. 3839/SENATE BILL NO. 3771

The House and Senate Conference Committee appointed pursuant to motions to resolve the differences between the two houses on House Bill No. 3839 (Senate Bill No. 3771) has met and recommends that the following amendments be deleted:

House Amendment No. 1
Senate Amendment No. 2
Senate Amendment No. 3

The Committee further recommends that the following amendment be adopted:

ADMINISTRATION AMENDMENT TO BUDGET RECONCILIATION BILL

AMEND by deleting all language after the enacting clause and substituting the following:

JUVENILE COURT SUPPLEMENT

SECTION 1. Tennessee Code Annotated, Section 37-1-161(a), is amended by deleting paragraph (a) in its entirety and inserting in lieu thereof the following:

(a) There is hereby established a reimbursement account, which shall be comprised of such amount of federal funds as are set aside by the commission on children and youth from the state's allocation under the Juvenile Justice and Delinquency Prevention Act formula grant funds and of state funds, if funds for such purpose are appropriated in the General Appropriations Act. The reimbursement account shall be used to provide financial assistance to counties for removing children from adult jails.

SECTION 2. Tennessee Code Annotated, Section 37-1-162, is amended by deleting it in its entirety and substituting in lieu thereof the following:

(a) A supplement shall be provided by the state each year to counties for the improvement of juvenile court services. Such supplements shall be administered by the Department of Children's Services and distributed by the department to participating counties. Where more than one (1) court exercises juvenile court jurisdiction within a single county, each court shall receive an equitable share of the county's allocation, as determined by percentage of juvenile court intakes or some other appropriate measure. Each court accepting such funds shall employ a youth services officer to be appointed and supervised by the court.

(b) The department shall establish policies regarding application and reporting procedures, adequate minimum educational requirements for youth services officers, and permissible uses of funds received under this section, including, but not limited to, requirements that such funds shall not be used to supplant funds formerly used by counties for juvenile court services, to pay salaries or personal expenses of juvenile court judges, or to construct or remodel jails or other facilities used for the detention or housing of adults alleged to have committed or been convicted of criminal offenses.

DENTIST AT TAFT YOUTH CENTER AND OTHER INSTITUTIONS

SECTION 3. Tennessee Code Annotated, Section 4-6-110, is amended by:

(a) deleting the following language:

> mental health facilities, the James M. Taft Youth Center, the Spencer Youth Center, the Tennessee Vocational School for Girls, the state penitentiary, and the Brushy Mountain state penitentiary

and by substituting instead the language "state prisons";

(b) deleting the language "patients or"; and

(c) adding the following sentence at the end of the section:

> Such appointment may be by employment in the department or by contract for services.

STATE SALES TAX APPORTIONMENT – INCREASE TO CITIES FUND

SECTION 4. Tennessee Code Annotated, Section 67-6-103(a)(1), is amended by deleting the language "Twenty-nine and two hundred forty-six ten-thousandths percent (29.0246%)" and by substituting instead the language "Twenty-nine and one hundred forty-one ten-thousandths percent (29.0141%)".

SECTION 5. Tennessee Code Annotated, Section 67-6-103(a)(3), is amended by deleting the language "Four and five thousand nine hundred twenty-five ten-thousandths percent (4.5925%)" each place that it appears and by substituting instead the language "Four and six thousand thirty ten-thousandths percent (4.6030%)" in each place.

CAPITAL BUDGET – BUDGET AND APPROPRIATIONS BILL

SECTION 6. Tennessee Code Annotated, Section 9-4-5106, is amended by inserting the following as a new paragraph (b):

(b) The capital budget, to be included in Part 3 of the Budget Document, shall contain funding for all capital outlay. Funding for all capital improvement projects of whatever amount and funding for each capital maintenance project of one million dollars ($1,000,000) or more shall be specified by project, by affected spending

agency, and by funding sources, including state current funds, bonds, and other revenue. Funding for each capital maintenance project of less than one million dollars ($1,000,000) shall be specified in such detail in the Budget Document as the Governor shall determine.

SECTION 7. Tennessee Code Annotated, Section 9-4-5108, is amended by deleting paragraph (b) in its entirety and inserting the following new paragraph (b):

(b) Appropriations for capital improvement and capital maintenance projects shall be specified by state agency in lump sums consistent with capital improvement and maintenance projects detailed in the Budget Document.

FILM INCENTIVES

SECTION 8. Tennessee Code Annotated, Section 4-3-4903(c), is further amended by designating the existing language as subdivision (1), and by adding the following, to be designated as subdivision (2):

(2) The amount of each grant awarded pursuant to this section shall not exceed twenty-five percent (25%) of the total expenses incurred by a production company for a project; except, however, the department may award grants in excess of this amount if deemed appropriate by the department. It is the legislative intent that funding be appropriated each year in the General Appropriations Act for awarding grants. It is further the legislative intent that the department strive to award the maximum amount of incentive grants authorized by this section due to the amendments to § 67-4-2109(j) provided in this act.

SECTION 9. Tennessee Code Annotated, Section 4-3-4903(i), is amended by deleting the language "is authorized to" and by substituting instead the language "shall".

SECTION 10. Tennessee Code Annotated, Section 67-4-2109(j), is amended by adding the following language as new subdivision (6):

(6) The credit provided for in this subsection (j) shall not apply to tax years beginning on or after July 1, 2012; provided that this subdivision (j)(6) shall have no effect on the right of any taxpayer to realize the benefits of any credit provided under subsection (j) in the event that the Commissioner of Revenue and the Commissioner of Economic and Community Development determine that the taxpayer's production is in the "best interest of this state" pursuant to § 67-4-2109(j)(1)(A) and the taxpayer incurs expenses related to such production prior to July 1, 2012.

EFFECTIVE DATE OF JULY 1, 2012

SECTION 11. This act shall take effect on July 1, 2012, the public welfare requiring it.

AND FURTHER AMEND by requesting that the engrossing clerk:

(1) delete the bold underlined explanatory headings in this amendment;

(2) and exclude this paragraph from the engrossed bill.

/s/ Senator McNally	/s/ Representative Sargent
/s/ Senator Finney	/s/ Representative Alexander
/s/ Senator Ketron	/s/ Representative Fitzhugh
/s/ Senator Kyle	/s/ Representative Harrison
/s/ Senator Norris	/s/ Representative McCormick
/s/ Senator Watson	/s/ Representative Mike Turner

Senator Norris moved that the Conference Committee Report on **House Bill No. 3839/Senate Bill No. 3771** be adopted and made the action of the Senate, which motion prevailed by the following vote:

Ayes 33
Noes 0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

MOTION

Senator Norris moved that Rules 32, 33 and 37 be suspended for the introduction and immediate consideration of **Senate Resolution No. 139**, out of order, which motion prevailed.

INTRODUCTION OF RESOLUTION

Senate Resolution No. 139 by Senator Norris.
Memorials, Recognition -- Movie & Film Industry.

On motion of Senator Norris, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Resolution No. 139** was adopted.

A motion to reconsider was tabled.

NOTICE

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to return to the Senate, House Bill No. 3459, for further consideration.

JOE MCCORD,
Chief Clerk.

MOTION

Senator Johnson moved that Rule 19 be suspended for the purpose of considering **House Bill No. 3459**, next, out of order, which motion prevailed.

HOUSE BILL ON SENATE AMENDMENT

House Bill No. 3459 -- Business Organizations -- As introduced, revises the Tennessee Business Corporation Act. Amends TCA Title 48.

Senator Johnson moved to lift from the table a motion to reconsider on **House Bill No. 3459**, which motion prevailed.

Senator Johnson moved that the Senate reconsider its action in passing **House Bill No. 3459**, which motion prevailed.

Senator Johnson moved to amend as follows:

AMENDMENT NO. 3

AMEND by deleting the language "United State" wherever it appears in § 48-11-202(i)(3) in Section 7 and by substituting instead the language "United States".

AND FURTHER AMEND by deleting the language "merger of share" in § 48-21-104(2) in Section 39 and by substituting instead the language "merger or share".

AND FURTHER AMEND by deleting the language "subsidiary other entity" in § 48-21-105(b)(3) in Section 39 and by substituting instead the language "subsidiary or other entity".

AND FURTHER AMEND by deleting the following language in Section 39:

48-21-107. Articles of merger of share exchange.

and by substituting instead the following language:

48-21-107. Articles of merger or share exchange.

AND FURTHER AMEND by deleting the language "were still" in § 48-21-120(c)(3) in Section 39 and by substituting instead the language "was still".

On motion, Amendment No. 3 was adopted.

Thereupon, **House Bill No. 3459**, as amended, was repassed on third and final consideration by the following vote:

Ayes 31
Noes 0

Senators voting aye were: Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--31.

A motion to reconsider was tabled.

MOTION

Senator Finney moved that Rules 32, 33 and 37 be suspended for the introduction and immediate consideration of **Senate Joint Resolution No. 928**, out of order, which motion prevailed.

INTRODUCTION OF RESOLUTION

Senate Joint Resolution No. 928 by Senator Finney.
Memorials, Recognition -- Claudia Huskey.

On motion of Senator Finney, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 928** was adopted by the following vote:

Ayes 33
Noes 0

Senators voting aye were: Barnes, Beavers, Bell, Berke, Burks, Campfield, Crowe, Faulk, Finney, Ford, Gresham, Harper, Haynes, Henry, Herron, Johnson, Kelsey, Ketron, Kyle, Marrero, Massey, McNally, Norris, Overbey, Roberts, Southerland, Stewart, Summerville, Tate, Tracy, Watson, Yager and Mr. Speaker Ramsey--33.

A motion to reconsider was tabled.

MOTION

Senator Ford moved that Rule 37 be suspended for the immediate consideration of **Senate Joint Resolution No. 926**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Joint Resolution No. 926 -- Memorials, Recognition -- N.J. and Vera Ford Family Reunion.

On motion of Senator Ford, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 926** was adopted.

A motion to reconsider was tabled.

MOTION

Senator Ford moved that Rule 37 be suspended for the immediate consideration of **Senate Joint Resolution No. 925**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Joint Resolution No. 925 -- Memorials, Recognition -- Sophia McBride.

On motion of Senator Ford, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 925** was adopted.

A motion to reconsider was tabled.

MOTION

Senator McNally moved that Rule 83(8) be suspended for the purpose of placing **Senate Bill No. 3107**; and **House Joint Resolution No. 816** on the calendar for the Committee on Finance, Ways and Means for Tuesday, May 1, 2012, which motion prevailed.

NOTICES

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Bill No. 1688, substituted for House Bill on same subject, amended, and passed by the House.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Bill No. 2943, substituted for House Bill on same subject, amended, and passed by the House.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Bill No. 3092, substituted for House Bill on same subject, amended, and passed by the House.

JOE MCCORD,
Chief Clerk.

RECALL OF BILL

On motion of Senator Ford, **Senate Joint Resolutions Nos. 923 and 924** were recalled from the Clerk's desk.

WITHDRAWAL OF BILL

On motion of Senator Ford, Senate Joint Resolutions Nos. 923 and 924 were withdrawn from the Senate.

MOTION

On motion of Senator Ford, her name was added as sponsor of **Senate Bills Nos. 420 and 3520; and House Joint Resolution No. 1154**.

On motion of Senators Bell, Campfield, Ketron and Mr. Speaker Ramsey, their names were added as sponsors of **Senate Bill No. 1325**.

On motion of Senator Tate, his name was added as sponsor of **Senate Bill No. 2245**.

On motion of Senators Beavers, Bell, Campfield, Crowe, Faulk, Gresham, Johnson, Massey, Overbey and Mr. Speaker Ramsey; and Senators Roberts, Southerland, Summerville and Yager, their names were added as sponsors of **Senate Bill No. 2777**.

On motion of Senators Burks, Faulk, Ketron, Massey, McNally, Norris, Overbey and Tate, their names were added as sponsors of **Senate Bill No. 3005**.

On motion of Senator Watson, his name was added as sponsor of **Senate Bill No. 3107**.

On motion of Senator Overbey, his name was added as sponsor of **Senate Bill No. 3507**.

On motion of Senators Harper and Haynes, their names were added as sponsors of **Senate Joint Resolution No. 904**.

On motion of Senators Berke and Overbey, their names were added as sponsors of **Senate Joint Resolution No. 928**.

On motion of Senator Roberts, his name was added as sponsor of **House Joint Resolution No. 807**.

ENGROSSED BILLS

April 30, 2012

MR. SPEAKER: Your Deputy Chief Clerk begs leave to report that we have carefully examined Senate Bills Nos. 422, 1325, 3170 and 3507; and Senate Joint Resolutions Nos. 904, 925, 926 and 928; and find same correctly engrossed and ready for transmission to the House.

ALAN WHITTINGTON,
Deputy Chief Clerk.

ENGROSSED BILLS

April 30, 2012

MR. SPEAKER: Your Deputy Chief Clerk begs leave to report that we have carefully examined Senate Bills Nos. 2777, 3005, 3597 and 3813; and find same correctly engrossed and ready for transmission to the House.

ALAN WHITTINGTON,
Deputy Chief Clerk.

ENGROSSED BILLS
April 30, 2012

MR. SPEAKER: Your Deputy Chief Clerk begs leave to report that we have carefully examined Senate Bill No. 3520, and find same correctly engrossed and ready for transmission to the House.

ALAN WHITTINGTON,
Deputy Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Bills Nos. 3671, 3884, 3886 and 3887; passed by the House.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Bill No. 2816. The House lifted the motion to reconsider Senate Bill No. 2816, reconsidered Senate Bill No. 2816, reconsidered and withdrew Amendments Nos. 1 and 2, and repassed Senate Bill No. 2816 on third and final consideration.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolutions Nos. 810, 870, 947, 960, 965, 980, 1001, 1017, 1055, 1109, 1155, 1156, 1157, 1158, 1159, 1160, 1161, 1162, 1163, 1164, 1165, 1166, 1167, 1168, 1169, 1170, 1171, 1172, 1173, 1174, 1175, 1176, 1177, 1178, 1179, 1180 and 1181; adopted, for the Senate's action.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolutions Nos. 839 and 996, adopted, for the Senate's action.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolutions Nos. 1093 and 1142, adopted, for the Senate's action.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Bills Nos. 2580, 2699, 3264, 3520, 3657, 3742 and 3813; substituted for House Bills on same subjects and passed by the House.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Bills Nos. 3597 and 3815, substituted for House Bills on same subjects and passed by the House.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolutions Nos. 910, 912, 913, 915, 916, 917, 918 and 921; concurred in by the House.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolution No. 222. Senate Joint Resolution No. 222 was read three separate times on three separate days and concurred in by a majority vote of the House of Representatives of the One Hundred Seventh General Assembly of the State of Tennessee, pursuant to Article XI, Section 3 of the Constitution of Tennessee.

JOE MCCORD,
Chief Clerk.

ENROLLED BILLS
April 30, 2012

MR. SPEAKER: Your Deputy Chief Clerk begs leave to report that we have carefully compared Senate Bills Nos. 720, 1197, 1935, 2253, 2370, 2420, 2667, 2788, 2809, 2845, 2895, 2908, 2929, 3207, 3310, 3330, 3458, 3503, 3513, 3535, 3596, 3653, 3663 and 3743; and find same correctly enrolled and ready for the signatures of the Speakers.

ALAN WHITTINGTON,
Deputy Chief Clerk.

ENROLLED BILLS
April 30, 2012

MR. SPEAKER: Your Deputy Chief Clerk begs leave to report that we have carefully compared Senate Bills Nos. 948, 1180, 2208, 2225, 2604, 2693, 2701, 2866, 2890, 2957, 2958, 2967, 3187, 3341, 3553, 3567, 3649 and 3808; Senate Joint Resolutions Nos. 552, 762, 892, 905, 907, 914 and 919; and find same correctly enrolled and ready for the signatures of the Speakers.

ALAN WHITTINGTON,
Deputy Chief Clerk.

ENROLLED BILLS
April 30, 2012

MR. SPEAKER: Your Deputy Chief Clerk begs leave to report that we have carefully compared Senate Joint Resolution No. 710, and find same correctly enrolled and ready for the signatures of the Speakers.

ALAN WHITTINGTON,
Deputy Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Bills Nos. 182, 1376, 1572, 2278, 2387, 2389, 2506, 2513, 2548, 2566, 2641, 2776, 2812, 2844, 2854, 2962, 3051, 3062, 3093, 3270, 3276, 3365, 3373, 3381, 3429, 3517, 3727, 3808, 3858, 3867, 3870 and 3875; for the signature of the Speaker.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Bill No. 3874, for the signature of the Speaker.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to transmit to the Senate, House Joint Resolutions Nos. 807 and 1154, for the signature of the Speaker.

JOE MCCORD,
Chief Clerk.

SIGNED
April 30, 2012

The Speaker announced that he had signed the following: Senate Bill No. 3223; and Senate Joint Resolution No. 710.

SIGNED
April 30, 2012

The Speaker announced that he had signed the following: Senate Joint Resolutions Nos. 552, 762, 892, 905, 907, 914 and 919.

SIGNED
April 30, 2012

The Speaker announced that he had signed the following: House Bill No. 3874.

SIGNED
April 30, 2012

The Speaker announced that he had signed the following: House Joint Resolutions Nos. 599, 667, 734, 742, 743, 844, 890, 933, 936, 988, 989, 990, 991, 992, 993, 994, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049, 1050, 1051, 1052, 1053, 1054, 1056, 1057, 1058, 1059, 1060, 1062, 1063, 1064, 1065 and 1066.

SIGNED
April 30, 2012

The Speaker announced that he had signed the following: House Joint Resolutions Nos. 623, 713, 744, 1067, 1068, 1069, 1070, 1071, 1072, 1073, 1074, 1075, 1076, 1077, 1078, 1079, 1080, 1081, 1082, 1083, 1084, 1085, 1086, 1087, 1088, 1089, 1090, 1091, 1092, 1094, 1095, 1096, 1097, 1098, 1099, 1100, 1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1111, 1112, 1113, 1115, 1116, 1117, 1118, 1119, 1120, 1121, 1122, 1123, 1124, 1125, 1126, 1127, 1128, 1129, 1130, 1131, 1132, 1133, 1134, 1135, 1136, 1137, 1138, 1139 and 1140.

MESSAGE FROM THE HOUSE
April 29, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Bills Nos. 68, 74, 668, 2156, 2179, 2190, 2224, 2271, 2289, 2407, 2416, 2519, 2607, 2617, 2712, 2719, 2727, 2776, 2789, 2911,

2920, 2988, 3023, 3044, 3061, 3096, 3195, 3216, 3241, 3262, 3331, 3353, 3358, 3594, 3629, 3642, 3644, 3652, 3655, 3700, 3759, 3798 and 3810; signed by the Speaker.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Bills Nos. 720, 948, 1197, 1935, 2253, 2370, 2420, 2667, 2788, 2809, 2845, 2895, 2908, 2929, 3207, 3310, 3330, 3458, 3503, 3513, 3535, 3596, 3653, 3663 and 3743; and Senate Joint Resolution No. 222; signed by the Speaker.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Joint Resolutions Nos. 552, 762, 892, 905, 907, 914 and 919; signed by the Speaker.

JOE MCCORD,
Chief Clerk.

MESSAGE FROM THE HOUSE
April 30, 2012

MR. SPEAKER: I am directed to return to the Senate, Senate Bill No. 3223; and Senate Joint Resolution No. 710; signed by the Speaker.

JOE MCCORD,
Chief Clerk.

REPORT OF DEPUTY CHIEF CLERK
April 30, 2012

MR. SPEAKER: Your Deputy Chief Clerk begs leave to report that we have transmitted to the Governor the following: Senate Bills Nos. 68, 74, 668, 2156, 2179, 2190, 2224, 2271, 2289, 2407, 2416, 2519, 2607, 2617, 2712, 2719, 2727, 2776, 2789, 2911, 2920, 2988, 3023, 3044, 3061, 3096, 3195, 3216, 3241, 3262, 3331, 3353, 3358, 3594, 3629, 3642, 3644, 3652, 3655, 3700, 3759, 3798 and 3810; for his action.

ALAN WHITTINGTON,
Deputy Chief Clerk.

REPORT OF DEPUTY CHIEF CLERK

April 30, 2012

MR. SPEAKER: Your Deputy Chief Clerk begs leave to report that we have transmitted to the Governor the following: Senate Joint Resolutions Nos. 360, 568, 569, 578, 629, 777, 781, 782, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 872, 886 and 911; for his action.

ALAN WHITTINGTON,
Deputy Chief Clerk.

ADJOURNMENT

Senator Norris moved the Senate adjourn until 10:00 a.m., Tuesday, May 1, 2012, which motion prevailed.