

**House Committee Activity: March 2 - 3, 2004**



*The House Transportation Committee reviews a special license plate bill proposed by Representative Bob Patton on Wednesday. Committees face heavier calendars as the House goes into its ninth week this year.*

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Transportation

**Matt Barnes**

Agriculture  
Commerce

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**In This Week's Review:**

**House Committee Activity**

**And**

**Summaries of Budget Hearings**

**Treasury Department • K-12 • State Board of Education  
Higher Education Commission • The University of Tennessee  
Board of Regents • Student Assistance Corporation**

## **Agriculture**

*Matt Barnes*

### **Full Committee**

Chairman Davidson opened Tuesday's **Agriculture Committee** meeting by recognizing 10 members in the audience associated with AgStar, a youth leadership group from West Tennessee. Towards the end of the meeting, Chairman Davidson informed the members that next week is "Ag Day on the Hill," an event complete with exhibits and livestock supplied by Vice-chair Bone. Chairman Davidson encouraged the members to place their bills on notice and advised that the committee will close in four weeks and possibly three. Secretary Shaw closed the meeting by recognizing Billy and Gary Watkins, owners of B & G Logging Company of Hardeman County. Since B & G was recently named national loggers of the year, Secretary Shaw presented the company with a congratulatory resolution that passed the House Monday night.

- Passed to Calendar and Rules:

**HB 2839** (Maddox) authorizes temporary veterinary licenses for those possessing the following qualifications: 1) graduated from a non-accredited or non-approved college of veterinary medicine but completed the fourth year of clinical studies at an accredited or approved college; 2) passed the veterinary license exam; and 3) enrolled in the Educational Commission for Foreign Veterinary Graduates (ECFVG) program. The licenses would be good for 18 months or until the candidate obtains the ECFVG certification.

- Passed to Finance, Ways and Means:

**HB3164** (Fitzhugh) requires the Department of Agriculture, for any operation conducted under its supervision, to provide notice of an underage sale of tobacco before assessing a civil penalty for such violation. The notice shall contain the date of the violation and the name of the violator. After Rep. Dunn raised a question regarding the effect of this bill on police operations for the same issue, Rep. Fitzhugh said this bill would have no effect on such police operations. The Department shall pursue civil penalties, while the police shall continue to pursue criminal penalties as it currently does.

- Rolled for two weeks:

**HB 2837** (Maddox) involves the tobacco Master Settlement Agreement (Agreement) and the associated escrow accounts. Present law, passed by 46 states, requires manufacturers either to participate in the Agreement or annually place funds into escrow for each unit of tobacco product sold.

The state attorneys general, who also approved the law, discovered what they call a "loophole" that allowed for refunding of amounts paid in excess of what the non-participating manufacturers would have paid had they participated. Last week, Chairman Davidson said such refunding is counter to the original intent of the law and thus introduced **HB 2900** to ensure non-participating manufacturers place into escrow only the appropriate amounts and that such payments remain in escrow. The bill is currently in Calendar and Rules.

HB 2837 is counter to HB 2900 in that the former would allow such refunding to continue. Representatives of a small tobacco company who brought the bill said it is intended to "level the playing field" between the small and large tobacco companies. They claimed the small tobacco companies cannot compete because 15 larger companies have "sweetheart deals" that allow them to pay less. Further, they said the larger companies and the attorneys general were at the bargaining table when all the parties agreed to the refunding at the center of the controversy. If HB 2900 passes, they claim it would have no effect on larger companies but would increase the payments for smaller companies significantly. As a result, the representatives spoke in favor of HB 2837 and against HB 2900.

The **Agriculture Subcommittee** did not meet.

## **Children & Family Affairs**

*Shannon Romain*

### **The Full Committee**

The **Children and Family Affairs full committee** met this week with four bills on the calendar. **HB 2425** (Rep. Overbey) was referred to Calendar and Rules. As amended, the bill extends the statutorily required circumstances that must exist to necessitate a hearing on grandparent visitation. The legislation requires that "the child and grandparent had a significant existing relationship for 12 months or more, the parents severed the relationship for a reason other than abuse or a danger

of substantial harm to the child, and the severance of the relationship is likely to cause [substantial] emotional harm to the child. The amendment adjusts the emotional harm threshold from severe to substantial, which is the constitutionally required standard.

**HB 2973** (Rep. Bowers) was referred to Finance, Ways and Means. The legislation makes the violation of an order of protection a Class A misdemeanor, the sentence to be served day for day. It requires a mandatory 2-year probation period for such violations and permits the court to grant an ex parte judgment when imminent danger is shown. This could include, but is not limited to, evicting the offender from the home. The legislation received unanimous support from the committee. Several members felt the measure did not go far enough in preventing domestic violence and inquired into making the violations a felony. Rep. Bowers responded that the measure was a first step. A higher criminal classification would increase the fiscal note and jeopardize passage of the bill.

**HB 3062** (Rep. Buck) was referred to Calendar and Rules. The bill allows the security for a bond to be deemed sufficient by the court, as well as the clerk of the court or the sheriff, when a person is in arrears on child support and requires a bond.

**HB 1146** (Rep. Deberry) was deferred one week. The bill permits the creation of the Commission on Responsible Fatherhood without a funding availability contingency.

### **Family Justice Subcommittee**

The **Family Justice Subcommittee** met this week with six bills on the committee. **HB 2739** (Rep. Bunch) was the sole bill to receive a vote and was referred to Calendar and Rules. It clarifies the legislative intent of specific provisions of the grandparent visitation law. According to the sponsor, some judges across the state are requiring parties seeking a hearing on grandparent visitation to provide expert testimony to prove that they had a relationship with their grandchild and that the child would suffer emotional harm if the relationship is severed. He testified that, when the law was passed, the general assembly did not require expert testimony, but desired that the courts use a reasonable person standard to determine if all requirements had been met to necessitate a hearing. The legislation clarifies that intent, making the use of an expert witness permissive, should the parties desire to use one.

The following bills were deferred:

**HB 2845** (Rep. Buck) Deferred 2 weeks: Prohibits judicial branch employees or their families from contracting with the Department of Children's Services. (Note: the bill has been referred to the Judicial Counsel for review.)

**HB 2579** (Rep. Bowers): Deferred 2 weeks: Creates a review team to review Department of Children's Services cases that are not handled in accordance with regulations or statute. The commission will be made up of seven members appointed by the governor.

**HB 2543** (Rep. Fowlkes): Deferred 1 week: Deletes the exception to payment of additional \$62.50 fee for marriages license for out-of-state residents.

**HB 2614** (Rep. DuBois): Deferred 1 week: Directs the Administrative Office of the Courts to develop and implement a standardized form to use statewide in developing and approving parenting plans.

**HB 3337** (Rep. Maddox): Deferred 3 weeks: Requires the Department of Human Services to terminate or modify child support upon verification that a child has reached majority, died, or graduated from high school. It also requires a parent to supply proof of child's age, death, or graduation, and LEAs to provide proof of child's graduation within 20 days of request from department or the child's parents.

### **Domestic Relations Subcommittee**

The **Domestic Relations Subcommittee** met and all bills on the calendar were deferred as follows:

**HB 2666** (Rep. Johnson): Deferred 2 weeks: Establishes specific examples of what a "material change of circumstance" means for the purposes of modifying a court's prior decree pertaining to a residential parenting arrangement.

**HB 2572** (Rep. Hackworth): Deferred 1 week: Requires employers to notify Department of Human Services and the clerk of courts if the employer files bankruptcy or ceases to operate as business. It also requires that income assignment not be affected by bankruptcy or cessation of business.

## **Commerce**

*Matt Barnes*

### **Full Committee**

The **Commerce Committee** met Tuesday with the following eight bills on calendar.

- Passed to Calendar and Rules:

**HB 2304** (Roach) deletes from current law, a law Rep. Roach called "outdated and antiquated," the requirement that state-chartered banks publish a report of their financial conditions in their local newspapers.

**HB 2364** (Bowers) requires applicants for renewal of a contractor license with a monetary limitation of greater than \$2 million to submit, along with the application, a financial statement prepared by an accountant. If the monetary limitation is less than \$2 million, applicants may submit a notarized statement that the information in the financial statement is correct. Rep. Bowers submitted an amendment that made the bill applicable only to residential builders and not commercial or industrial. The committee adopted the amendment.

**HB 2717** (Shaw), in its original form, revised the filing provisions for commercial risk insurers and workers' compensation insurers. However, an amendment to the bill deletes the filing provisions and leaves only the requirement that the commissioner of Commerce and Insurance develop a proposal for a natural catastrophic disaster property insurance pool and report such proposal to the General Assembly by February 2005. The pool will be to provide full coverage to residential and commercial property owners unable to obtain insurance because of a widespread cancellation due to a natural catastrophic disaster. Rep. Shaw said the amendment comes as a result of the tornado in Jackson last May, a tornado resulting in the loss of insurance for many. The committee adopted the amendment.

**HB 2772** (McCord), as amended, prohibits a person from holding an active time-share salesperson license and active acquisition agent license at the same time and allows for the temporary retiring of a license. The bill further states an applicant for a time-share salesperson license or acquisition agent license who has passed the examination for either such license in the preceding 12 months shall be deemed to have satisfied the requirements for the pending application. The committee adopted the amendment.

- Passed to Finance, Ways, and Means:

**HB 2830** (Hood), in its original form, required private and state-employed fire prevention and building officials to be certified by the state fire marshal, such certification currently required of municipal and county officials. An amendment removes private officials from the requirements of the bill and states that certification of state-employed fire prevention and building inspectors shall not be required before January 1, 2005. The amendment also removes the grandfather clause for certain experienced municipal and county officials. The committee adopted the amendment.

- Rolled:

**HB 2340** (Bowers) enacts the "Consumer Right to Know Act," stating if a person contacts a customer service center or receives a call from such a center, the person has a right to know where the center is located and to whom the person is speaking. The bill was rolled for two weeks.

**HB 2517** (Turner, M.), as amended, exempts from the "Do Not Call" law communications made by members, volunteers, employees, or authorized representatives of non-profit organizations exempt under Internal Revenue Code 501(c), provided the authorized representatives comply with the current registration requirements of Tennessee law. The committee adopted the amendment and rolled the bill for one week.

**HB 2519** (Turner, M.), as amended, states members of the Commission on Firefighting Personnel Standards and Education shall receive a per diem payment of \$50 for each commission meeting, as well as for each day of attendance at a local firefighting unit, which present law allows. Further, the bill deletes from present law the \$300-per-year cap on per diem payments for commission members. Rep. Turner introduced three amendments that were incorporated into one upon motions by several members of the committee. Other aspects of the amendment include adding travel and expense allowances for those members attending commission meetings; however, the final clause of the amendment makes all of the per diem and expense allowances subject to funding available in the commission's budget. The committee adopted the incorporated amendment and rolled the bill for one week.

*Commerce continues on page 5*

## Industrial Impact Subcommittee

The **Industrial Impact Subcommittee** cancelled its meeting on Tuesday after all three bills were rolled. The bills were: **HB 2328** (Harrison), requiring MCOs and BHOs in the TennCare program to contract with Federally Qualified Health Centers as facilities; **HB 1246** (Chumney), extending health coverage to divorced spouses and dependent children; and **HB 3233** (McKee), requiring insurance companies to verify to providers that a claim was received.

## Small Business Subcommittee

The **Small Business Subcommittee** met Wednesday and rolled all three bills on its calendar. **HB 2372** (Baird) was rolled for one week, while **HB 3132** (Turner, B.) and **HB 3422** (Overbey) were rolled for two weeks.

## Utilities and Banking Subcommittee

The **Utilities and Banking Subcommittee** met Tuesday with **HB 3413** (Hargrove) on calendar. The bill revises the "Do Not Fax" law, passed last session, by deleting the notification requirements on the part of recipients and making the first unsolicited fax a violation, a move the sponsor said brings the law in line with federal law. Chairman Hargrove also pointed out that the Tennessee Regulatory Authority brought the bill and that, if the bill is passed to the House floor, he will state for the record the bill is not intended to affect associations or trade groups. The subcommittee passed the bill to full committee.

## Conservation & Environment

*Greg E. Adkins*

### The Full Committee

The full **Environment Committee** met on Tuesday, March 2, 2004, and considered four bills. **HB 2206** by Rep. Matheny passed to C&R as amended. The amended bill increases the criminal penalty for hunting or shooting on or across a public road and hunting or shooting within 100 yards of a visible dwelling from a class C misdemeanor (not greater than thirty days in jail or a fine not to exceed \$50 or both) to a class A

misdemeanor (not greater than thirty days in jail or a fine not to exceed \$1,000 or both). **HB 2274** by Rep. Brooks (Knox) passed to FW&M as amended. The amended bill enacts the "State Park Funding Act of 2004." The amendment specifies that it is the intent of the legislature that fee based operations in state parks, such as marinas, golf courses, campgrounds, and resorts are self-sustaining by fiscal year 2007-08. The amended bill also authorizes that all fees collected by park facilities be deposited in a dedicated park fund. None of the money in the park fund will be deposited in the General Fund. **HB 2548** by Rep. McDonald passed to C&R as amended. The amended bill would allow the Commissioner of TDEC to also consider land application of wastewater effluent in determining if the permit should be denied or approved. **HB 2731** by Rep. Bunch was rolled one week. The bill permits minors under the age of eighteen to obtain a hunting and fishing license without proof of a social security number.

## Environment Subcommittee

The **Environment Subcommittee** met on Tuesday, March 2, 2004, and considered one bill. **HB 3206** by Rep. Coleman passed to full committee as amended. The amended bill clarifies that TDEC is authorized to issue a stop work order for surface coal mining activities when the mining activities cause actual violations of water quality regulations. The stop work order will remain in effect until TDEC has determined the operator has installed best managed practices to mitigate the water quality violations.

## Parks Subcommittee

The **Parks Subcommittee** did not meet on Wednesday, March 3, 2004.

## Wildlife Subcommittee

The **Wildlife Subcommittee** met on Tuesday, March 2, 2004, and considered two bills. **HB 2373** by Rep. Baird passed to full committee; the bill authorizes issuance of a lifetime sport fishing license to an individual that receives Social Security benefits for 100% permanent disability. Currently, the law requires a fishing license to be purchased on an annual basis for \$21. **HB 3193** by Rep. Garrett passed to full committee as amended. The amended bill restores the portion of the recordation tax for the transfer of realty that prior to 2003 was dedicated to the Wetland Acquisition Fund, Local Parks Land

Acquisition Fund, State Lands Acquisition Fund, and Agricultural Resources Conservation Fund. Prior to 2003 a portion of the transfer tax was automatically allocated to the above mentioned funds. The 2003 legislation diverted the dedication of the funds to the General Fund until 2007, unless a specific allocation of the funds is made in the General Appropriations Act. The amended bill would not take effect until July 1, 2005.



*Rep. Garrett*

## **Consumer & Employee Affairs**

*Shannon Romain*

### **The Full Committee**

The full committee met this week, however the two bills on the calendar were deferred. **HB 2754** (Rep. Vaughn) was deferred one week at the request of the committee. It requires employers to give employees ten days notice prior to terminating benefits and to give the Commissioner of Labor concurrent notice if termination affects 50 or more employees. **HB 2917** (Rep. West), revising workers compensation requirements for non-coverage of sole proprietors and partners, was deferred two weeks.

### **Employee Affairs Subcommittee**

All bills on the **Employee Affairs Subcommittee** calendar were also deferred.

**HB 0883** (Rep. Bowers) Deferred 1 week: Requires the Prevailing Wage Commission to determine the prevailing wage annually for building construction instead of biennially and requires calculations for building construction to include fringe benefits.

**HB 3093** (Rep. Rinks) Deferred 2 weeks: Provides that specific individuals who do not meet the IRS's definition of an employee under federal statutes, shall not be deemed employees of certain Tennessee firms for the purposes of Tennessee employment security law.

**HB 2765** (Rep. Baird) Deferred 1 week: Adds the civil air patrol and volunteer rescue squad members to volunteer firefighters who are granted protection from discharge by employers because of any work absences or tardiness due to emergencies.

**HB 2910** (Rep. West) Deferred 2 weeks: Requires annual rather than biennial licensing by the Board of Employee Assistance Professionals and revises the scope of practice of employee assistance professionals.

The **Consumer Affairs Subcommittee** did not meet this week.

## **Education**

*Pam Mason*

### **The Full Committee**



*Dr. Pedro Garcia, Director of Schools for Metropolitan Nashville Public Schools, former State Senator Andy Womack and other education officials joined Rep. Mike Turner in appearing before the Education Committee on Wednesday.*

The **House Education Committee** held a hearing on HB 2270 (Turner, M.) this Wednesday, March 3. The legislation would delete provisions for value added testing and performance education in the Code.

Rep. Turner introduced representatives from the Metro Nashville School System and the Montgomery County System to address their concerns and support of the legislation.

The Committee next heard presentations from Dr. William Sanders and his opposition to the bill. Dr. Sanders had representatives from the Knox, Hamilton, Granger and Tipton School Systems to testify. This meeting can be viewed through our legislative web site for any member wishing to do so.

No vote on the legislation was taken at this meeting.



*Dr. William Sanders (at right), is joined by former Education Commissioner Vernon Coffey (center), and Hamilton County Associate Superintendent Ray Swoffard (left) to discuss value added assessment.*

All bills scheduled were deferred for one week. A list follows.

- HB 2243 - (Shepard)
- HB 2684 - (Curtiss)
- HB 2690 - (Curtiss)
- HB 2691 - (Curtiss)
- HB 2262 - (Cooper)
- HB 2652 - (Cooper)
- HB 2685 - (Curtiss)
- HB 2635 - (Montgomery)
- HB 988 - (Maddox)

### **K-12 Subcommittee**

In its Tuesday meeting the **K-12 Subcommittee** took the following actions.

Referred to Full Committee:

- HB 2642 - (Winningham) allows for the issuance of bonds for purchase of school buses.
- HB 2960 - (Lynn) requires school nurses to maintain current certification in CPR and that schools have a minimum of one employee who is certified in CPR.

- HB 3185 - (Rinks) authorizes use of design-build contracts in K-12 through higher education construction.
- HB 2341 - (Armstrong) requires, under certain circumstances every LEA to allow student to carry and self-administer asthma medications.

Deferred 1 week:

- HB 2574 - (Hackworth)
- HB 2759 - (Towns)
- HB 2136 - (Crider)
- HB 2818 - (Turner, L.)
- HB 2607 - (Winningham)
- HB 2819 - (Turner, L.)
- HB 2409 - (Winningham)
- HB 2979 - (Towns)
- HB 2422 - (Kernell)
- HB 3341 - (Maddox)
- HB 3066 - (Armstrong)
- HB 3430 - (McCord)

Deferred 2 weeks:

- HB 2428 - (Winningham)
- HB 2978 - (Jones, U.)
- HB 2660 - (Briley)
- HB 3126 - (Hagood)
- HB 2976 - (Jones, U.)
- HB 2937 - (Rinks)

Deferred to last Subcommittee calendar:

- HB 2308 - (Turner, L.)
- HB 2309 - (Turner, L.)
- HB 2456 - (McMillan)

Off Notice

- HB 2862 - (Brooks, Harry)
- HB 2163 - (Turner, M.)
- HB 2615 - (Dubois)

### **Higher Education Subcommittee**

The **Higher Ed Subcommittee** met on March 2 and took the following actions.

Referred to Full Committee:

- HB 2225 - (Maddox) prohibits hiring of any non-employee member of a presidential search committee by boards or institutions of higher education.
- HB 2646 - (Winningham) provides for the establishment of a state campus compact.
- HB 2953 - (McKee) exempts education savings plans from state and local taxation.

**HB 3048** - (Kent) allows retired state employees to take one free course per term at state higher education institutions.

**HB 3066** - (Winningham) allows child receiving tuition discount based on parent being a teacher to continue to receive such if the parent dies while the child is a student.

**HB 3242** - (Patton) revises provisions on campus police.

**HB 3263** - (Winningham) clarifies definition of "institution" for purposes of TN State School Bond Authority Act.

**HB 3340** - (Maddox) allows high school valedictorians and salutatorians from any state bordering TN to enroll at UT, Martin, at in-state fees.

**HB 3264** - (Winningham) renames the "TN Student Assistance Award Restoration Act" as the "Ben Atchley Opportunity Grant Act."

Deferred 1 week:

**HB 2865** - Winningham

**HB 3001** - DuBois

Taken off Notice:

**HB 2233** - McKee

**HB 2867** - Fitzhugh

## **Finance, Ways & Means**

*Julie Travis*

### **House Finance, Ways, and Means Committee** **Tuesday, March 2, 2004**

The full committee met on Tuesday to discuss six bills on the full committee's regular and "Consent" calendars. Four of the six bills (**HB 2256**, **HB 2141**, **HB 2140**, and **HB 2187**) were on the Committee's Consent Calendar, and dealt with signs naming highways and bridges. **HB 2256 (Rep. Curtiss)**, **HB 2141 (Rep. Head)**, and **HB 2187 (Rep. McKee)** were all referred to Calendar and Rules as they were all permissive and increased local government expenditures a one-time fee of \$325. **HB 2140 (Rep. McDonald)**, which named a bridge in memory of Corporal Patrick R. Nixon, USMC, was referred to Budget Subcommittee since it increased State expenditures (Highway Fund) in accordance with the provisions set forth in TCA §54-1-133.

**HB 3038 (Chairman Head)** and **HB 3176 (Rep. McMillan)** were both deferred for 3 weeks at the request of the sponsors.

The committee also continued on Tuesday with Budget Hearings by reviewing the Secretary of State's budget. Summaries of the departments' budget hearings heard during the week will be included in the March 11<sup>th</sup> edition of *The Research Review*.

### **Wednesday, March 3, 2004**

After suspending the rules for **HB 3250 (Rep. Tindell's "Tennessee Charitable Gaming Implementation" bill)** in the House Chamber floor Monday night, **HB 3250** made its way through the Budget Subcommittee Wednesday after being amended with the same amendment as Senate Finance, Ways, and Means Committee Amendment No. 1 (draft # 012200). The bill passed out of committee and was heard in the full Finance committee that afternoon. In Full Committee, **HB 3250** was and rolled one week at the request of the sponsor, and was scheduled to be heard again next Tuesday, March 9, 2004.

### **Budget Subcommittee**

#### **Wednesday, March 3, 2004**

The **Budget Subcommittee** of the House Finance, Ways, and Means Committee met to discuss 19 bills on the regular subcommittee calendar this week and one bill on the addendum.

#### **Actions of the Budget Subcommittee are as follows:**

**HB 2541 (Rep. Fowlkes)** was taken off notice. **Rep. Overbey's HB 64** was placed behind the budget, and **HB 2244 (Rep. Shepard)** was placed on the Subcommittee's Last Calendar.

**HB 2176 (Rep. M. Turner)**, **HB 3175 (Rep. McMillan)**, and **HB 3546 (Rep. McMillan)** were deferred one week each. The Budget Subcommittee adopted amendments for both **HB 233 (Rep. Bone)** and **HB 3289 (Rep. Head)** and rolled them one week.

The following bills were deferred for two weeks: **HJR 782 (Rep. Casasda)**, **HB 2553 (Rep. Baird)**, **HB 2400 (Rep. Hargrove)**, **HJR 740 (Rep. Bowers)**, **HJR 816 (Rep. Bowers)**, and **HB 2336 (Rep. Bowers)**

*Finance continues on page 9*

**The following bills were sent to Full Committee:**

**HB 554 (Armstrong, Tindell, McMillan, Head) with an Amendment** - As amended, this bill authorizes the Commissioner of Health, in conjunction with the Tennessee Health Care Association, the Tennessee Disability Coalition and the Tennessee Commission on Aging and Disability, to develop a demonstration project in one nursing home to confirm the value of disabled volunteers in long-term care facilities. The effectiveness of such project is to be reported to the Senate and House Health and Human Resources Committees no later than March 1, 2006.

**HB 2975 (J. DeBerry)** - This bill allows Shelby County to collect the \$2.50 fee (instead of the current \$1.50 collected) that the rest of the state collects through county clerks' offices, when issuing, transferring, and accepting for surrender certificates of motor vehicle registration and registration plates. Shelby County currently pays \$1.50. *(The bill would affect only Shelby County.)*

**HB 2437 (Litz)** - This bill, as amended, renames the agricultural extension service of the University of Tennessee to the University of Tennessee Extension. The costs associated with changing the name, i.e., sign replacement, letterheads, and business cards, must be made out of the existing budget.

**HB 2884 (Coleman)** - This bill, as amended, creates an offense for a person to knowingly operate an audiovisual recording function of a device where a motion picture is being exhibited for the purpose of recording a theatrical motion picture without the consent of the owner or the lessee of such facility and the licensor of the motion picture. It also clarifies that the operator of a motion picture facility, licensor of a motion picture, merchant, or law enforcement officer would not be criminally or civilly liable for any legal action relating to the detention, questioning, or arrest of an individual who unlawfully records a motion picture if (1) there is probable cause to suspect that the person committed or is attempting to commit a violation; (2) such individuals act reasonably under the circumstances; and (3) the suspect is detained for a reasonable period of time. The violation would be punishable as a Class A misdemeanor.

**HB 3286 (Head)** - This bill provides for the Comptroller of the Treasury to establish a pilot program for assessing leased tangible personal property to the owner/lessor rather than the lessee. It also specifies that participation by owners/lessors is voluntary, and authorizes the

Comptroller to assess a fee to defray cost of administration. It also specifies that participants may be permitted to claim the business tax credit for property taxes paid.

**HB 3250 (Tindell) with an Amendment** - As amended in State and Local Government, which rewrote the bill, this bill enacts the "Tennessee Charitable Gaming Implementation Law". This amendment creates a process for 501(c)(3) organizations to conduct one game of chance per year. The Budget Sub Amdt #1 (012200) (which is the same as Senate FWM A. #1) deletes the provision authorizing the Secretary of State to charge \$500 for an application fee and instead adds new language stating that the Secretary of State will charge a uniform application fee in an amount that would be necessary to defray the cost of administering the chapter, less any funds appropriated for such purpose by the legislature.

## **Government Operations**

*Kristina Ryan*

The **Government Operations Committee** met Tuesday morning to consider ten pieces of legislation. **HB 973** (Bowers) was taken off notice, **HB 2794** (Ferguson) was rolled three weeks, **HB 2881**, (Ferguson) was rolled for two weeks, **HB 3361** (Curtis) was rolled for one week, **HB2721** (John DeBerry) was rolled for three weeks and **HB 3469** (McMillan) was rolled for one week.

The Committee reviewed and referred **HB 3290** to the State and Local Government Committee. This legislation would revise the appointment criteria for the State Veterans' Homes Board. Current law states that all members of this ten member board must be veterans. Under this bill, the Board would be comprised of three members who were knowledgeable in the nursing field, three members who were familiar with business and management and three members who are veterans. An amendment was placed on the bill that would require that two appointees to be appointed by the Speaker of the House and the Speaker of the Senate.

**HB 3234** by Rep. McKee was reviewed and referred to the Commerce Committee. This legislation is the product of a study committee that examined mandated health benefits. This bill would exempt from all mandated health benefits any insurance plan that provides only major medical coverage for a catastrophic

illness requiring in-patient hospital care. The Commissioner of Commerce and Insurance would be responsible for promulgating the rules and regulations in order to implement this legislation.

The committee reviewed and referred **HB 2859** by Rep. John DeBerry to the Judiciary Committee. This legislation would provide compensation to prisoners who were granted an unconditional pardon or exonerated because they had been wrongfully convicted and incarcerated. The Board of Claims would be responsible for hearing the compensation claims as well as promulgating rules and regulations.

### Sunset Extensions

Re-authorize Board of Dispensing Opticians - June 30, 2008.

### Joint Committee / Rules Review

The Joint Government Operations Committee met on Monday, March 1st for their second Rules Review meeting. Among the myriad of rules approved included the Department of Human Services' new rules on drug screening of day care drivers. These new rules require that newly employed day care drivers must undergo a drug test prior to assuming their duties transporting children. Also notable was the adoption of rules for the Tennessee Education Lottery Scholarship Program. The next Rules meeting will be held on Monday, March 8th at 1:30pm.

## Health & Human Resources

*Judy Narramore*

### Full Committee

The **Health & Human Resources Committee** met at noon on Tuesday, March 2, 2004, to consider eight pieces of legislation. Four bills were referred to C&R. **HB 3004** by Rep. J. DeBerry as amended



*Chairman Armstrong*

allows a licensed and permitted dental hygienist under supervision of a dentist to administer local anesthesia. The Board of Dentistry is authorized to establish the qualifications, criteria, and curricula required for issuing a *dental hygienist permit* to administer local anesthesia. **HB 3192** by Rep. Maddox as amended changes the date of renewal for licenses and permits for ambulances or emergency service vehicles from December 31 to June 30. **HB 3229** by Rep. West as amended rewrites the "Tennessee Anti-Rabies Law." **HB 3010** by Rep. L. DeBerry requires that only one set of schematics, rather than two sets of plans and specifications, be submitted to the Department of Health for approval in situations involving the conversion of an existing single family dwelling into a licensed health care facility with no more than six beds.

Three fire safety bills were discussed and deferred one week. **HB 2392** by Rep. Curtiss [with amendment (as amended) pending] requires and staggers installation requirements for sprinklers in nursing homes depending on the physical layout of the facility. **HB 2554** by Rep. Overbey (with amendment pending) codifies existing rules language related to smoke detectors for residential homes for the aged and assisted care living facilities. The amendment also requires and staggers installation requirements for sprinklers in these same facilities. **HB 3415** by Rep. Curtiss requires nursing homes without sprinklers to install smoke alarms in every patient room within 90 days of the effective date of the bill, and further, to submit a plan within 6 months or 11 months, depending on the physical layout of the facility, for installing sprinklers.

Rep. Bowers took **HJR 0836** (joint committee to study Hepatitis C) off notice.

### Mental Health Subcommittee

Tuesday afternoon, the **Mental Health Subcommittee** had four bills on calendar. **HB 0791** by Rep. Buttry that would require the Division of Mental Retardation to pay direct care providers equally, whether services are provided by direct care professionals in contract community agencies or state employees working in state developmental centers, was referred to full committee. **HB 1751** by Rep. Maddox was discussed and deferred one week with an amendment pending that would revise the exemptions from nursing statute to allow properly trained persons to assist persons with developmental disabilities or mental retardation with self-administration of noninjectable medication in facilities under contract with the Department of Mental Health & Developmental

Disabilities, Department of Finance & Administration, or the Division of Mental Retardation Services. Rep. Odom took **HB 1702** (mental health professionals) off notice. Rep. McCord rolled **HB 1900** (zoning protections) to the subcommittee's last calendar.

After completing the calendar, the subcommittee heard public testimony in support of HB 0791.

### **Professional Occupations Subcommittee**

The **Professional Occupations Subcommittee** met Wednesday morning, March 3, 2004, to consider three bills. **HB 3083** by Rep. B. Turner that would allow a registered nurse employed by a Program for All-Inclusive Care for the Elderly (PACE) to make the determination and pronouncement of death of a patient of PACE when the death was anticipated and the attending physician has agreed to sign the death certificate was referred to full committee. Rep. Davis took **HB 2582** (board of registration in podiatry) off notice. The remaining subcommittee time was devoted to discussion and testimony on **HB 3131** by Rep. Briley that proposes to prohibit a physician from "up-charge or mark-up" billing to a patient or insurance company for pathology or cytology services unless such services were directly provided by the physician. The Board of Medical Examiners (BME) is scheduled to consider this issue at its March 15th meeting. Rep. Briley rolled the bill to the March 17 subcommittee meeting for further discussion and review of the BME findings and recommendations.

### **Public Health & Family Assistance Subcommittee**

Wednesday morning, the **Public Health & Family Assistance Subcommittee** had three pieces of legislation on calendar. **HJR 0792** by Rep. Pruitt that directs the Tennessee Commission on Children & Youth in conjunction with the Department of Health to collect data detailing the instances of violent deaths among children in Tennessee was referred to full committee. Rep. Godsey took **HB 2602** (prohibits prescribing or dispensing prescription drugs to minors without parental consent) off notice. Rep. Hargrove rolled **HB 3026** (J-1 visa program) one week.

### **Health Care Facilities Subcommittee**

The **Health Care Facilities Subcommittee** met Wednesday afternoon to consider five bills; two were

referred to full committee. **HB 3134** by Rep. Armstrong as amended requires all hospitals licensed by the Department of Health or the Department of Mental Health & Developmental Disabilities to submit a joint annual report on patient statistics 105 days after the end of their fiscal year. As amended, HB 3134 requires hospitals to provide corrections to the Department of Health within 15 business days of notification; requires the Department of Health to compile, finalize, and make available an electronic compilation of the statistics reported by the hospitals by November 1 each year; and, allows the Department of Health to run special reports. **HB 3283** by Rep. Odom requires home care organizations that establish hospice services to obtain a certificate of need. Rep. Overbey rolled **HB 2949** (liability insurance for long-term care facilities) one week for purposes of drafting amendatory language. The remaining bills on calendar, **HB 1223** by Rep. M. Turner (Safe Staffing for Hospital Care) and **HB 2215** by Rep. M. Turner (nursing home sprinklers), were rolled one week.

## **Judiciary**

*Paige Edwards*

### **Criminal Procedure & Practice Subcommittee**

On Tuesday, the **Criminal Procedure & Practice Subcommittee** met to consider 11 bills. HB 29 by Representative Turner (Davidson) was taken off notice. HB 3270 by Representative Hargett was rolled to the last calendar of the subcommittee. HB 3391 by Representative Briley and HB 2263 by Representative Cooper were rolled for one week. HB 2264 by Representative Cooper received a tie vote and will remain in the subcommittee.

The following six bills were approved for passage and **referred to the full committee**:

- **HB 3007** by Representative Hargrove creates a Class A misdemeanor offense when tickets are scalped for any event at the Bristol Motor Speedway. The offense is punishable by a fine that will not exceed \$5,000.
- **HB 2796** by Representative Curtiss imposes an excise tax on illegal substances, including controlled substances, marijuana, moonshine, or low street value drugs. Proceeds from this tax would generate revenue for state and local law enforcement agencies

and for the general fund. This bill is modeled from a law in North Carolina.

- **HB 2343** by Representative Ferguson, as amended, establishes the "Elder Protection Act of 2004." This bill provides standards for detaining individuals who are charged with elder abuse. Also, this bill addresses issues related to financial institutions that act as trustees. Furthermore, this bill requires doctor offices, health care facilities, senior centers, community centers, and pharmacies to post contact information for reporting elder abuse, neglect, or exploitation.
- **HB 2421** by Representative Kernell, as amended, was referred to the full committee with the understanding that Corrections Oversight and the Judicial Council will review this bill. This bill creates a Class C misdemeanor offense when a person does not report information related to a felony offense involving death or serious bodily injury. As amended, privileged communications would be a defense to the prosecution of this offense.
- **HB 2271** by Representative John DeBerry revises the present law related to theft of trademarks or logos. This bill revises the definition of intellectual property. Also, this bill decreases the number of counterfeit items that must be in the counterfeiter's possession to show intent to sell or distribute such items. Under this bill, the punishment for selling counterfeit items would be punishable as theft and graded according to the law. Under present law, offenders are punished by fine only.
- **HB 3403** by Representative Hargrove rewrites the law related to identity theft. The provisions of this bill represent the issues that were addressed by the study committee that was held during the interim. The intent of this bill is to remedy flaws in the present law for identity theft issues.

### **Constitutional Protections Subcommittee**

On Tuesday, the **Constitutional Protections Subcommittee** met to consider four bills. HB 1637 by Representative West failed to receive the required votes for reconsideration by the subcommittee. HB 2626 by Representative Bittle was taken off notice. HB 3000 by Representative Hawk was referred to the **Civil Procedure & Practice Subcommittee** in order to be considered with similar tort liability legislation.

**HB 3453** by Representative McMillan was approved for passage and referred to the full committee. HB 3453 amends the criminal injury compensation act and

provides that up to \$3,500 from the criminal injury fund may be utilized by family members of victims for mental health counseling.

### **Judicial Administration Subcommittee**

On Tuesday, the **Judicial Administration Subcommittee** met to consider five bills. HB 3423 by Representative Fowlkes was rolled for one week.

The following four bills were approved for passage and **referred to the full committee**:

- **HB 2439** by Representative Litz authorizes the clerk of the Hamblen County general sessions court or the clerk and master to serve as the juvenile court clerk. These duties shall be transferred before July 1, 2006.
- **HB 3379** by Representative Coleman allows the private sector and non-criminal justice agencies to purchase criminal history information from the TBI. The TBI would charge \$29.00 per record for criminal history information. These fees would be used to offset expenditures related to the TBI's operational costs.
- **HB 3468** by Representative McMillan, as amended, increases the salaries for assistant district attorneys general. Under this bill, entry level salaries would increase to \$38,124. Also, this bill increases salaries of assistant district attorneys general for every year of experience in the position.
- **HB 3429** by Representative Fowlkes increases the number of assistant district attorneys general in certain judicial districts.

### **Civil Procedure & Practice Subcommittee**

On Wednesday, the **Civil Procedure & Practice Subcommittee** met to consider 26 bills. HB 3247 by Representative McDonald and HB 182 by Representative Turner (Davidson) were taken off notice. HB 2384 by Representative Curtiss was rolled to the final calendar of the subcommittee. HB 1057 by Representative McCord, HB 2200 by Representative Shaw, HB 2201 by Representative Shaw, HB 3146 by Representative Johnson (Loudon), and HB 3326 by Representative McCord were rolled for two weeks.

The following bills were rolled for one week: HB 761 by Representative Todd, HB 2145 by Representative Davidson, HB 2547 by Representative Fowlkes, HB 2740 by Representative Bunch, HB 2911 by

Representative West, HB 3054 by Representative Newton, HB 3055 by Representative Newton, HB 3147 by Representative Johnson (Loudon), HB 2889 by Representative Brooks (Knox), HB 3360 by Representative DuBois, HB 2612 by Representative DuBois, HB 2974 by Representative John DeBerry, and HB 2673 by Representative Stanley.

The following five bills were approved for passage and referred to the full committee:

- **HB 2399** by Representative Wood, as amended, adds provisions relating to representations made by individuals or entities that are not contractors. Under this bill, aggrieved parties would have the private right of action remedy that is provided in the Tennessee Consumer Protection Act. Even though an individual acts on behalf of an entity created for limited liability protection, this bill would hold such individual personally liable for such individual's own representations, acts, or omissions.
- **HB 2258** by Representative Briley, as amended, revises the time requirements for completing and submitting results from an autopsy by the county medical examiner. This bill requires an autopsy report to be completed and submitted within 60 days following the examination of a body for a case in which homicide is suspected. For all other cases, the autopsy report would be completed within 90 days following the submission of a body for examination. If the autopsy report is not timely completed and submitted, a written explanation would be sent to the next of kin and to the person requesting the autopsy.
- **HB 2581** by Representative Davis, as amended, creates the "Tennessee Health Care Decisions Act." This bill would ease the process that is involved for patients to make advance directives regarding their health care, such as living wills or durable power of attorneys for health care. Also, those who violate the provisions of this bill would be subject to liability for \$2,500 of damages or actual damages.
- **HB 2781** by Representative Todd authorizes the Private Probation Council to establish fees in order to cover expenses. Also, this bill authorizes the council to assess and enforce civil penalties for violations of statutes, rules, or orders.
- **HB 743** by Representative Fowlkes, as amended, establishes the Uniform Trust Code. This bill comprises the recommendations made by a joint committee that evaluated the present law. Many of the changes that are proposed in the bill are referenced in the Restatement of Trusts. Moreover, this bill rewrites the law relating to trusts and

consolidates the trust provisions into one section of the code. Approximately, 30 states have enacted similar legislation.

### The Full Committee

On Wednesday, the **Judiciary Committee** met to consider 12 bills. HB 2661 by Representative Briley, HB 2753 by Representative Vaughn, HB 2651 by Representative Brooks (Shelby), HB 2659 by Representative Briley, HB 2637 by Representative Bunch, HB 2356 by Representative Johnson (Loudon), HB 2595 by Representative Curtiss, and HB 1219 by Representative Turner (Davidson) were rolled for one week.

**HB 2629** by Representative Buttry was approved for passage and referred to **Finance, Ways, & Means**. This bill creates permissive legislation for the use of shooting ranges. Under this bill, all law enforcement agencies are encouraged to open their shooting ranges for public use when not in use by law enforcement personnel. This bill specifies that a reasonable fee may be charged for the use of the shooting range and that users of the shooting range may be required to make improvements.

The following three bills were approved for passage and referred to **Calendar & Rules**:

- **HB 1622** by Representative Cochran, as amended, revises the requirements for obtaining a handgun carry permit. Under this bill, it shall be confirmed, under oath, that an applicant has not been convicted or is not currently under indictment for a felony, DUI, or misdemeanor crime of domestic violence.
- **HB 2326** by Representative McDonald, as amended, prohibits excessive amplification of sound from a motor vehicle that is in use or occupied on a public street, highway, alley, parking lot, or driveway. Such conduct would be punishable as a Class C misdemeanor when the sound is plainly audible at a distance of 50 feet or more from the vehicle. The misdemeanant would pay a fine of up to \$50.00. Essentially, this bill applies to noise complaints in rural areas.
- **HB 2197** by Representative McDonald, as amended, creates a Class A misdemeanor offense for vandalizing public highway structures and buildings. Also, this bill provides a \$100.00 reward for reporting such acts of vandalism. The reward money would come from fines that are collected by the court clerks. Excessive revenue collected from fines may be expended for litter control programs.

### Joint Ad Hoc Committee on Methamphetamines & Related Offenses

On Monday, the joint ad hoc committee on methamphetamines and related offenses convened to hear a presentation by Dr. Sullivan Smith. Also, Senator Cohen was appointed chairman of the ad hoc committee. The ad hoc committee will consider bills next Monday, March 8, 2004, at 4 p.m.

### Joint Ad Hoc Committee on Issues Involving Alcohol & Citizen Responsibility

On Wednesday, the joint ad hoc committee on issues involving alcohol and citizen responsibility met to consider legislation. The ad hoc committee appointed Representative Haynes to serve as chairman.

The following three bills were recommended for passage:

- HB 2218 by Representative Fowlkes authorizes a restricted driver license to include going to and from college, a court ordered alcohol program, and interlock meetings. Under this bill, a person would apply for a restricted license to the court suspending the driver license.
- HB 2961 by Representative Lynn creates a Class E felony for furnishing alcohol to minors. If the intoxication proximately results in the death of the minor or another, the offense would be a Class D felony. Under present law, furnishing alcohol to minors is punishable as a Class A misdemeanor.
- HB 2715 by Representative Hargett creates a DUI registry that would be similar to the Sexual Offender Registry. The registry would be used to identify persons convicted of second or subsequent DUI offenses.

The ad hoc committee did not give recommendations for the following five bills:

- HB 3052 by Representative Newton creates the "Drug or Alcohol Impaired Minor Responsibilities Act." Under this bill, a person would be civilly liable for the death or injury of a minor that results from providing the minor with drugs or alcohol.
- HB 2405 by Representative Mumpower requires DUI offenders to obtain a designated license plate while driving on a restricted license. If amended, the bill would specify that the license plates contain a yellow background with red lettering. Also, another

proposed amendment would limit the use of this license plate for DUI offenders with at least two DUI convictions.

- HB 2583 by Representative Davis is similar to HB 2405 by Representative Mumpower. HB 2583 requires the department of safety to create a license plate for DUI offenders.
- HB 3501 by Representative McMillan grants immunity from civil liability to local fire officials and departments that report information relative to fires of suspicious origin to the commissioner of commerce and insurance.
- HB 2898 by Representative Casada authorizes a law enforcement officer to require the driver of a vehicle to undergo a BAC test when the driver is involved in an accident resulting in the death of a person. The test would be administered regardless of whether the driver consents to such test. Also, this bill requires a health care provider to notify law enforcement of blood or urine tests results under certain circumstances.

HB 3296 by Representative Johnson (Loudon) was referred to the General Subcommittee in the Senate. HB 3296 requires the immediate confiscation and revocation of a person's driver license when such person refuses to take the breath test or tests .08%. Also, this bill revises the open container law and prohibits any person in a car from possessing an open container of alcohol. This bill increases the fines for repeat DUI offenders.

HB 3070 by Representative Dunn was not recommended for passage. HB 3070 amends the Good Samaritan Law and imposes a Class C misdemeanor when any person fails to give reasonable assistance to another person who is exposed to or has suffered grave physical harm.

The ad hoc committee plans to meet again and review the remaining bills on the calendar. The ad hoc committee on issues involving alcohol and citizen responsibility will reconvene at the call of the chairman.

## **State & Local Government**

*Lawrence Hall, Jr.*

### **The Full Committee**

This week in the **State and Local Government** full committee, **HB 2683** by Rep. Curtiss was passed to

Finance, Ways, and Means. This bill authorizes counties and municipalities to create veteran services offices for all veterans rather than just for veterans of wars. **HB 2509** by Rep. Miller requires the lottery board to report semi-annually on minority participation to the entire General Assembly. This bill was passed to Calendar and Rules. **HB 2510**, also by Rep. Miller, was passed to Finance, Ways, and Means. This bill requires that a state government disparity study be conducted to determine the level of minority participation in state contracting.



**HB 2240** by Rep. Tindell was passed to Finance, Ways, and Means. This bill, as amended, will create fines and incarceration for violating the laws governing the 501(c)(3) charitable gaming. **HB 3356** by Rep. Buck restores several constable positions in DeKalb County. This bill was passed to Calendar and Rules.

*Rep. Miller*

### State Government Subcommittee

**State Government Subcommittee** passed four bills to full committee. **HB 2538** by Rep. Hargrove will allow a county to redesignate the county mayor as the county executive. **HB 3392** by Rep. Head provides a 4½ percent salary increase for state employees. **HB 2936** by Rep. Rinks provides for a constitutional convention regarding consolidation of local governments. **HB 3092**, also by Rep. Rinks, increases the governor's annual salary from \$85,000 to an amount equal to that of the chief justice of the state supreme court (\$123,684).

### Local Government Subcommittee

**Local Government Subcommittee** considered and passed **HB 3304** by Overbey to full committee. This bill provides that, under the County Purchasing Act of 1957, all library books, recordings and materials will be excluded from the required public auction or sealed bid process of surplus property. **HB 3285** by Rep. Head changes the procedure for determining whether utility districts, wastewater facilities, or emergency communication districts are operating at a deficit or are financially distressed. This bill was also passed to full committee.

### Elections Subcommittee

Elections Subcommittee passed three bills to full committee. **HB 2930** by Rep. Rinks prohibits a candidate from using his or her local office campaign funds to fund his or her campaign for the general assembly or governor. **HB 3451** by Rep. McMillan will remove the requirement that notice be giving to an individual when such person's campaign financial disclosure has been inspected by another person or entity. **HB 2760** by Rep. Crider requires county election administrators to provide upon request the names of those who obtained a nominating petition for elective office.

### Transportation

*Greg E. Adkins*



### Full Committee

*Chairman Pinion*

The **full Transportation Committee** met on Wednesday, March 3, 2004, and considered ten bills. **HB 2212** by Rep. Wood passed to FW&M as amended. The amended bill would increase the fee paid to a county clerk for titling a motor vehicle from \$3.00 to \$5.00 and would keep the charge at \$1.00 for the computer fee, which is set to sunset in June of 2006. **HB 2195** by Rep. McDonald passed to C&R. The bill requires trailers manufactured and sold in Tennessee to have the identification number stamped in the frame and not placed on a metal plate. The law would take effect on January 1, 2005. **HB 2196** by Rep. McDonald passed to C&R as amended. The amended bill would require trailers newly manufactured and sold in Tennessee with a GVWR of 3,000 lbs. or less be equipped with new tires. The bill also will authorize the purchaser of the trailer to waive the new tire provision in writing. **HJR 858** by Rep. Head passed to C&R. The resolution

requests the Comptroller to study the process by which counties procure and produce asphalt. The study will look at the effectiveness, cost, and variations among counties with respect to the production of asphalt.

**HB 2191** by Rep. Walker was rolled one week; the bill authorizes the "Raymond Shadden Memorial Highway" sign near Crossville.

The following highway sign bills passed to FW&M:

1. **HB 2267** by Rep. Harmon--"Grady Lester Davis Memorial Highway" and "Wilson Von Rohr Memorial Highway" signs in Sequatchie County.
2. **HB 2555** by Rep. McDaniel--"Hearn's Lane" highway sign.

The following special license plate bills passed to FW&M:

1. **HB 3211** by Rep. Stanley--"Raise Public Awareness about Autism" license plates.
2. **HB 3357** by Rep. Patton--"American Cancer Society Relay for Life" license plates.
3. **HB 2814** by Rep. Pruitt--"Promotion of Organ



Donation Awareness in Tennessee" license plates.  
*From Wednesday's Committee Meeting*

### Public Safety & Rural Roads Subcommittee

The **Public Safety & Rural Roads Subcommittee** met on Tuesday, March 2, 2004, and considered nine bills. Only one of the nine bills passed out of the subcommittee. **HB 3448** by Rep McMillan passed to full committee as amended. The amended bill would allow utility vehicles to either have a white light system within the headlight or grill area or an amber light system on any location of the vehicle except the taillight.

The following bills were either rolled or taken off notice.

1. **HB 2601** by Rep. Godsey--rolled one week (Requires motor vehicle financial responsibility information on accident reports).
2. **HB 2603** by Rep. Godsey--taken off notice (Statewide required drivers education program).

3. **HB 2184** by Rep. Dunn--rolled two weeks (Leash law requirement in the back of a pick-up).

4. **HB 2919** by Rep. West--rolled two weeks (Authorizes private third party issuance of registration and titles for motor vehicles).

5. **HB 3188** by Rep. Jones (Shelby)--rolled two weeks (Prohibits issuance of license plates with Confederate flag logo).

6. **HB 3298** by Rep. Turner (Hamilton)--rolled one week (Reduces distance of parking distance from fire hydrant).

7. **HB 604** by Rep. DeBerry J.--rolled one week (Authorizes drivers license suspension for a person that has an condition that impairs safe driving).

8. **HB 2841** by Rep. Maddox--rolled two weeks (Prohibits remote controlled freight or passenger trains traveling outside the switchyard).

### Public Transportation & Highways Subcommittee

The **Public Transportation & Highways Subcommittee** met on Wednesday, March 3, 2004, and considered eleven bills.

The following highway sign bills passed to full committee:

1. **HB 3098** by Rep. DuBois--"Charles C. Beard Memorial Bridge" sign.
2. **HB 3097** by Rep. DuBois--"Nathan Odom Memorial Bridge" sign.

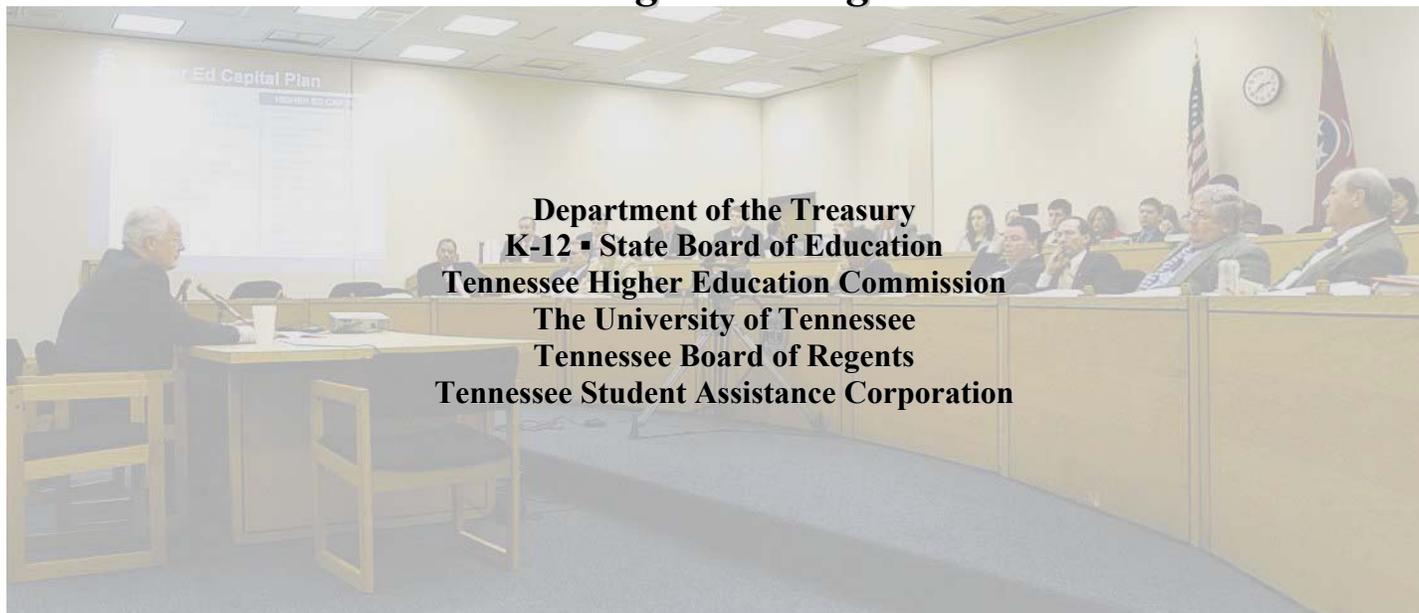
The following license plate bills passed to full committee:

1. **HB 2236** by Rep. Turner (Hamilton)--"Baylor School of Chattanooga" cultural license plate.
2. **HB 3082** by Rep. Turner (Hamilton)--"McCallie School in Chattanooga" cultural license plate.

The following bills were rolled one week: (1) **HB 2527** by Rep. Sharp, (2) **HB 2928** by Rep. Rinks, (3) **HJR 837** by Rep. Maddox, (4) **HB 2375** by Rep. Patton, (5) **HB 3410** by Rep. Hargrove.

**HB 816** by Rep. Pinion was taken off notice. **HB 3072** by Rep. Patton was taken off notice.

## *Budget Hearings*



**Department of the Treasury  
K-12 ▪ State Board of Education  
Tennessee Higher Education Commission  
The University of Tennessee  
Tennessee Board of Regents  
Tennessee Student Assistance Corporation**

### **The Treasury Department**

*Julie Travis*

*Research Analyst, Finance, Ways & Means*

State Treasurer Dale Sims presented the committee with the Treasury Department's fiscal year 04-05 budget on February 24<sup>th</sup>. The Department's **total budget request for fiscal year 04-05 is \$16,903,700**, of which \$142,900 is state appropriation. The Treasury Department's budget request (allotment code 309.01) was fully funded in the Governor's recommended budget, with the exception of a 4% reduction of \$83,600 in equipment expenditures.

In response to the Administration's request to submit base budget reduction plans, the Treasury Department offered to withdraw all improvement items requested in lieu of making base budget reductions. Improvement items included positions in three programs where growing workloads strained available resources. One position in each of the following departments was eliminated: TCRS Investments, Unclaimed Property, and Flexible Benefits. All positions were funded with either Current Services or Inter-departmental Revenues, and these cuts saved \$115,900.

The State Treasurer also administers an annual educational incentive payment program (*salary supplement*) for county officials who complete the advanced level of a three-level certificate (*job*) training program. The University of Tennessee Institute for Public Service's Center for Government Training offers this program. The "Certified Public Administrators" (allotment code 309.02) must maintain continuing education in order to qualify for these annual educational incentive payments. The well-attended program has been a success since its inception in 1998. During FY 2002-03, 265 local government officials received a \$200 supplemental payment. Under general law, payment of these supplements is subject to specific appropriation. If the

appropriation is not sufficient to fund the total amount, each official receives a pro-rata share of the appropriation. The Governor recommended funding for the program to remain at the same level as FY 03-04.

*continued on page 18*

The Treasury Department also administers the programs listed below:

ALLOTMENT	DEPARTMENT	FY '03-'04 ESTIMATED	FY '04-'05 ESTIMATED	GOVERNOR RECOMMENDED	FY '04-'05 IMPROVEMENTS	PERCENT CHANGE
313.03	Criminal Injuries I	12,576,500	12,576,500	12,576,500	-	0.0%
313.10	Risk Management Fund	53,985,400	51,167,700	51,167,700	-	-5.2%
313.20	Unclaimed Property	13,275,000	17,300,000	17,300,000	-	30.3%
351.00	Misc. Appropriation	8,570,000	9,170,000	9,170,000	-	

\*The Risk Management Fund (RMF) was created on July 1, 2003 to consolidate the financial operations of the Claims Award Fund and the State's Property/Casualty Insurance program. With the consolidation of the RMF, there were first year costs to state agencies, such as the \$5M aggregate deductible. Since these costs are not recurring, the total funding requirement is reduced 5.2% in FY 03-04. Subsequent years will provide for the replenishment of the required aggregate deductible.

Along with a listing of Contract Services, the Treasurer also submitted the Department's Strategic Plan and Performance Measure Guidelines through Departmental Benchmarks. These benchmarks are the department's cornerstone for their work in performance-based budgeting and developing the strategic plan. The listing of Benchmarks included Retirement (Administration and Investments), Cash Management - State Pooled Investment Fund and LGIP, Flexible Benefits Plan, Unclaimed Property, Deferred Compensation, the BEST Program, Claims Administration, Criminal Injuries Compensation Program, and Claims Commission.



## Department of Education, K-12

*Pam Mason*

*Research Analyst, Education*

Commissioner Lana Seivers presented the Department of Education's 2004-2005 Budget at the February 25 meeting of Finance, Ways and Means. No new programs have been created in this budget. The Department has requested the necessary state funds to fully fund the BEP. In an attempt to maximize its ability to draw down Federal dollars, only \$750,000 was reverted back in 2003. This compares to \$4.1 million reverted back in 2002.

### Base Reductions for 2004-2005 include:

Extended Contracts	1,274,000
Public Television	146,700
Science Alliance	34,100
Holocaust Commission	6,700
School Safety	254,800
Departmental Equipment	50,000
Professional Development for LEAs	206,800
Career Ladder	2,586,800
Assistance of High Priority Schools	1,400,000
Equity	77,900
Touching the Lives of Children	6,000
Drop Out Prevention	3,000
One-room Drop-in-schools (ORDIS)	105,000
Testing	1,595,500
K-12 Performance Incentive	<u>455,000</u>
<b>Total</b>	<b>8,202,300</b>

### Improvements for Fiscal Year 2004-2005 include:

Teacher Salary Equalization	35,000,000
Basic Education Program	50,100,000
Teach Tennessee	500,000
Governor's Schools	750,000
Pre-K & Early Childhood Education	8,000,000
After-School Programs	2,000,000
Education Technology	2,000,000
Teacher Salary Increase	36,600,000
Salary Bonus	18,300,000
Group Health Insurance - 1/1/04	8,400,000
Group Health Insurance 1/1/05	10,400,000
Infant and Toddlers	2,434,000

#### Teacher Training & Experience - Special Schools

Alvin C. York	51,700
TN School for the Blind	86,200
TN School for the Deaf	65,600
West TN School for the Deaf	12,700

TN Infant-Parent Services School 54,900

**TOTAL 174,755,100**

**State Board of Education**

*Pam Mason*

*Research Analyst, Education*

Dr. Douglas Wood, Executive Director of the State Board of Education, presented to the committee the 2004-2005 budget on February 25. The Board is the regulatory and policy-making body for PreK-12 education in the state.

The recommended budget includes:

Salaries	357,800
Longevity	7,200
Benefits	<u>81,200</u>

**Total Payroll 446,200**

Travel	26,300
Printing & Duplicating	19,500
Communications	17,400
Maintenance	500
Prof. Svc., 3rd Party	28,000
Supplies	8,400
Rentals & Insurance	59,600
Equipment	9,300
Prof. Svcs. St. Agency	<u>29,200</u>

**Total Operational 198,200**

**Total Expenditures 644,400**

The Board is requesting, as an improvement, an additional position to monitor the BEP. This would make a total of 7 employees. Cost for this request is:

Salary	60,000
Benefits	<u>15,000</u>

**Total 75,000**



## Tennessee Higher Education Commission

*Pam Mason*

*Research Analyst, Education*

In its February 26 meeting the Finance, Ways and Means committee heard the THEC 2004-2005 budget. THEC is charged with coordinating and unifying the state's higher education programs. Less than 20 percent of Tennesseans have a higher education degree. Adding to this disparity, there is a continuing shift of cost from the state to students. Students now pay approximately 45 to 50 percent of this cost.

Comparison of FY 2004-05 THEC Recommendations to Governor's FY 2004-05 Budget:

	THEC 04-05 Formula Calculation	Governor's Budget	Percent Funded	Percent Reduction
TBR	448,971,400	337,877,200	75.3	-1.0
2 Year	243,534,200	187,342,600	76.9	-0.9
UT	292,449,400	221,879,200	75.9	-1.0
Total Colleges & Universities	984,955,000	747,099,000	75.9	-0.9
Tech. Centers	57,018,100	41,519,200	72.8	-0.7
<b>TOTAL</b>	<b>1,041,973,100</b>	<b>788,618,200</b>	<b>75.7</b>	<b>-0.9</b>



**The University of Tennessee**

*Pam Mason*

*Research Analyst, Education*

The University of Tennessee presented its budget for the 2004-2005 fiscal year at the Finance, Ways and Means Committee on February 26. In his address, interim President Joe Johnson listed three positive aspects of this budget.

1. A .8 of 1 percent reduction rather than 5 percent.
2. Faculty pay raise of 2 percent with a one-time 1 percent bonus.
3. Capital maintenance dollars with a percentage match by the institution.

Dr. Johnson added that with the pay increase, it is the University's goal that fee increases not exceed 4 to 5 percent. It is hoped to keep that amount below double digits.

	<b>Governor's Budget</b>	<b>Percent Reduction</b>
<b>(State Dollars)</b>		
UT Chattanooga	37,958,400	-0.9
UT Knoxville	157,016,900	-1.0
UT Martin	26,903,900	-0.9
Subtotal	221,879,200	
College of Medicine	39,857,100	-0.7
Family Practice	6,320,800	-0.5
UT Memphis	57,709,600	-0.7
College of Vet	13,198,300	-0.7
Ag Experiment Station	20,422,900	-0.5
Ag. Extension Service	24,227,800	-0.5
UT Space Institute	7,157,100	-0.6
Institute for Public Ser.	4,609,100	-0.5
County Tech Asst. Ser.	1,105,000	-0.5
Municipal Tech Adv. Ser	1,488,700	-0.5
UT Univ.-Wide Admin	3,046,000	-0.5
<b>Total UT System</b>	<b>401,013,600</b>	<b>in State Dollars</b>

(401,013,600 State) (49,322,600 Federal) (225,368,200 Other) (245,065,800 Tuition/Fees) = \$920,770,200  
Recommended '04-'05



## Tennessee Board of Regents

Rachel Thomas

House Research Division

The Finance, Ways, and Means Committee convened Thursday, February 26, 2004 to hold budget hearings on the Tennessee Board of Regents. Chancellor Charles Manning addressed the committee on behalf of the board. The Board of Regents oversees six 4-year degree-granting institutions, thirteen 2-year community colleges, and several technical and other institutions. The University of Tennessee is not included in the board's jurisdiction. The Chancellor presented the Board of Regents' budget as follows:

### STATE APPROPRIATIONS FOR FY 2004-05

Institution	Dollar Amount
Austin Peay University	29,317,800
East Tennessee State University	51,147,600
Middle Tennessee State University	80,426,100
Tennessee State University	36,233,900
Tennessee Technological University	40,445,700
University of Memphis	100,306,100
Total for two-year colleges	187,342,600
Technology Centers	41,519,200
ETSU College of Medicine	23,219,400
ETSU Family Practice	4,166,300
TSU McMinnville	439,500
Tennessee Board of Regents	3,740,000
<b>Total</b>	<b>598,304,200</b>

### Budget Cuts

The Board of Regents was mandated a 9% budget cut in FY 2003-04, and these cuts are affecting the current year. Chancellor Manning explained that these cuts have been somewhat offset by tuition increases and internal reallocations. This fiscal year, however, the board must cut its budget only .9%.

### Improvements

- Salary Increase—The Governor's proposed budget includes a 2% salary increase (\$15,633,600) and 1% one-time bonus for higher education employees. However, the Board of Regents is expected to fund these salary supplements by tuition increases and internal reallocation.
- Capital Outlay and Major Maintenance—The needs for major maintenance total \$38.5 million. The capital outlay recommendation is \$68.6 million with a 1/3 matching requirement from private funds. Chancellor Manning insinuated that raising the aforementioned private funds would be a challenge.

### INNOVATIONS

Due to their currently limited resources, the Tennessee Board of Regents has formulated various innovative ways to expand access to higher education and share resources among institutions. The Chancellor expounded upon four such programs:

*continued on page 24*

- Lowered credit hour requirements for graduation
- Regents online degree program
- Northeast Tennessee Regional Academic Node (NETRAN) resource sharing program
- Internal auditor sharing program for institutions in the same regional area

## **LOTTERY**

Chancellor Manning enthusiastically expressed the lottery's effect on the board, and described it as a "major asset." He also expressed the need to establish 40 full-time positions at institutions across the state in order to staff new scholarship programs. The combined cost would be \$1,292,353.

## **Tennessee Student Assistance Corporation**

*Kristina Ryan*

*Research Analyst, Government Operations*

On February 26, 2004, the Tennessee Student Assistance Corporation (TSAC) presented its budget to the Finance, Ways and Means Committee. Executive Director Michael C. Roberts represented the agency. The mission of the TSAC program is to provide financial assistance for students to attend Tennessee's post-secondary institutions. Roughly speaking, 95 percent of TSAC recipients have family incomes below \$25,000. For thirty years, TSAC has appropriated nearly \$400 million dollars for lower income students to achieve a post-secondary education.

The 9% budget reduction of fiscal year 2003-04 drastically affected the TSAC program. Approximately 3,832 students were affected by these budget reductions, and an additional 9,000 needy students would have been eligible for the program if adequate funding were available.

Mr. Roberts reported to the committee about the status of TSAC's scholars programs. The Ned McWherter Scholars Program is Tennessee's premier academic scholars program. This program is designed for the state's best and brightest. The average student has an average of a 33 on the ACT (99th percentile) and a 3.9 GPA. Consequently, this program is in jeopardy because the interest earnings that this program relies upon have not generated enough income for first year applicants. The 2003-04 year had only 30 new recipients, and although TSAC will be able to renew all current applicants, TSAC will not have the funding to award any new applicants this year.

The Tennessee Teaching Scholars Program encourages gifted students to enter into the teaching profession and commit to a year-to-year teaching service obligation for public K-12 schools. This program enjoys a 90 percent success rate. The TSAC Board had originally recommended increasing the maximum scholarship amount from \$4,200 to \$4,900 for the 2004-05 award year. However, due to budget reductions, the award level will remain at \$4,200 and 14 fewer applications will be accepted. Normally, TSAC distributes awards to approximately 180 students.

TSAC serves as the designated state agency that oversees the Federal Family Education Loan Program, which guaranteed over \$1 billion in loans for students and parents last year. TSAC has a total outstanding portfolio of \$4.2 billion, approximately 407,287 borrowers. The average award to a student last year was \$1570.00. This year it is \$1,626.00. For 11 consecutive years, TSAC's cohort default rate has increased by 0.1% to 6.7%. Currently, TSAC ranks 20th in the nation out of 37 guaranty agencies and cohort default recovery rates. One of TSAC's top priorities this year is to concentrate on informing and assisting students on default prevention.



**ALL MEETINGS IN ROOM 16**

**THURSDAY, MARCH 4<sup>TH</sup>, after session**

Health  
Human Services  
Children's Services

**TUESDAY, MARCH 9<sup>TH</sup>, 1:30 p.m.**

Finance and Administration

**WEDNESDAY, MARCH 10<sup>TH</sup>, 1:30 p.m.**

Commission on Aging  
TennCare and TennCare Oversight  
Mental Health and Developmental Disabilities  
F & A Health Services

**THURSDAY, MARCH 11<sup>TH</sup>, after session**

Transportation