



CAPITOL HILL REVIEW

A Weekly Wrap-up of Legislative News

Press Release

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General Assembly Passes \$52.8 Billion Budget That Prioritizes Education, Economic Development, Public Safety and Provides Historic Tax Cuts

Members of the 112th General Assembly fulfilled their constitutional duty with passage of a \$52.8 billion budget for 2022-23 fiscal year. The zero-debt budget is a spending plan that addresses the needs of all Tennesseans to improve education, economic development, health care, and strengthen public safety. The budget recognizes more than \$8 billion in federal COVID-19 relief funds. It also makes a significant deposit in the state's Rainy-Day Fund, which serves as the state's savings account to help withstand economic downturns, bringing the fund to a historic balance of \$1.8 billion.

The structurally-balanced budget ensures Tennessee remains AAA bond-rated, making it one of the best financially managed states in the nation. It places \$350 million in the Tennessee Consolidate Retirement System (TCRS) to keep commitments to state employees.

This structurally sound budget includes historic tax cuts totaling about \$300 million. It includes an \$80 million month-long sales tax holiday on food in August, as well as the traditional sales tax holiday on clothing and school supplies before the start of school. The budget removes the state's tax portion of license plate registration fees for one year, a \$121 million tax break for every Tennessean who drives a passenger vehicle or motorcycle.

Other tax cuts include:

- \$3 million recurring tax cut on machinery and equipment to support Tennessee farmers
- Extension of the sales tax exemption on gun safes through June 30th, 2023 - \$320K
- Exemption of sales tax of gold, silver, platinum and palladium coins/bullion - \$360K
- Professional Privilege Tax - eliminates taxes on doctors - \$9.7 million

- Broadband Tax Credit: Provided for three years at \$204 million in tax relief, \$68 million each year for three years to bring as many Tennesseans online as quickly as possible
- Supports small business by reducing tax compliance/remittance costs

K-12/ HIGHER EDUCATION

- \$500 million for Career and Technical Education grants to provide 281 high schools with \$1 million and 408 middle schools with \$500K to expand innovative programming. Several other schools received \$200K grants
- HOPE Scholarship awards will increase to \$2,200 per student, per semester through the student's sophomore year and to \$2,850 per semester beginning their junior year
- Computer science and coding available to every Tennessee high school student
- \$2.5 million to expand the Future Workforce Initiative
- \$125 million investment in K-12 teacher salaries & 4 percent salary pool increase for higher education
- \$25.5 million in recurring funding for K-12 summer learning camps
- \$18 million to construct and establish the TN Entrepreneurial Science and Technology Hub at UT Martin to support and expand workforce and economic development in Northwest Tennessee.
- \$72 million to complete the Oak Ridge Innovation Institute
- \$50 million to a Carnegie R1 research fund at the University of Memphis (Carnegie R1 is a designation earned by the highest-level research institutions in the nation)
- \$250 million in infrastructure improvements at Tennessee State University
- \$170 million to invest in a statewide Enterprise Resource System for the University of Tennessee
- Expands the TN Promise Scholarship to students who graduate early or obtain a GED
- \$6 million to establish the Institute of American Civics at the University of Tennessee

SAFER COMMUNITIES:

- Implements Truth in Sentencing ensuring violent offenders serve 100% of sentences
- \$355.6 million for a multi-agency law enforcement training academy
- \$28.4 million to fully fund the correctional officer salary changes
- \$66 million for the TN Law Enforcement Hiring, Training, and Recruitment program
- \$179 million to complete construction of Tennessee Advanced Communications Network coverage, ensuring full mobile connectivity across all Tennessee for emergency communications and law enforcement
- \$100 million to create the Violent Crime Intervention Grant Fund
- Funding additional district attorneys to bring the total to 32
- 100 Tennessee State Troopers, 20 (TBI) agents, and 25 TBI forensic science personnel
- \$5 million for volunteer fire department grants/ \$2 million for rescue squads
- \$1 million for senior centers

INFRASTRUCTURE & ECONOMIC DEVELOPMENT:

- \$519 million in new road funding (\$77 million for ECD projects included)
- \$100 million to complete IMPROVE Act projects
- \$82 million to reimburse public hospitals for uncompensated care, primarily in rural communities
- \$7.8 million for Rural Opportunity Grants to help communities prepare for ECD investments
- \$3.5 million to support the Transportation Equity Fund
- \$85 million for the FastTrack program
- \$1.5 million to Launch TN to provide funding for entrepreneur centers and mentor networks
- \$950K to the Assoc. Builders and Contractors for pilot project enhancing skilled trades personnel

HEALTH CARE

- \$55 million to increase access to services across each Medicaid Pathways to Independence

- \$25.5 million in dental benefits for adult TennCare enrollees
- \$21.8 million for the DIDD's Tennessee Early Intervention System
- \$9.7 million to support salary increases for DCS case managers
- \$6 million to expand substance abuse disorder services to uninsured Tennesseans
- \$5 million for the health care safety net
- \$5 million for the Children's Advocacy Centers of Tennessee
- \$3.4 million for three years to establish the Educational Dental Safety Net Care Fund and pilot program with Lincoln Memorial University
- \$1 million for universal adult changing tables
- \$1 million for three years to fund the Colonel Thomas G Bowden Act - a pilot program for Alzheimer's respite care
- \$900k for Epilepsy Foundation - \$300k for grants divided in each grand division
- \$800K to Centerstone to provide behavioral health services to military veterans
- Mental Health Treatment Act of 2022 creates a program to facilitate new and continuing mental health court treatment programs in each county

TOURISM & RECREATION:

- \$1 million for county and regional fairs
- \$500K to the Department of Tourist Development to make grants to improve Tennessee's waterways
- Making sure that gas taxes paid at marinas fund infrastructure at marinas
- \$175K to help pave walkways to make them ADA accessible at the Great Smoky Mountain Heritage Center
- Establishes the State Parks Hospitality Maintenance and Improvement Fund. Directs 2 percent off gross revenue created from parks facilities to be used for maintenance/expenses

Legislation Ensures Tennessee's Election Integrity

The House Finance, Ways and Means Committee advanced legislation this week to further ensure election integrity in Tennessee.

House Bill 2585, as amended, requires the Secretary of State to randomly select county election commissions that must conduct an audit after each August and November election beginning in 2024. The legislation also requires staff of the Division of Elections who are responsible for training on how to conduct the audits to attend training regarding the U.S. Government Accountability Office's generally accepted government auditing standards.

"We had no complaints at all cast anywhere in the state in the last election," bill sponsor State Representative Tim Rudd, R-Murfreesboro, told members of the committee. "This bill (will) give the public more assurances that we have a good election system."

Williamson County would also be required to conduct automatic mandatory audits after each election in 2022 as part of a pilot program, according to the bill. Additionally, voting machine technicians would be required to certify that the proper firmware is loaded on each unit of voting equipment and that the system settings are correct when inspecting precinct-based optical scanners. The bill is waiting to pass in both the House and Senate Chambers.

House Members Pass Truth in Sentencing for 28 Violent Crimes

The House Members passed legislation that provides the accountability and truth in sentencing for victims of violent crimes.

House Bill 2656, sponsored by House Speaker Cameron Sexton, R-Cookeville and State Representative Bud Hulse, R-Kingsport requires offenders to serve 100 percent of the sentences handed down by a judge or jury for an additional twenty-eight violent offenses. Those crimes include attempted first-degree murder, second degree murder, vehicular homicide resulting from driver intoxication, aggravated vehicular homicide, especially aggravated kidnapping, especially aggravated robbery, carjacking, and especially aggravated burglary.

As amended, additional lower-level violent offenders may reduce their sentence to 85 percent of their sentence by earning credits for completing evidence-based programs that support rehabilitation beyond prison walls.

Those credits would apply to aggravated assault with a deadly weapon, strangulation or attempted strangulation, voluntary manslaughter, aggravated assault against a nurse or first responder, vehicular homicide, reckless homicide, aggravated kidnapping, involuntary labor servitude, trafficking, aggravated robbery, aggravated burglary, aggravated arson, possessing a firearm during the commission, or attempt to commit a dangerous felony, and manufacture, delivery or sale of a controlled substance. Last year, state lawmakers approved truth in sentencing reform for thirty-one crimes historically targeting women and children.

Campaign Finance and Ethics Reform Act of 2022 Passes the House

The House chamber passed comprehensive legislation that will provide increased transparency and accountability in elections.

House Bill 1201, sponsored by House Speaker Cameron Sexton, R-Crossville, and State Representative Sam Whitson, R-Franklin, will close loopholes which have in the past been exploited by special interest groups attempting to hide their identity or activities days before an election.

The law would simply provide a mechanism to make reporting and disclosing of campaign finances more transparent so that Tennessee voters can truly make more informed decisions.

As amended, the bill proposes several reforms to the state's existing campaign finance laws. Tax exempt organizations that spend \$5,000 or more within a sixty-day window of an election would be required to disclose their total expenditures.

The bill requires a 501 (c) (4) that spends a minimum \$5,000 for campaign materials or communications naming or showing the likeness of a candidate within sixty days of an election to report expenditures.

The legislation enhances interim reporting for candidates and PACs of contributions and expenditures received ten days before an election. One of the most important changes is that the bill would extend civil penalty joint liability to candidates controlling or serving as officers of PACs. It would prohibit PAC funds from being used to pay assessed penalties on those PACs.

Committee Advances Legislation Strengthening Human Trafficking Laws

Legislation to strengthen laws dealing with human trafficking in Tennessee advanced out of the House Finance, Ways and Means Committee.

House Bill 2147 increases the punishment for several crimes related to human trafficking. It also establishes additional measures to help protect victims, including minors.

“(This legislation) is for addressing the human trafficking evil that we know exists in our state, across our country and across the world,” State Representative Debra Moody, R-Covington, told members of the committee Tuesday. “It addresses several factors related to survivors... especially the victims of commercial sexual exploitation of a minor.”

Crimes that would have their punishment increased as a result of the bill include:

- Involuntary servitude would go from a Class B felony to a Class A felony if the victim was a minor
- Forced labor or services would go from a Class C felony to a Class A felony if the victim was a minor
- Promoting prostitution would go from a Class B felony to a Class A felony if the victim was a minor, and from a Class D felony to a Class A felony if the person has an intellectual disability
- Patronizing prostitution would go from a Class A misdemeanor to a Class B felony when the subject of the offense is a law enforcement officer posing as a minor

The bill would require the Department of Children’s Services (DCS) to develop a policy to assist foreign national children suspected of being a victim of human trafficking. DCS must also develop, maintain, and distribute assessment tools to juvenile justice agencies to screen children in the system that are at risk of human trafficking.

Bill to Protect Female College Sports Advances

A legislative bill to protect the competitive integrity of female intercollegiate sports advanced out of the House Finance, Ways and Means Committee.

House Bill 2316 prohibits male students from participating in certain intercollegiate or intramural athletic teams or sports that are designated for females. It ensures that biological males are not able to displace biological females in competitive events which could deny opportunities for female athletes such as victories and scholarships. The bill does not apply to co-ed sports.

“Biological males must compete against biological males, not biological females,” bill sponsor State Representative John Ragan, R-Oak Ridge, said about the bill. “For a millennia, this has been a common-sense issue for fairness and safety.”

The legislation creates a private cause of action for violations that deprave a student of an athletic opportunity or cause direct or indirect harm to students attending a public school or public charter school. The General Assembly approved legislation last year to ensure that students in middle and high school compete in sports that correspond with their sex at birth.

Additionally, state lawmakers recently passed a bill that requires funds to be withheld from a local school districts that fail to restrict participation in student athletics by sex. House Bill 1895, which is also sponsored by Ragan, has been sent to Governor Bill Lee to be signed into law.

Expanding Retirement Benefits for Veteran

The Tennessee House of Representatives unanimously approved legislation that allows Tennessee Consolidated Retired System members who served in the U.S. Armed Forces during certain periods of armed conflict after 1975 to establish retirement credit for their military service under certain conditions. House Bill 1852 applies to state employees and allows local governments to opt in as well if they choose. The bill allows employees who qualify to buy up to four years of service at a cost of 9 percent of their current annual pay per year that they are purchasing. The legislation still needs Senate approval.

SNAP work requirements: The General Assembly approved legislation last week to ensure oversight of the Supplemental Nutrition Assistance Program (SNAP). House Bill 2096 prohibits the Department of Human Services (DHS) from providing discretionary exemptions for SNAP work requirements to certain individuals. The legislation also requires the DHS to submit an annual report detail specific information about the program including instances waivers or exemptions to work requirements were sought, applied for, accepted, or renewed by the department. SNAP, formerly referred to as food stamps, is a U.S. Department of Agriculture nutritional assistance initiative that is managed by DHS in Tennessee. House Bill 2096 will now go to Governor Bill Lee.

Increasing Penalties for Unlicensed Child Care Agencies

The House of Representatives unanimously approved legislation that makes it a Class E felony for a person or entity to operate a child care agency while their license has been suspended, denied, revoked, or within ten years of a previous finding by the Department of Human Services that they had operated a child care agency without being licensed by the department. House Bill 2583 also specifies that adverse effects on emotional and mental health and welfare may constitute adversely affecting a child's health and welfare, as it relates to child abuse or neglect. The legislation comes after twenty-three children were found restrained in car seats and high chairs for most of the day at an unlicensed child care facility in East Tennessee last summer. Since no physical harm occurred, no criminal charges were brought against those operating the facility. House Bill 2583 will now go to Governor Bill Lee to be signed into law.

Lowell Russell represents House District 21. He is the Chairman of the Civil Justice Subcommittee. He also serves on Civil Justice Committee, Transportation Committee, Transportation Subcommittee, Criminal Justice, Criminal Justice Subcommittee, Calendar and Rules Committee, Ethics Committee, and serves as a House Majority Chief Deputy Whip.

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