



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: Commission Members

FROM:  Wynnis Roehrich-Patrick
Executive Director

DATE: 25 May 2016

SUBJECT: Work Program Amendment, Study Request, New Research Plans

The amendments to the Commission's work program listed below will add studies directed by legislation passed by the 109th General Assembly or otherwise requested by legislative committees. Research plans for each study are attached and include copies of the legislation. Members will be asked to consider each amendment for approval. A copy of the current work program is also attached, and existing projects are recapped below.

In addition, Mr. Dick Farrar, a resident of Lincoln County and an advocate for metropolitan governments, will address the Commission to request its assistance in bringing more attention to the benefits of consolidated city-county governments.

Status of Existing Work Program Projects:

- Annual Public Infrastructure Needs Inventory Report. To be presented for your approval at this meeting. We are simultaneously gathering and checking survey data for next year's report.
- Study of Court Fees, requested by the House Civil Justice Committee, due January 2017. As part of our information gathering process, you will hear from a panel of experts at this meeting. We intend to present a draft report for your review and comment at our fall 2016 meeting and a final report at our January 2017 meeting.
- Funding for Emergency-911 Services, due September 2017. Staff will be beginning research for this report to the Joint Committee on Government Operations, required by Public Chapter 795, Acts of 2014, as the necessary revenue data becomes available this summer. Our intent is to have a draft ready for your review and comment by January 2017 and a final report for your review by May 2017.

- Broadband Internet. We will continue to gather and present information on this topic to you at this and the summer 2016 meeting in order to present a draft report at the fall 2016 meeting and a final report for approval at the January 2017 meeting. We may ask for an additional meeting this summer to allow the Department of Economic and Community Development to present to you their preliminary broadband survey results.
- Biennial Report. We will be providing our biennial report for fiscal years 2014-15 and 2015-16 for your approval at our summer 2016 meeting.
- TVA PILOT Annual Report. We will present the annual update for your approval at the January 2017 meeting in order to meet the legislature's reporting deadline of February 28, 2017.
- Fiscal Capacity Index. We have submitted this year's index to the Department of Education and will provide a recap of this year's results at this meeting. The next index will be due to the department by May 1, 2017.

Five amendments are submitted for your consideration:

Amendment 1

Adds two studies, one required by Senate Joint Resolution 463 by Beavers and one required by Public Chapter 1024.

- Senate Joint Resolution 463 directs the Commission to survey legislative bodies in states bordering Tennessee during fiscal year 2015-2016 to determine their members' salary, per diem reimbursement rates, mileage reimbursement rates, and other expenses and compare them to like categories of compensation and reimbursement paid to members of the Tennessee General Assembly during that same period to determine whether Tennessee legislators are being adequately compensated and fully reimbursed for expenses.

Senate adopted and House concurred. Signed by the governor on April 12, 2016.

Due Date: January 1, 2017.

- Public Chapter 1024, Acts of 2016, directs the Commission to study and make recommendations relative to the professional privilege tax, considering the application of the tax, or its non-application as the case may be, to various occupations, businesses, and professions, including those not listed in Tennessee Code Annotated, Section 67-4-1702, and its application to both residents and nonresidents. The Commission is to report its findings and recommendations to both speakers and the chairs of the Finance, Ways and Means Committees of both houses. As introduced, the legislation that became Public Chapter 1024, Senate Bill 556 by Bowling (House Bill 678 by

Van Huss) would have decreased the privilege tax annually by 20% over the next five years, eliminating it in 2019 and thereafter, and would have prohibited the tax from being applied more than once for a single person having multiple professions affected by the tax. It would have also prohibited any new tax upon the privilege of engaging in professions, businesses, and occupations.

Public Chapter 1024 directs the Commission to study Senate Bill 556 and House Bill 678 as introduced, as well as two additional bills, as introduced and as amended, if applicable: Senate Bill 1919 by Senator Bowling and House Bill 1951 by Representative Hazlewood, which would have exempted nonresident licensees from the professional privilege tax, and Senate Bill 167 by Bowling and House Bill 601 by Durham, which would have exempted audiologists and speech pathologists from the tax. Neither bill was amended. Senate Bill 566 as amended and passed also requires the study to examine the history of the professional privilege tax in this state, the intent of the professional privilege tax, other states' laws imposing a professional privilege tax or similar tax, and alternatives for eliminating or phasing out the professional privilege tax.

Due Date: January 1, 2017.

Amendment 2

Adds study required by Senate Bill 1942 by Yager.

- Senate Bill 1942 as amended directs the Commission to study the effects that transitory vendors have on counties and local businesses and recommend solutions to assist county bodies in regulating those vendors. The original legislation would have required county clerks to submit a quarterly report to the Comptroller's Office of Local Government listing applicants who failed to meet mobile vendor permit requirements.

Senate passed as amended. House Bill 2345 by Calfee, its companion, was taken off notice in the House Local Government Subcommittee.

Due Date: February 1, 2017.

Amendment 3

Adds a study of House Bill 1522 by Matlock:

- The House Transportation Subcommittee sent House Bill 1522 to the Commission. It deletes various provisions that distinguish different types of trailers, such as privately owned trailers and house trailers, and redefines *trailer* to include pole trailers and semitrailers. Also imposes the registration tax on all trailers, changes the amount of the registration tax, and authorizes county clerks to collect an additional fee of \$1.00 for each initial issuance of registration and registration plates for trailers.

Senate Bill 1634 by McNally, its companion, was sent to the Senate Transportation and Safety Committee.

Due Date: January 2017.

Amendment 4

Adds a study of House Bill 1962 by Camper:

- The House Transportation Subcommittee sent House Bill 1962 to the Commission. It establishes a franchise and excise tax credit equal to 2% of qualified transportation expenditures made by a shipper who establishes a turn-around policy that meets certain requirements.

Senate Bill 2587 by Norris, its companion, was assigned to the general subcommittee of the Senate Finance Review Subcommittee.

Due Date: January 2017.

Amendment 5

Adds a study of House Bill 2209 by Powell:

- The House State Government Subcommittee sent House Bill 2209 to the Commission. It requires the Comptroller of the Treasury to create a report regarding cybersecurity that includes, at a minimum, a summary explaining necessary improvements to protect state data, what if any protections are currently in place, areas of weakness, and long term solutions.

Senate Bill 2411 by Yarbrow, its companion, was sent to the Senate Judiciary Committee.

Due Date: January 2017.