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The Key Three: Chamber Weighs in Supporting Franchise Tax Changes, Compensable Time Bill Heads for Floor, and Chamber Concludes 112th Annual Meeting

Chamber Announces Support for Franchise Tax Proposal - The Tennessee Chamber of Commerce released a statement today announcing support for efforts to reform Tennessee's franchise tax by removing the alternative minimum measure, which will provide tax relief to the business community and make the state more competitive. Governor Bill Lee proposed the franchise tax changes in his state of the state address noting constitutional concerns and the need to fix the issue to avoid substantial legal risk for Tennessee. The proposal would result in hundreds of millions of dollars in annual tax savings for businesses across the state.

[Read Full Statement Here](#)

Chamber Priority: Definition of Work or Compensable Time Bill Headed for House and Senate Floor:

[SB2027\(Reeves\)/HB2110\(Boyd\)](#) passed out of the Senate Commerce & Labor Committee and the House Commerce Committee on Tuesday and is headed for the House and Senate floor next week. The legislation aims to clarify what qualifies as work time mirroring the Fair Labor Standards Act and Portal-to-Portal Act codifying what is known as a de minimis exception following federal standards for incremental periods that do not qualify as work time. The Chamber has heard from a number of members on how this legislation is consistent with a common sense understanding of work time and that it will bring clarity to workers and businesses in Tennessee and seeks to avoid any litigation that could be brought against a business.

Even though some states have expanded the definition of what qualifies as "work" and require payment for even minuscule amounts of work time, this legislation instead is a preemptive measure to help Tennessee businesses avoid frivolous litigation by clarifying what constitutes work regarding wage and hour claims. The bill clarifies what time qualifies as work to align with the current federal standard which, for example, does not include time immediately before and after a shift, specifically, time spent waiting for and undergoing security checks, and time spent walking between security checks and work areas as compensable time. These claims have arisen in some states with an erosion of the "de minimis" doctrine, i.e., the idea that some work time is so minute, variable, and difficult to capture that employers do not need to pay it and employees do not need to keep track of it.

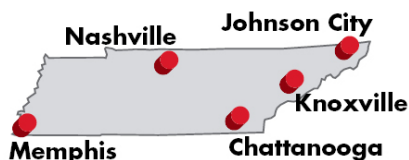
Tennessee Chamber Boasts Record Attendance for Star-studded Annual Meeting:

Over 500 Chamber members from across Tennessee convened in Nashville on Tuesday for the Chamber's 112th Annual Meeting. The Chamber was proud to partner with TCCE and TEDC to offer Tennessee's largest Day on the Hill. Business leaders met with lawmakers and completed the business of the Tennessee Chamber of Commerce & Industry (TCCI). Attendees heard from Governor Bill Lee, who discussed his legislative priorities for this year and his interest in making changes to the franchise tax in Tennessee. Danny White, Athletic Director at the University of Tennessee, also addressed the sold-out meeting. Afternoon sessions were full of information from legislative leaders Senator John Stevens and Representatives Mark Cochran and Caleb Hemmer, economist Art Laffer, an election update from pollster John Rogers, and a further discussion on the proposed franchise tax changes from Department of Revenue Commissioner David Gerregano. Thank you to all who participated in the Tennessee Chamber's 112th Annual Meeting - we look forward to seeing you all next year!

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ENVIRONMENT & ENERGY UPDATE



URGENT: Proposed Legislation Would Subject Business to "Odor Lawsuits":

The Chamber recently learned that Senator Page Walley (R-Savannah) and Representative Debra Moody (R-Covington) plan to move an amendment to a caption bill next week that would create public and private rights of action against the land application or storage of food waste or any other solid waste originating from any commercial or industrial source that create odors that annoy, discomfort, or inconvenience individuals. This is an extremely broad categorization for any business in Tennessee and could subject them to litigation.

The Chamber is deeply concerned about this legislation and fears that a whole host of industries could be impacted should the state create rights of action over odors. We are hosting a meeting to discuss the legislation and potential strategies Friday March 1 at 1PM. Please contact RJ Gibson (rj.gibson@tnchamber.org) for more information.

Chamber Quick Hits/Bills of Interest:

SB2912(Bailey)/HB2032(Barrett)--Gun Laws-- **SB2912/HB2032** removes the offense of possessing a weapon in a building that prohibits or restricts weapons. Allows a person with an enhanced handgun carry permit to carry a handgun into a business that prohibits or restricts weapons. Removes penalties for violations of certain firearms provisions.

Position: Opposed

Senate: Passed on Second Consideration, refer to Senate Judiciary Committee

House: Action Def. in s/c Civil Justice Subcommittee to 3/19/2024 & Sponsor(s) Added

SB2027(Reeves)/HB2110(Boyd)--Labor-- **SB2027/HB2110** clarifies that under Title 50, Chapter 2, the term "work" has the same meaning as interpreted by the United States Supreme Court for purposes of the Fair Labor Standards Act and the Portal-to-Portal Act of

1947.

Position: Support

Senate: Recommended for passage with amendment/s, refer to Senate Calendar Committee Ayes 8, Nays 0 PNV 0

House: H. Placed on Regular Calendar for 3/4/2024

SB2017(Reeves)/HB2113(Powers)--Statutes of Limitations and Repose-

- **SB2017/HB2113** shortens the statute of limitations for claims for unpaid wages, for hours worked, overtime, minimum wage, salary, bonuses, commissions, or other compensation owed to an employee or independent contractor, including causes of action for breach of contract, unjust enrichment, or quantum meruit to be brought within three years of accruing.

Position: Support

Senate: Action deferred in Senate Judiciary Committee to 3/5/2024

House: Placed on cal. Civil Justice Committee for 3/6/2024

SB2909(Bailey)/HB2306(Vaughan)--Commerce & Insurance-- **SB2909/HB2306** as amended would establish a Tennessee Workers Compensation Self-Insured Guarantee Fund for employers that self-insure their WC liability. Employers currently are required to annually post collateral with the Tennessee Department of Commerce & Insurance which are used in the rare case of a bankruptcy ensuring employees receive WC benefits. This proposal is similar to WC guarantee funds established in a number of other states and Chamber members have expressed this approach can help free up capital and save costs while maintaining protections for employees. .

Position: Support

Senate: Senate Reset on calendar for 3/4/2024

House: Placed on cal. Commerce Committee for 3/5/2024

SB2615(Niceley)/HB2798(Hulsey)--Consumer Protection-- **SB2615/HB2798** prohibits a person selling or offering for sale goods or services at retail, and who employs at least six employees, from requiring a buyer to pay using credit for in-person transactions. Requires a person selling or offering for sale goods or services at retail to accept legal tender when offered by the buyer as payment. Details those violations treated as a prohibited practice under the Tennessee Consumer Protection Act of 1977.

Position: Opposed

Senate: Passed on Second Consideration, refer to Senate Commerce and Labor Committee

House: Action Def. in s/c Banking & Consumer Affairs Subcommittee to 3/5/2024

SB1946(Walley)/HB2057(Carr)--Property Assessors-- **SB1946/HB2057** replaces the six-year reappraisal cycle with the requirement for counties to choose between a reappraisal program that requires reappraisal to occur once per year, once every two years, once every three years, or once every four years.

Position: Monitoring

Senate: Recommended for passage, refer to Senate Finance, Ways, and Means Committee

House: H. Placed on Regular Calendar for 3/7/2024

SB2859(Roberts)/HB1841(Ragan)--Public Contracts-- **SB2859/HB1841** prohibits certain foreign entities from submitting bids for contracts with the state or a political subdivision of the state. Requires entities bidding on contracts to make certain disclosures and certifications related to the entities' business relationship with certain foreign entities. Provides for civil penalties if the disclosures or certifications are false.

Position: Monitoring

Senate: Passed on Second Consideration, refer to Senate State and Local Government Committee

House: Action Def. in s/c Public Service Subcommittee to 3/5/2024

SB1717(Hensley)/HB1730(Capley)--English Only Driver License Examinations-

-**SB1717/HB1730** requires all written driver license examinations to be administered in English only. Prohibits use of a translation dictionary, electronic device, or interpreter to assist with the examination.

Position: Opposed

Senate: Placed on Senate Transportation and Safety Committee calendar for 2/28/2024

House: Assigned to s/c Transportation Subcommittee & Sponsors have been added.

SB2431(Powers)/HB2707(Garrett)--Consumer Protection/AI-- **SB2431/HB2707** requires a

person to include a disclosure on certain content generated by artificial intelligence that the content was generated using artificial intelligence. Makes it an unfair or deceptive act or practice under the Tennessee Consumer Protection Act of 1977 to distribute certain content generated using artificial intelligence without the required disclosure.

Position: Monitoring

Senate: Passed on Second Consideration, refer to Senate Commerce and Labor Committee

House: Assigned to s/c Banking & Consumer Affairs Subcommittee

SB2858(Roberts)/HB2615(Ragan)--Motor Vehicle Consumer Privacy Act of 2024-

-SB2858/HB2615 Creates the "Motor Vehicle Consumer Privacy Act of 2024" which requires the Tennessee Public Utility Commission (TPUC) to establish and provide for the operation of a database to compile a list of the names and contact information of purchasers of new motor vehicles in this state who object to the use of their personal data and information by a motor vehicle manufacturer. Requires TPUC to have the database in operation no later than January 1, 2025.

Position: Opposed

Senate: Passed on Second Consideration, refer to Senate Commerce and Labor Committee

House: Action Def. in s/c Banking & Consumer Affairs Subcommittee to 3/5/2024

SB2096(Johnson)/HB2091(Lamberth)--Trade Regulation/AI-- SB2096/HB2091 Enacts the "Ensuring Likeness, Voice, and Image Security Act of 2024" (ELVIS Act). Specifies that any person who knowingly uses or infringes upon the use of an individual's voice, in any manner directed to any person other than such individual, for purposes of advertising products, merchandise, goods, or services, or for purposes of fundraising, solicitation of donations, purchases of products, merchandise, goods, or services, without such individual's prior consent, or, in the case of a minor, the prior consent of such minor's parent or legal guardian, or in the case of a deceased individual, the consent of the executor or administrator, heirs, or devisees of such deceased individual, is liable to a civil action. Part of Administration Package.

Position: Neutral

Senate: Recommended for passage with amendment/s, refer to Senate Calendar Committee Ayes 9, Nays 0 PNV 0

House: H. Placed on Regular Calendar for 3/4/2024

SB2100(Johnson)/HB1892(Lamberth)--Safety-- SB2100/HB1892 As introduced, authorizes the use of certain third-party examiners, inspectors, engineers, and professionals in lieu of a local or state examiner, inspector, engineer, or professional for certain permitted processes and requirements; establishes procedures and requirements for the use of a third-party examiner, inspector, engineer, or professional.

Senate: Recommended for passage with amendment/s, refer to Senate Calendar Committee

House: Placed on s/c cal Business & Utilities Subcommittee for 2/27/2024

Position: Monitoring

Senate: Senate Reset on calendar for 3/4/2024

House: Placed on cal. Commerce Committee for 3/5/2024

SB2261(Reeves)/HB2426(Hicks, T)--Education---SB2261/HB2426

As amended, proposes a new commercial/industrial building impact fee for certain high growth counties of up to \$1.50 per square foot. The legislation also includes a residential impact fee of up to \$1.50 per square foot for new homes to fund local K-12 schools.

Position: Monitoring

Senate: Sponsor(s) Added.

House: Placed on s/c cal Property & Planning Subcommittee for 3/6/2024

SB631(Taylor)/HB1054(Vaughan, K)--Water Pollution---SB631/HB1054

As introduced, prohibits the department of environment and conservation from applying criteria that will result in the classification of real property as a wetland, or otherwise regulating real property as a wetland, unless the property is classified as a wetland under federal law.

Position: Support

Senate: Placed on Senate Energy, Ag., and Nat. Resources Committee calendar for 3/6/2024

House: Placed on cal. Agriculture & Natural Resources Committee for 3/6/2024

News and Notes....

--**Type One Energy** moves HQ to **Tennessee**, receives first funds from Lee's nuclear energy fund. [\[MORE\]](#)

--**Energy Companies** Invest Combined **\$300M In Tennessee**. [\[MORE\]](#)

-- **Governor Lee**, Commissioner McWhorter Announce Flexco **Products of Tennessee**, LLC to Establish **Manufacturing and Distribution Operations** in **Lawrenceburg**. [\[MORE\]](#)

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