

The beginning of the end

The Governor's supplemental budget is now with the legislature. It adds \$200 million in spending to the Governor's proposed budget, bringing the total state expenditures to \$52.8 billion for the upcoming fiscal year. Collections were again strong, with the funding board recognizing more than \$5 billion in new tax dollars available for this budget. In addition, the Governor proposes to bring the rainy-day fund up to a record \$2.6 billion. However, the most talked-about investment was not an allocation but rather the \$500 million bond afforded to help build a new stadium in Nashville that, if approved, would allow the state to compete for marquee concerts, rallies, and sporting events. All funding will face scrutiny before adjournment as no legislator wants to head back to their district in an election year empty-handed.

Items to Watch this Week

Education

[SB 2410/ HB 2157](#) (Johnson/ Lamberth)

The bill proposed by the Governor establishes an Institute of American Civics at the University of Tennessee. Authorizes the new institute to hire faculty and staff, enroll students, and develop and offer courses in new undergraduate major and minor programs. In addition, it can also provide general education or honors courses, provide internships, hold events, and take other actions as deemed appropriate under the supervision of the Chancellor and President of UTK. The bill further requires the President of UTK, in consultation with the Governor, the Speaker of the Senate, and the Speaker of the House of Representatives, to appoint 13 initial members to serve on the Board of Fellows for the Institute by September 1, 2022.

The bill is calendared for the Senate Finance Ways and Means on 4/5/2022 and can be seen [here](#).

[HB 2193/ SB 2396](#) (Lamberth/ Johnson)

This bill is the Tennessee Investment in Student Achievement Act. The Governor's funding proposal to replace the Basic Education Program. The bill currently has a competing version in the House and Senate.

The bill is calendared for the House Education and Administration Committee on 4/6/2022 and can be seen [here](#).

Arbitration

[SB 1861/ HB 1895](#) (Stevens/ Farmer)

This bill Makes revisions to the Uniform Arbitration Act, including changing the definitions to enter arbitrations, changing notice requirements, changing waivable issues, revising legal remedies, a new process for arbitrations, awarding of arbitration settlements, modifications to awards, and appealing to the awarding.

The bill is calendared for the House Civil Justice Committee on 4/6/2022 and can be seen [here](#).

Taxes

[HB 1218/ SB 900](#) (Williams / Stevens)

The bill enacts the "New Markets Development Act" (Act). The bill creates a tax credit against taxes on gross premiums and a credit against the reciprocity tax. Establishes parameters and requirements for receiving such credits. Applicants for these credits must submit a \$5,000 application to the Department of Finance and Administration (F&A). The bill limits the tax credits awarded to a maximum of \$8,000,000 in any given year.

The bill is calendared for the House Education Finance Ways and Means Subcommittee on 4/6/2022 and can be seen [here](#).

Economic Development

[HB 1317/ SB 945](#)

The bill proposes changing the department of economic and community development's report regarding TNInvestcos from annually to quarterly. Establishes that this report is to go to each general assembly member, not only the chairs and ranking minority members of committees having jurisdiction over taxes and economic development. Requires the comptroller to develop a numerical grading system for all active plans under the Uniformity in Tax Increment Financing Act of 2012 and grade operational plans annually.

The bill is calendared for the House Education Finance Ways and Means Subcommittee on 4/6/2022 and can be seen [here](#).