

LEGISLATIVE UPDATE - WEEK OF FEBRUARY 6, 2023

Governor Bill Lee held his fifth [State of the State address](#) on Monday, unveiling his budget and legislative priorities for the year. His \$55.6 billion proposed budget included major investments in transportation and infrastructure, education, and economic development and tax relief. Specific investments include:

- \$3 billion to the Transportation Modernization Fund to alleviate urban congestion and fund rural road projects across the state
- \$288.3 million for a one-time three-month sales tax holiday on food from August 1 to October 31, 2023, providing tax relief for Tennessee families
- \$6.3 million for the Rural Brownfields Investment Act to revitalize 175 known brownfield sites, creating a new state-administered grant and technical support program for remediation and economic development of existing brownfields
- \$37.8 million for Small Business Excise Tax Relief, establishing a standard deduction from excise tax for up to \$50,000 of reported net income
- \$147.5 million to build six new TCATs to better serve more students across Tennessee
- \$350 million in additional funding to local education agencies through Tennessee Investment in Student Achievement (TISA), including \$125 million for teacher pay raises

Find the full budget proposal and more budget information [here](#).

The Governor notably made no mention of political tensions between the state legislature and Metropolitan Nashville government, despite legislation that continues to move through committees.

IMPORTANT DATES

Annual Governor's Address, hosted by Nashville Area Chamber of Commerce

JW Marriott

March 6, 2023

8-9:30am C.T

[Register here](#)

LEGISLATIVE ITEMS OF INTEREST

[HB321/SB273](#), sponsored by Rep. William Lamberth and Sen. Jack Johnson, is the legislation that carries Governor Lee's Transportation Modernization Act language. The bill would authorize public-private partnerships for highways, choice lane installation and usage, alternative delivery methods for highways, and would increase the registration fee for all-electric vehicles. This legislation passed through the House Transportation Subcommittee on Wednesday and is scheduled to be heard in the House Transportation Committee next week.

[HB785/SB750](#), Sponsored by Rep. Mark White and Sen. Becky Massey, proposes to use tax revenue from the state's sports betting industry to create a state government program to offer childcare scholarships to low- and middle-income families. The legislation would be available to families with foster children and

families with children aged 5 and younger, whose parents' household income does not exceed the state's median income. The bill comes partly as a result of the state's recent childcare taskforce. The Nashville Area Chamber of Commerce recently sponsored a study by Tennessean's for Quality Early Education, entitled "Workforce of Today and Tomorrow: The Economics of Tennessee's Child Care Crisis," and recognizes the impact that quality child care availability has on the workforce.

[HB1399/SB1527](#), sponsored by Rep. Jason Zachary and Sen. Brent Taylor, proposes the elimination of runoff elections in mayor's races. The Chamber will continue to closely monitor this legislation as amendments are filed, but the bill has not been scheduled to be heard in committees yet.

[HB517/SB683](#), sponsored by Rep. Bryan Terry and Sen. Shane Reeves, authorizes a solid waste board to adopt and enforce rules governing the operation and maintenance of a solid waste processing or disposal facility. Rutherford County's Middle Point Landfill, represented by both sponsors, faces challenges with its capacity to continue to hold waste in the future.