



**Greater Tennessee  
Chapter**

**June 4, 2019**

**SB34/HB10 LABOR LAW: Prospective Employee Credit Information Privacy Act.**

*Sponsors:* Sen. Gilmore, Brenda , Rep. Potts, Jason  
*Summary:* Enacts the "Prospective Employee Credit Information Privacy Act," which prohibits an employer from failing or refusing to recruit or interview a prospective employee with respect to employment based on that person's credit information. Establishes a private cause of action for persons injured due to violations by employers.  
*Fiscal Note:* (Dated January 29, 2019) NOT SIGNIFICANT  
*Senate Status:* 01/19/19 - Referred to Senate Commerce & Labor Committee.  
*House Status:* 02/06/19 - Withdrawn in House.

**SB63/HB866 EDUCATION: Expands career and technical education programs to middle school students.**

*Sponsors:* Sen. Robinson, Katrina , Rep. Deberry Jr., John  
*Summary:* Expands career and technical education to grades six through twelve. Program must be available to all students in grades six through twelve, with the program serving at least 50 percent of those students. Requires board of career and technical education to plan facilities for comprehensive career and technical training for middle school students.  
*Amendment Summary:* Senate amendment 1 (007438) amends the bill to require that comprehensive career and technical education be made accessible to students in Grades 6-12 and that LEAs plan to serve at least 50% of the students in those grades. Further amends the bill by rewriting Section 4 to allow middle school students to use high school CTE facilities. Adds a new section to the bill: the Department of Education (DOE) is encouraged to prepare students in middle school for a career in technical education (CTE), by introducing them to career exploration opportunities in high-skill, high-wage, or in-demand career fields. The DOE is encouraged to provide career exploration through a systemic framework in making informed plans and decisions about future education and career opportunities based on: occupational supply and demand, educational requirements, development of career plans, career guidance, and any other activity that advances knowledge of career opportunities. The DOE is also encouraged to provide professional development opportunities for teachers and faculty related to CTE for students in middle school grades.  
*Fiscal Note:* (Dated February 22, 2019) Increase State Expenditures \$50,000/One-Time Other Fiscal Impact To the extent local education agencies (LEAs) utilize (BEP) funding for career and technical education expenditures as a result of this legislation, there would be an equivalent reduction of BEP funding available for other LEA expenditures. The extent and timing of any such shifts cannot be reasonably determined.  
*Senate Status:* 04/30/19 - Senate passed with amendment 1 (007438).  
*House Status:* 05/01/19 - House passed.  
*Executive Status:* 05/15/19 - Enacted as Public Chapter 0366 effective July 1, 2019.

**SB116/HB448 GOVERNMENT ORGANIZATION: Sunset - underground utility damage enforcement board.**

*Sponsors:* Sen. Roberts, Kerry , Rep. Daniel, Martin  
*Summary:* Extends the underground utility damage enforcement board to June 30, 2021. Requires the division of state audit within the office of the comptroller of the treasury to conduct a timely study on the allocation of employees from the Tennessee Public Utilities Commission and report the results to the chair of the government operations committee in the senate and the house.  
*Amendment Summary:* Senate amendment 1, House amendment 1 (006318) changes the sunset date to June 30, 2023. Senate amendment 2 (006563) adds a requirement that the Tennessee advisory commission on intergovernmental relations (TACIR) study the effectiveness of Tennessee's current underground utility damage prevention program and report to the general assembly no later than January 31, 2020. The full text of this amendment specifies components to be included in the study.  
*Fiscal Note:* (Dated January 31, 2019) NOT SIGNIFICANT  
*Senate Status:* 04/24/19 - Senate passed with previously adopted amendment 1 (006318) and amendment 2 (006563).  
*House Status:* 04/22/19 - House passed with amendment 1 (006318).  
*Executive Status:* 05/14/19 - Enacted as Public Chapter 0333 effective May 10, 2019.

**SB173/HB164 CRIMINAL LAW: Driving laws related to mobile phone use.**

*Sponsors:* Sen. Swann, Art , Rep. Holsclaw, Jr., John

*Summary:*

Expands the current offense of driving while using a handheld mobile phone as Class C misdemeanor to include any road, highway, or street, opposed to only in marked school zones as it currently stands. Establishes all drivers under 18 years of age using a hands-free device while the car is in motion will fall under this offense.

*Amendment Summary:*

House amendment 1 (006464) prohibits physically holding or supporting, with any part of a person's body, a wireless telecommunications device or stand-alone electronic device while operating a motor vehicle unless the vehicle is lawfully parked. Authorizes use of an earpiece, headphone device, wrist device or mounting device. Exempts employers or contractors of utility services providers, public safety officers, law enforcement, and emergency personnel acting within the scope of their employment and persons who are lawfully parked in their motor vehicles from the above punishments. Establishes that violation of such is a Class C misdemeanor, punishable by fine only, not to exceed \$50. Establishes that if the violation is the person's third or subsequent offense of the violation results in an accident the fine is \$100. Establishes that if such a violation occurs in a work zone when workers are present or in a marked school zone when warning flashers are on, the fine is \$200. Establishes court costs not exceed \$10. Requires the Department of Transportation (TDOT) to utilize permanent electronic overhead informational displays to provide periodic messages to inform public about the law. Requires the Department of Safety (DOS) to include distracted driving as part of the instructional information used in driver education training.

*Fiscal Note:*

(Dated March 8, 2019) Increase State Revenue Exceeds \$262,400/FY19-20 Exceeds \$524,700/FY20-21 Up to \$262,400/FY21-22 and Subsequent Years Increase Local Revenue Exceeds \$31,100/FY19-20 Exceeds \$62,100/FY20-21 Up to \$31,100/FY21-22 and Subsequent Years

*Senate Status:*

04/30/19 - Senate passed.

*House Status:*

04/17/19 - House passed with amendment 1 (006464).

*Executive*

05/24/19 - Enacted as Public Chapter 0412 effective July 1, 2019.

*Status:***SB324/HB271 CONSTRUCTION: Payment rights of contractors and subcontractors.***Sponsors:*

Sen. Johnson, Jack , Rep. Gant, Ron

*Summary:*

Prohibits a written contract to have a condition precedent for payment clause where the prime contractor is not required to pay the remote contractor due to contract or until they are paid by the construction owner. Declares that if payment is not received, work by contractor can be suspended until received. Makes other revisions relative to the payment rights of contractors and subcontractors.

*Amendment Summary:*

House Business Subcommittee amendment 1 (004904) defines "subcontractor." Establishes requirements of notices to owners from all lienors, expect laborers, and subcontractors of a remote contractor or materialman. Declares that a written contract between a prime contractor and a remote contractor cannot include a condition precedent for payment clause stating the prime contractor is not obligated to pay the remote contractor for performing in accordance with the contract unless the prime contractor is paid by the owner, with exceptions established. Declares upon an owner's default or refusal to pay, the right to recovery is limited to the contractor's expenses incurred under contract, that if an owner doesn't pay a prime contractor within seven days, the prime contractor can stop work upon seven days of written notice, and if an owner doesn't pay a remote contractor within 15 days, the remote contractor can stop work upon 15 days of written notice.

*Fiscal Note:*

(Dated February 22, 2019) NOT SIGNIFICANT

*Senate Status:*

04/16/19 - Senate Commerce & Labor Committee deferred to first calendar of 2020.

*House Status:*

03/26/19 - Returned to House clerk's desk.

**SB364/HB563 GOVERNMENT REGULATION: Discriminatory actions against a business entity by local government.***Sponsors:*

Sen. Rose, Paul , Rep. Zachary, Jason

*Summary:*

Prohibits state and local governmental entities from taking discriminatory action against a business based on that business's internal policies, regarding health insurance policies, family leave policies, minimum wage policies, or anti-discrimination policies.

*Amendment*

House amendment 1 (004920) adds that this bill does not limit the authority of the department of economic and community development to award FastTrack grants.

*Fiscal Note:*

(Dated February 19, 2019) NOT SIGNIFICANT

*Senate Status:*

04/16/19 - Senate State & Local Government Committee deferred to 2020.

*House Status:*

03/21/19 - House passed with previously adopted amendment 1. House amendment 1 (004920).

**SB391/HB381 GOVERNMENT CONTRACTS: Utility districts contracting for construction management services.***Sponsors:*

Sen. Briggs, Richard , Rep. Marsh, Pat

*Summary:*

Permits utility districts and utility authorities to contract for construction management services during local construction projects.

*Fiscal Note:*

(Dated February 23, 2019) NOT SIGNIFICANT

*Senate Status:*

04/15/19 - Senate passed.

*House Status:*

04/01/19 - House passed.

*Executive*

05/07/19 - Enacted as Public Chapter 0225 effective April 30, 2019.

*Status:***SB466/HB539 LABOR LAW: Defining an employee and an employee-employer relationship.***Sponsors:*

Sen. Roberts, Kerry , Rep. Howell, Dan

*Summary:*

Requires the consideration of the 20-factor test IRS Revenue Ruling 87-41 to determine whether a worker is an independent contractor and whether an employer-employee relationship exists in the arrangement.

*Amendment Summary:*

House amendment 1 (006074) deletes and replaces all language after the enacting clause such that the only substantive change is to add the IRS 20-factor test questions used by the IRS and to change the effective date from upon becoming law to January 1, 2020.

*Fiscal Note:* (Dated February 21, 2019) NOT SIGNIFICANT  
*Senate Status:* 04/24/19 - Senate passed.  
*House Status:* 03/28/19 - House passed with amendment 1 (006074).  
*Executive Status:* 05/14/19 - Enacted as Public Chapter 0337 effective January 1, 2020.

**SB697/HB1286 JUDICIARY: Definition of action to determine cause.**

*Sponsors:* Sen. Stevens, John , Rep. Farmer, Andrew  
*Summary:* Expands the definition of action for the purposes of determining a cause of action to mean the filing of a lawsuit, demand for arbitration, motion, garnishment, petition, or any other legal proceeding for the redress of civil injuries. Broadly captioned.  
*Fiscal Note:* (Dated February 15, 2019) NOT SIGNIFICANT  
*Senate Status:* 02/25/19 - Senate passed.  
*House Status:* 03/05/19 - Taken off notice in House Civil Justice Subcommittee.

**SB779/HB923 TRANSPORTATION GENERAL: Authorizes (CM/GC) pilot program as project delivery method.**

*Sponsors:* Sen. Johnson, Jack , Rep. Lamberth, William  
*Summary:* Removes the department's construction manager/general contractor services (CM/GC) pilot program and establishes as a fully authorized project. Declares the department will not initiate more than five contracts in any one fiscal year, and if a contract is larger than \$70 million, the department will identify the project in the transportation improvement program submitted to the general assembly. Defines the appointment of members and the requirements of each.  
*Amendment Summary:* Senate amendment 1 (006127) adds language clarifying recommended CM/GC projects and projects not suited for the CM/GC process. Requires that before using the CM/GC method of project delivery the commissioner send written notice to the chairs of the transportation committees of both legislative houses. Removes stipulation preventing the department from initiating more than five CM/GC projects in one fiscal year. Adds requirement that the cumulative cost of the CM/GC projects awarded in a single fiscal year not exceed twenty-five percent of the total amount of construction contract awards made in the previous fiscal year unless otherwise approved by the general assembly in the annual appropriations act. Makes technical changes.  
*Fiscal Note:* (Dated March 7, 2019) NOT SIGNIFICANT  
*Senate Status:* 04/01/19 - Senate passed with amendment 1 (006127).  
*House Status:* 04/01/19 - House passed.  
*Executive Status:* 04/15/19 - Enacted as Public Chapter 0106 effective April 11, 2019.

**SB805/HB949 EDUCATION: Changes to dual enrollment grant program.**

*Sponsors:* Sen. Johnson, Jack , Rep. Lamberth, William  
*Summary:* Clarifies the requirements for a high school student who is also enrolled in an eligible postsecondary institution to receive for a dual enrollment grant. Requires application for the grant to be done the year they are planning on attending. Declares it the intent of the general assembly that the award for the first four dual enrollment courses attempted by students enrolled in a certificate or diploma program annually identified by TSAC's board of directors only provides for maintenance fees at the institution attended. Part of Administration Package.  
*Amendment Summary:* Senate amendment 1 (005118) defines "certificate" or "diploma" as a credential, other than a degree, the receipt of which indicates satisfactory completion of training in a program of study offered by a Tennessee college of applied technology, or offered by a community college operated by the board of regents of the state university and community college system.  
*Fiscal Note:* (Dated March 3, 2019) Increase State Expenditures Exceeds \$3,077,000/FY20-21 and Subsequent Years Lottery for Education Account Other Fiscal Impact Recurring funding in an amount exceeding \$3,077,000 beginning in FY20-21 will not be available for transfer from the Lottery for Education Account to the Tennessee Promise Special Reserve Account.  
*Senate Status:* 03/28/19 - Senate passed with amendment 1 (005118).  
*House Status:* 04/10/19 - House passed.  
*Executive Status:* 04/30/19 - Enacted as Public Chapter 0203 effective July 1, 2020 .

**SB995/HB1296 TAXES BUSINESS: Tennessee Uniform Protected Series Act.**

*Sponsors:* Sen. Kelsey, Brian , Rep. Farmer, Andrew  
*Summary:* Enacts the "Tennessee Uniform Protected Series Act," which establishes provisions governing protected series LLCs. Specifies that a protected series of a series LLC is deemed to be an LLC that is formed separately from the series LLC and is distinct from the series LLC and any other protected series of the series LLC. Specifies that an asset of the protected series is deemed to be an asset of the LLC, whether or not the asset is an associated asset of the protected series. Also specifies that any creditor or other obligee of the protected series is deemed to be a creditor or obligee of the LLC. Authorizes an LLC by its original articles of organization or an amendment to its articles of organization to declare itself to be a series LLC and, if necessary, amend its name, with the affirmative vote or consent of all members of the series LLC, may establish a protected series. Creates application process for a series LLC to establish a protected series. Establishes process for a protected series to amend its name and specifies requirements for such name. Specifies that a protected series of a series LLC may be served with a service of process, notice, demand, or other record required or permitted by law. Requires the secretary of state, on request of any person, to issue a certificate of existence for a domestic protected series of a series LLC or a certificate of authorization for a foreign protected series authorized to transact business in this state if certain conditions are met. Specifies annual reporting requirements for a series LLC or a foreign series LLC. Also specifies requirements for management of a protected series. Establishes other provisions regarding protected series LLCs. (72 pp.)

*Fiscal Note:* (Dated March 11, 2019) Increase State Revenue \$216,400/FY20-21/General Fund \$6,700/FY20-21/Secretary of State \$312,800/FY21-22 and Subsequent Years/General Fund \$9,700/FY21-22 and Subsequent Years/Secretary of State Increase State Expenditures - \$185,600/FY19-20/General Fund  
*Senate Status:* 02/11/19 - Referred to Senate Commerce & Labor Committee.  
*House Status:* 03/12/19 - Taken off notice in House Business Subcommittee.

**SB1000/HB1124 GOVERNMENT REGULATION: UAPA - board for licensing contractors.**

*Sponsors:* Sen. Roberts, Kerry , Rep. Daniel, Martin  
*Summary:* Clarifies that the board for licensing contractors must promulgate rules in accordance with the Uniform Administrative Procedures Act. Broadly captioned.  
*Amendment Summary:* House Government Operations Committee (008435) rewrites the bill. Defines public health as the science of preventing disease, infection, injury, and disability, promoting sanitation and physical health, and prolonging life, and clarifies that the term does not encompass the general welfare of society or of the community. Permits the stay of rules relative to the Uniform Administrative Procedures Act for up to 90 days. Requires notice be served at least 30 days prior to the hearing for contested cases relative to the Uniform Administrative Procedures Act. Requires an agency, if following the required three years of maintenance elects not to maintain official case records, to transfer the official record of case to the secretary of state for maintenance in the state library and archives. Requires briefs for appeals of contested case hearings be filed in all cases heard by a chancery court upon the record from the state agency. Establishes that petitioner-appellants failing to file briefs within the prescribed time may have their action dismissed and the final decision affirmed, and that defendant-appellees failing to file briefs within the prescribed time may have their cases decided solely upon the record and the petitioner-appellant's brief. Requires hearings on an oral argument be scheduled within 90 days after the record of the contested case hearing is filed, which may be waived by agreement of counsel. Requires the court establish an expedited briefing schedule, upon either party requesting an expedited hearing date, to review the merits of the appeal.  
*Fiscal Note:* (Dated February 10, 2019) NOT SIGNIFICANT  
*Senate Status:* 04/17/19 - Senate Government Operations Committee deferred to the first calendar of 2020.  
*House Status:* 04/18/19 - House Government Operations Committee deferred to the first calendar of 2020.

**SB1053/HB1063 TAXES GENERAL: Main Street Historic Tourism and Revitalization Act.**

*Sponsors:* Sen. Watson, Bo , Rep. Vaughan, Kevin  
*Summary:* Declares that any person incurring costs or expenses for the rehabilitation of a certified historic structure shall receive a credit against state tax liability in an amount equal to the applicable percentage of rehabilitation expenditures, not exceeding \$4M per certified historic structure per annual allocation with provisions of requirements established. Establishes that the entire tax credit will be earned in the year the qualified rehabilitation expenditure is placed in service and if the amount of the tax credit exceeds the total tax liability, then the amount can be carried forward for credit against the state tax liability for the succeeding five years or when the full credit is used. Defines allocation of the tax credit and how the person eligible for the tax credit can use the credit. Defines the process used for an applicant to receive approval for a tax credit regarding the rehabilitation of a historic structure. Specified that rehabilitation of a certified historic structure must begin within 18 months of approval of tax credit. Establishes that upon completion, the owner must notify the commission that the rehabilitation has been completed, along with the process of rehabilitation, schedule, and costs associated. Establishes liability to the owner in the event of an excessive tax credit. Defines the appeal process an applicant can make in the event of denial of application. (pp 13).  
*Amendment Summary:* Senate Commerce & Labor Committee amendment 1 (006411) adds, deletes, and replaces language in the original bill such that substantive changes include: Removes property taxes from the types of tax liability to which the tax credit may apply; Stipulates that this legislation only applies to qualified rehabilitation expenses incurred after July 1, 2019; Stipulates that such tax credits may only be used against any tax liability due on or after July 1, 2021, or in FY21-22 and subsequent years; Removes the \$40,000,000 aggregate maximum credits that may be awarded to taxpayers. Establishes the following new maximum aggregate amounts of \$21,000,000 for FY21-22, \$30,000,000 in FY22-23, and \$36,000,000 in FY23-24 and subsequent years; Establishes that the Commission must promulgate rules by July 1, 2020, rather than within 180 days of the effective date of this Act.  
*Fiscal Note:* (Dated April 8, 2019) Increase State Revenue \$64,900/FY19-20 and Subsequent Years/ Historical Commission Decrease State Revenue \$13,596,700/FY19-20/General Fund \$27,193,400/FY20-21 and Subsequent Years/ General Fund Increase State Expenditures \$64,900/FY19-20 and Subsequent Years/ Historical Commission Decrease Local Revenue - \$927,200/FY19-20 \$1,854,400/FY20-21 and Subsequent Years Other Fiscal Impact Secondary economic impacts may occur as a result of this bill. However, due to multiple unknown factors, fiscal impacts directly attributable to such secondary economic impacts cannot be quantified with reasonable certainty.  
*Senate Status:* 04/16/19 - Taken off notice in Senate Commerce & Labor Committee after adopting amendment 1 (006411).  
*House Status:* 04/30/19 - Taken off notice in House Finance, Ways & Means Subcommittee.

**SB1172/HB757 PROPERTY & HOUSING: Limits recovery of a real property owner who prevails in action challenging validity of lien.**

*Sponsors:* Sen. Swann, Art , Rep. Marsh, Pat  
*Summary:* Limits recovery of a real property owner who prevails in an action challenging the validity of a lien to only liens filed against certain residential units.  
*Amendment Summary:* House amendment 1 (004202) rewrites this bill to eliminate the present law provisions described above in the bill summary whereby a real property owner who prevails in an action challenging the validity of a lien, including in a slander of title proceeding, may recover attorney's fees, costs, and damages.  
*Fiscal Note:* (Dated February 14, 2019) NOT SIGNIFICANT  
*Senate Status:* 03/25/19 - Senate passed.  
*House Status:* 03/07/19 - House passed with amendment 1 (004202).

**SB1190/HB295 PROFESSIONS & LICENSURE: Certification for electrical inspectors contracted by local or state government.**

*Sponsors:* Sen. White, Dawn , Rep. Carr, Dale  
*Summary:* Requires electrical inspectors employed by a local or state government to be certified by the state fire marshal and for this certification to be completed every three years. Declares that certain electrical inspectors contracted under the commissioner of commerce and insurance to be certified on and after January 1, 2020.  
*Fiscal Note:* (Dated February 17, 2019) Increase State Revenue \$2,800/FY22-23 and Every Three Years Thereafter/State Fire Marshal \$100/FY23-24 and Every Three Years Thereafter/State Fire Marshal \$100/FY24-25 and Every Three Years Thereafter/State Fire Marshal  
*Senate Status:* 04/15/19 - Senate passed.  
*House Status:* 03/18/19 - House passed.  
*Executive Status:* 05/07/19 - Enacted as Public Chapter 0224 effective April 30, 2019.

**SB1227/HB1126 INSURANCE GENERAL: Unfair trade practices in the business of insurance.**

*Sponsors:* Sen. Niceley, Frank , Rep. Tillis, Rick  
*Summary:* Specifies the law surrounding rebates does not prohibit the payment of a fee to a trade or professional association exempt from income tax.  
*Fiscal Note:* (Dated February 20, 2019) NOT SIGNIFICANT  
*Senate Status:* 03/11/19 - Senate passed.  
*House Status:* 03/14/19 - House passed.  
*Executive Status:* 04/08/19 - Enacted as Public Chapter 0086 effective April 3, 2019.

**SB1232/HB1234 WORKERS COMPENSATION: Appointing requirements - Advisory Council on Workers' Compensation.**

*Sponsors:* Sen. Jackson, Ed , Rep. Casada, Glen  
*Summary:* Modifies the appointing authority of the governor and the speakers of both legislative houses to the Advisory Council on Workers' Compensation by requiring the governor's employee appointment be from organized labor instead of at least one of the three employee appointments of the governor, the speaker of the senate, and the speaker of the house of representatives be from organized labor. Broadly captioned.  
*Fiscal Note:* (Dated March 20, 2019) NOT SIGNIFICANT  
*Senate Status:* 02/11/19 - Referred to Senate Commerce & Labor Committee.  
*House Status:* 02/11/19 - Caption bill held on House clerk's desk.

**SB1329/HB1467 GOVERNMENT REGULATION: UAPA - effects administrative rules and regulations have on small businesses.**

*Sponsors:* Sen. Watson, Bo , Rep. Daniel, Martin  
*Summary:* Requires an agency to submit an estimate to the members of the government operations committees of the senate and the house of representatives prior to filing a rule or regulation with the secretary of state. Orders the estimate to include implementation costs incurred by all small businesses over three years, number of small businesses affected by the regulation, reasoning upon which the estimate is based and all information used in determining the estimate. Prohibits the agency from promulgating a regulation that will cost equal to or greater than \$3,000,000, unless there is authorizing legislation or a germane modification to reduce costs below the \$3,000,000 threshold. Does not apply to institutions of higher education, emergency rules, or regulations required by federal mandate.  
*Amendment Summary:* House Government Operations amendment 1 (005092) establishes that an agency must submit an estimate to the fiscal review committee between 60 and 90 days of filing a rule or regulation with the secretary of state, with the review from the fiscal review staff for accuracy. Declares that the fiscal review staff must review the estimate for accuracy, where after confirmation or modification, the executive director of the fiscal review committee will submit the estimate to the members of the government operations committees of the house and senate.  
*Fiscal Note:* (Dated February 16, 2019) Other Fiscal Impact Due to the uncertain complexity of the additional responsibilities and the extent to which certain agencies will be impacted, there may be additional state expenditures incurred in order to comply. Future interpretation or expansion of what is requested of agencies may result in the need to contract for services.  
*Senate Status:* 02/11/19 - Referred to Senate Government Operations Committee.  
*House Status:* 03/27/19 - House Finance, Ways & Means Subcommittee deferred to the first calendar of 2020.

**SB1336/HB1064 PROFESSIONS & LICENSURE: Contractor continuing education.**

*Sponsors:* Sen. Southerland, Steve , Rep. Vaughan, Kevin  
*Summary:* Requires contractors licensed on or after January 1, 2009, to complete a minimum of eight hours of continuing education biennially by a board-approved provider and proof of compliance must be filed. Specifies that current membership in a professional trade association approved by the board qualifies as four hours.

*Amendment* Senate amendment 1 (006331) adds that the board must include, at a minimum, provisions allowing online and in-person training.  
*Summary:* Decreases the time period active membership in a professional trade association, approved by the board, qualifies as four hours of continuing education from biennially to annually.  
*Fiscal Note:* (Dated February 23, 2019) NOT SIGNIFICANT  
*Senate Status:* 03/25/19 - Senate passed with amendment 1 (006331).  
*House Status:* 04/10/19 - House passed.  
*Executive* 04/30/19 - Enacted as Public Chapter 0186 effective April 23, 2019.  
*Status:*

**SB1420/HB1329 GOVERNMENT CONTRACTS: State government processes to verify hours worked on computers.**

*Sponsors:* Sen. Kyle, Sara , Rep. Hurt, Chris  
*Summary:* Requires that all contracts entered into by any department, agency, or political subdivision for the purpose of professional or technical service, valued over \$100,000, must use a software to verify that hours billed for work remotely on a computer are legitimate. Declares that the data collected are accounting records belonging to the contractor and they must store the data for a period of seven years. Declares the procedure must be procured by the contractor from an independent entity.  
*Fiscal Note:* (Dated April 5, 2019) Other Fiscal Impact A recurring increase in state expenditures; the extent and timing of which cannot be determined for they are dependent upon several unknown factors.  
*Senate Status:* 02/11/19 - Referred to Senate State & Local Government Committee.  
*House Status:* 02/13/19 - Referred to House Public Service & Employee Subcommittee.

**SB1443/HB602 LOCAL GOVERNMENT: Local government authority to regulate alarm system contractors.**

*Sponsors:* Sen. Bailey, Paul , Rep. Marsh, Pat  
*Summary:* Declares that without a charter, ordinance, or resolution, a local government cannot require any alarm system contractor or business to pay for any permits to operate alarm systems at any site used or owned by a customer. Declares a local government cannot enact rule requiring any alarm system contractor or business to be responsible for fines or fees relative to alarm dispatches or permits.  
*Amendment* Senate amendment 1 (008162) incorporates the changes made by House Amendment #1 and makes the following changes,  
*Summary:* additions, and clarifications to this bill: (1) Clarifies that this bill's prohibitions against certain local requirements for alarm systems contractors and alarm businesses apply to counties and municipalities; (2) Adds a prohibition against counties and municipalities requiring alarm systems contractors and alarm businesses to collect fines or fees relative to false alarms, false alarm dispatches, alarm permits, or alarm renewal permits; (3) Specifies that the prohibition described above in (1) of the bill summary does not apply to an installation permit required by code; (4) Requires alarm systems contractors and alarm businesses that were collecting municipal or county alarm permit fees from customers prior to the date that this bill becomes a law to continue to do so until December 31, 2019; (5) Authorizes alarm systems contractors and alarm businesses to voluntarily collect municipal or county alarm permit fees from customers, subject to the customer's approval; (6) Specifies that an alarm systems contractor or alarm business that collects alarm permit fees after this bill becomes a law must timely pay any such fees collected to the county or municipality, may stop collecting the fees at any time, and is not subject to audit relative to collection of the fees; and (7) Adds a severability clause to this bill. Senate amendment 2 (008505) limits the exemption from audit added by Senate Amendment #1 for permit fees collected by an alarm systems contractor or alarm business to an exemption from audit conducted by the county or municipality.  
*Fiscal Note:* (Dated February 28, 2019) Decrease Local Revenue Exceeds \$5,000  
*Senate Status:* 04/22/19 - Senate passed with amendment 1 (008162) and amendment 2 (008505).  
*House Status:* 04/23/19 - House passed.  
*Executive* 05/13/19 - Enacted as Public Chapter 0315 effective May 8, 2019.  
*Status:*

# ABC-TCC Legislative Report

June 4, 2019

## SB324/HB271 CONSTRUCTION: Payment rights of contractors and subcontractors.

*Sponsors:* Sen. Johnson, Jack , Rep. Gant, Ron

*Summary:* Prohibits a written contract to have a condition precedent for payment clause where the prime contractor is not required to pay the remote contractor due to contract or until they are paid by the construction owner. Declares that if payment is not received, work by contractor can be suspended until received. Makes other revisions relative to the payment rights of contractors and subcontractors.

*Amendment Summary:* House Business Subcommittee amendment 1 (004904) defines "subcontractor." Establishes requirements of notices to owners from all lienors, expect laborers, and subcontractors of a remote contractor or materialman. Declares that a written contract between a prime contractor and a remote contractor cannot include a condition precedent for payment clause stating the prime contractor is not obligated to pay the remote contractor for performing in accordance with the contract unless the prime contractor is paid by the owner, with exceptions established. Declares upon an owner's default or refusal to pay, the right to recovery is limited to the contractor's expenses incurred under contract, that if an owner doesn't pay a prime contractor within seven days, the prime contractor can stop work upon seven days of written notice, and if an owner doesn't pay a remote contractor within 15 days, the remote contractor can stop work upon 15 days of written notice.

*Fiscal Note:* (Dated February 22, 2019) NOT SIGNIFICANT

*Senate Status:* 04/16/19 - Senate Commerce & Labor Committee deferred to first calendar of 2020.

*House Status:* 03/26/19 - Returned to House clerk's desk.

## SB364/HB563 GOVERNMENT REGULATION: Discriminatory actions against a business entity by local government.

*Sponsors:* Sen. Rose, Paul , Rep. Zachary, Jason

*Summary:* Prohibits state and local governmental entities from taking discriminatory action against a business based on that business's internal policies, regarding health insurance policies, family leave policies, minimum wage policies, or anti-discrimination policies.

*Amendment Summary:* House amendment 1 (004920) adds that this bill does not limit the authority of the department of economic and community development to award FastTrack grants.

*Fiscal Note:* (Dated February 19, 2019) NOT SIGNIFICANT

*Senate Status:* 04/16/19 - Senate State & Local Government Committee deferred to 2020.

*House Status:* 03/21/19 - House passed with previously adopted amendment 1. House amendment 1 (004920).

## SB697/HB1286 JUDICIARY: Definition of action to determine cause.

*Sponsors:* Sen. Stevens, John , Rep. Farmer, Andrew

*Summary:* Expands the definition of action for the purposes of determining a cause of action to mean the filing of a lawsuit, demand for arbitration, motion, garnishment, petition, or any other legal proceeding for the redress of civil injuries. Broadly captioned.

*Fiscal Note:* (Dated February 15, 2019) NOT SIGNIFICANT

*Senate Status:* 02/25/19 - Senate passed.

*House Status:* 03/05/19 - Taken off notice in House Civil Justice Subcommittee.

## SB779/HB923 TRANSPORTATION GENERAL: Authorizes (CM/GC) pilot program as project delivery method.

*Sponsors:* Sen. Johnson, Jack , Rep. Lamberth, William

*Summary:* Removes the department's construction manager/general contractor services (CM/GC) pilot program and establishes as a fully authorized project. Declares the department will not initiate more than five contracts in any one fiscal year, and if a contract is larger than \$70 million, the department will identify the project in the transportation improvement program submitted to the general assembly. Defines the appointment of members and the requirements of each.

*Amendment Summary:* Senate amendment 1 (006127) adds language clarifying recommended CM/GC projects and projects not suited for the CM/GC process. Requires that before using the CM/GC method of project delivery the commissioner send written notice to the chairs of the transportation committees of both legislative houses. Removes stipulation preventing the department from initiating more than five CM/GC projects in one fiscal year. Adds requirement that the cumulative cost of the CM/GC projects awarded in a single fiscal year not exceed twenty-five percent of the total amount of construction contract awards made in the previous fiscal year unless otherwise approved by the general assembly in the annual appropriations act. Makes technical changes.

*Fiscal Note:* (Dated March 7, 2019) NOT SIGNIFICANT

*Senate Status:* 04/01/19 - Senate passed with amendment 1 (006127).

*House Status:* 04/01/19 - House passed.

*Executive Status:* 04/15/19 - Enacted as Public Chapter 0106 effective April 11, 2019.

## SB1000/HB1124 GOVERNMENT REGULATION: UAPA - board for licensing contractors.

*Sponsors:* Sen. Roberts, Kerry , Rep. Daniel, Martin

*Summary:* Clarifies that the board for licensing contractors must promulgate rules in accordance with the Uniform Administrative Procedures Act. Broadly captioned.

*Amendment Summary:*

House Government Operations Committee (008435) rewrites the bill. Defines public health as the science of preventing disease, infection, injury, and disability, promoting sanitation and physical health, and prolonging life, and clarifies that the term does not encompass the general welfare of society or of the community. Permits the stay of rules relative to the Uniform Administrative Procedures Act for up to 90 days. Requires notice be served at least 30 days prior to the hearing for contested cases relative to the Uniform Administrative Procedures Act. Requires an agency, if following the required three years of maintenance elects not to maintain official case records, to transfer the official record of case to the secretary of state for maintenance in the state library and archives. Requires briefs for appeals of contested case hearings be filed in all cases heard by a chancery court upon the record from the state agency. Establishes that petitioner-appellants failing to file briefs within the prescribed time may have their action dismissed and the final decision affirmed, and that defendant-appellees failing to file briefs within the prescribed time may have their cases decided solely upon the record and the petitioner-appellant's brief. Requires hearings on an oral argument be scheduled within 90 days after the record of the contested case hearing is filed, which may be waived by agreement of counsel. Requires the court establish an expedited briefing schedule, upon either party requesting an expedited hearing date, to review the merits of the appeal.

*Fiscal Note:*

(Dated February 10, 2019) NOT SIGNIFICANT

*Senate Status:*

04/17/19 - Senate Government Operations Committee deferred to the first calendar of 2020.

*House Status:*

04/18/19 - House Government Operations Committee deferred to the first calendar of 2020.

### **SB1053/HB1063 TAXES GENERAL: Main Street Historic Tourism and Revitalization Act.**

*Sponsors:*

Sen. Watson, Bo , Rep. Vaughan, Kevin

*Summary:*

Declares that any person incurring costs or expenses for the rehabilitation of a certified historic structure shall receive a credit against state tax liability in an amount equal to the applicable percentage of rehabilitation expenditures, not exceeding \$4M per certified historic structure per annual allocation with provisions of requirements established. Establishes that the entire tax credit will be earned in the year the qualified rehabilitation expenditure is placed in service and if the amount of the tax credit exceeds the total tax liability, then the amount can be carried forward for credit against the state tax liability for the succeeding five years or when the full credit is used. Defines allocation of the tax credit and how the person eligible for the tax credit can use the credit. Defines the process used for an applicant to receive approval for a tax credit regarding the rehabilitation of a historic structure. Specified that rehabilitation of a certified historic structure must begin within 18 months of approval of tax credit. Establishes that upon completion, the owner must notify the commission that the rehabilitation has been completed, along with the process of rehabilitation, schedule, and costs associated. Establishes liability to the owner in the event of an excessive tax credit. Defines the appeal process an applicant can make in the event of denial of application. (pp 13).

*Amendment Summary:*

Senate Commerce & Labor Committee amendment 1 (006411) adds, deletes, and replaces language in the original bill such that substantive changes include: Removes property taxes from the types of tax liability to which the tax credit may apply; Stipulates that this legislation only applies to qualified rehabilitation expenses incurred after July 1, 2019; Stipulates that such tax credits may only be used against any tax liability due on or after July 1, 2021, or in FY21-22 and subsequent years; Removes the \$40,000,000 aggregate maximum credits that may be awarded to taxpayers. Establishes the following new maximum aggregate amounts of \$21,000,000 for FY21-22, \$30,000,000 in FY22-23, and \$36,000,000 in FY23-24 and subsequent years; Establishes that the Commission must promulgate rules by July 1, 2020, rather than within 180 days of the effective date of this Act.

*Fiscal Note:*

(Dated April 8, 2019) Increase State Revenue \$64,900/FY19-20 and Subsequent Years/ Historical Commission Decrease State Revenue \$13,596,700/FY19-20/General Fund \$27,193,400/FY20-21 and Subsequent Years/ General Fund Increase State Expenditures \$64,900/FY19-20 and Subsequent Years/ Historical Commission Decrease Local Revenue - \$927,200/FY19-20 \$1,854,400/FY20-21 and Subsequent Years Other Fiscal Impact Secondary economic impacts may occur as a result of this bill. However, due to multiple unknown factors, fiscal impacts directly attributable to such secondary economic impacts cannot be quantified with reasonable certainty.

*Senate Status:*

04/16/19 - Taken off notice in Senate Commerce & Labor Committee after adopting amendment 1 (006411).

*House Status:*

04/30/19 - Taken off notice in House Finance, Ways & Means Subcommittee.

### **SB1172/HB757 PROPERTY & HOUSING: Limits recovery of a real property owner who prevails in action challenging validity of lien.**

*Sponsors:*

Sen. Swann, Art , Rep. Marsh, Pat

*Summary:*

Limits recovery of a real property owner who prevails in an action challenging the validity of a lien to only liens filed against certain residential units.

*Amendment Summary:*

House amendment 1 (004202) rewrites this bill to eliminate the present law provisions described above in the bill summary whereby a real property owner who prevails in an action challenging the validity of a lien, including in a slander of title proceeding, may recover attorney's fees, costs, and damages.

*Fiscal Note:*

(Dated February 14, 2019) NOT SIGNIFICANT

*Senate Status:*

03/25/19 - Senate passed.

*House Status:*

03/07/19 - House passed with amendment 1 (004202).

*Executive Status:*

04/15/19 - Enacted as Public Chapter 0142 effective April 5, 2019.

### **SB1227/HB1126 INSURANCE GENERAL: Unfair trade practices in the business of insurance.**

*Sponsors:*

Sen. Niceley, Frank , Rep. Tillis, Rick

*Summary:*

Specifies the law surrounding rebates does not prohibit the payment of a fee to a trade or professional association exempt from income tax.

*Fiscal Note:*

(Dated February 20, 2019) NOT SIGNIFICANT

*Senate Status:*

03/11/19 - Senate passed.

*House Status:*

03/14/19 - House passed.



**SB1443/HB602 LOCAL GOVERNMENT: Local government authority to regulate alarm system contractors.**

*Sponsors:* Sen. Bailey, Paul , Rep. Marsh, Pat

*Summary:* Declares that without a charter, ordinance, or resolution, a local government cannot require any alarm system contractor or business to pay for any permits to operate alarm systems at any site used or owned by a customer. Declares a local government cannot enact rule requiring any alarm system contractor or business to be responsible for fines or fees relative to alarm dispatches or permits.

*Amendment Summary:* Senate amendment 1 (008162) incorporates the changes made by House Amendment #1 and makes the following changes, additions, and clarifications to this bill: (1) Clarifies that this bill's prohibitions against certain local requirements for alarm systems contractors and alarm businesses apply to counties and municipalities; (2) Adds a prohibition against counties and municipalities requiring alarm systems contractors and alarm businesses to collect fines or fees relative to false alarms, false alarm dispatches, alarm permits, or alarm renewal permits; (3) Specifies that the prohibition described above in (1) of the bill summary does not apply to an installation permit required by code; (4) Requires alarm systems contractors and alarm businesses that were collecting municipal or county alarm permit fees from customers prior to the date that this bill becomes a law to continue to do so until December 31, 2019; (5) Authorizes alarm systems contractors and alarm businesses to voluntarily collect municipal or county alarm permit fees from customers, subject to the customer's approval; (6) Specifies that an alarm systems contractor or alarm business that collects alarm permit fees after this bill becomes a law must timely pay any such fees collected to the county or municipality, may stop collecting the fees at any time, and is not subject to audit relative to collection of the fees; and (7) Adds a severability clause to this bill. Senate amendment 2 (008505) limits the exemption from audit added by Senate Amendment #1 for permit fees collected by an alarm systems contractor or alarm business to an exemption from audit conducted by the county or municipality.

*Fiscal Note:* (Dated February 28, 2019) Decrease Local Revenue Exceeds \$5,000

*Senate Status:* 04/22/19 - Senate passed with amendment 1 (008162) and amendment 2 (008505).

*House Status:* 04/23/19 - House passed.

*Executive Status:* 05/13/19 - Enacted as Public Chapter 0315 effective May 8, 2019.

