

ABC/TCC Legislative Priorities

111th General Assembly



Greater Tennessee
Chapter

SB324/HB 271 Payment Rights of contractors and subcontractors (Sen. Johnson/Rep. Gant)

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.

Position: OPPOSE AS CURRENTLY WRITTEN

Rationale: ABC/TCC and several other organizations are strongly opposed to this bill as currently written. While several groups are willing to discuss this proposal, most realize it is a very complex subject and reaches every party in a construction project including owner, lender, bonding, contractors, subcontractors, suppliers and yes, even lawyers. For these reasons, we suggest that the legislation be delayed for at least one year to be sure any changes are correctly made and to vet any proposals with the many groups across the state to achieve construction industry support.

SB697/HB1286 Definition of action to determine cause (Sen. Stevens/Rep. Farmer)

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.

Position: SUPPORT

Rationale: Reaffirms that the statute of limitations applies to all these causes of action.

SB1172/HB757 Limits recovery of a real property who prevails in action challenging validity of lien (Sen. Swann/Rep. Marsh)

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.

Position: SUPPORT

Rationale: Repeals a lien law revision passed last year that was inappropriate.

SB173/HB164 Driving laws related to mobile phone use (Sen. Swann/Rep. Holsclaw)

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.

Position: SUPPORT

SB 364/HB563 Discriminatory actions against a business entity by local government (Sen. Gardenhire/Rep. Zachary)

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.

Position: SUPPORT

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SB779/HB923 Authorizes (CM/GC) pilot program as project delivery method (Sen. Johnson/Rep. Lamberth)

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.

Position: SUPPORT

SB1000/HB1124 UAPA – board for licensing contractors

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

Position: OPPOSE

SB1053/HB1063 Main Street Historic Tourism and Revitalization Act (Sen. Watson/Rep. Vaughan)

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).

Position: SUPPORT

SB1227/HB1126 Unfair trade practices in business of insurance (Sen. Nicely/Rep. Tillis)

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

Position: SUPPORT

SB1443/HB602 Local government authority to regulate alarm system contractors (Sen. Bailey/Rep. Marsh)

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.

Position: SUPPORT