

The weekly insiders newsletter on Tennessee government, politics, and business

Vol. 46, No. 11 March 13, 2020

### Lawmakers wary about coronavirus worsening in home stretch

The final weeks of the legislative session traditionally involve several steps to bring proceedings to an orderly conclusion: Successive committees begin to shut down, the governor introduces his budget amendment, the House passes its flow motion, and leaders of both chambers hold a series of secret meetings to hash out the final points of contention.

But with just over a month remaining until the targeted end of the 111th General Assembly, the worsening coronavirus crisis has insiders getting increasingly nervous about whether they will be able to get it all done in the usual fashion. Gov. Bill Lee on Thursday declared a state of emergency, but said he will leave it up to fellow Republican leaders of the House and Senate to decide whether to continue with business as usual.

House Speaker Cameron Sexton (R-Crossville) and Senate Speaker Randy McNally (R-Oak Ridge) urged outside groups to limit visits to the Capitol, but didn't institute strict limits on public interaction within the building. Meanwhile, state Rep. Andy Holt (R-Dresden) boasted that next week's Ag Day on the Hill will proceed as planned even while other events are being canceled.

The trend outside the state Capitol complex has been toward more drastic steps to avoid the spread of the virus. College campuses are closing, sports leagues have suspended their seasons, and businesses are urging employees to work remotely. And that's with a relatively few Tennesseans infected by the virus the so far - 18 as of late this week. But that number is only expected to rise as the pandemic spreads.

While far less grimy than the old Legislative Plaza, the Cordell Hull Building is far from sterile. As any regular visitor to the office complex knows, even on the best of days the crowded hallways and elevators can serve as a breeding ground for germs as visitors from around the state cycle through the facility.

The return of Sen. Rusty Crowe (R-Johnson City) and Rep. Dennis Powers (R-Jacksboro) to legislative business after attending a Conservative Political Action Committee conference alongside one VIP who was diagnosed with the coronavirus made a lot of statehouse reg-

ulars uneasy (even though there was no evidence either interacted with the individual in question).

It remains unclear what contingency plans Sexton and McNally have in place in the event members need to be quarantined. The General Assembly has no provisions for members to vote remotely if they can't attend committee meetings or floor session. While the speakers have urged interested parties to watch video streaming of proceedings, they have not followed the lead of their counterparts in Georgia, where the session has been suspended, or at the U.S. Capitol, where public access has been shut down until at least April 1.

A call by some Democrats to temporarily halt proceedings and return into session after the worst of the virus has passed has been dismissed so far. Taking that step also could put a delay on incumbents kicking off reelection efforts in earnest because sitting lawmakers are prohibited from raising money while the General Assembly is in session.

One scenario under consideration is for lawmakers to hurry up and pass the annual spending plan for the 2020-2021 budget year and then adjourn. The move would allow the executive branch to keep government operating amid the health scare. But even that drastic step couldn't be accomplished overnight, as it usually takes a good two weeks to get the budget bill whipped into shape and passed on both floors.

The governor has said he will expedite his end of the budget proceedings, but the legislature will still want to take the time to vet any changes and ensure lawmakers' priorities are included in the plan.

Undisclosed location. The Lee administration was widely criticized when it stopped identifying the home counties of confirmed coronavirus cases. The official line was that releasing the location could violate federal patient privacy laws. But that explanation rang hollow because Tennessee's approach was not matched by other states. The Health Department reversed course later in the week, deciding to once again reveal the counties with identified cases. Williamson County, the home of the governor and several other top administra-

tion officials, had the highest number of cases with eight. There were six cases in Davidson County, two in Shelby, and one each in Knox and Sullivan counties.

#### Legislative roundup

# Bills start to fall by the wayside as committees wrap up their calendars

Many of the biggest-ticket items of the legislative session — everything from updating the online sales tax to making sweeping changes to abortion and gun laws — have yet to be decided. But with committees starting to complete their business, lawmakers are running out of time to put off up-or-down votes on iffy legislation.

Unbanning the bag ban bill? Major supermarket chains supported a bill this year to ban single-use plastic bags in Tennessee. But the Senate Energy Committee last week killed the measure sponsored by Sen. Richard Briggs (R-Knoxville) by sending it to summer study. The bill's prospects likely weren't helped by law-makers being reminded by opponents it was just last year that they passed a bill to prohibit local governments from enacting plastic bag bans in Tennessee.

Taking liberties. The House last year voted 77-17 in favor of a proposed constitutional amendment sponsored by Rep. Micah Van Huss (R-Jonesborough) to declare that "liberties do not come from government, but from Almighty God." But when the measure reached the Senate Judiciary Committee, it failed to receive a second. Unless something changes in the coming weeks, the measure won't appear on the 2022 ballot.

Family leave. The House last year quickly dispatched with a Democratic bill to create a family and medical leave insurance plan. That was before Gov. Bill Lee caught many fellow Republicans off guard by proposing 12 weeks of paid leave for state employees. The governor's legislation is on life support this session, which means a renewed Democratic effort to extend the idea to the private sector wasn't likely to fare any better. The bill sponsored by Rep. Gloria Johnson (D-Knoxville) died in the Employee Affairs Subcommittee.

Invited across the threshold. When Lee was a long shot gubernatorial candidate, he voiced support for the idea of doing away with taxpayer-funded lobbyists. After he emerged as the surprise winner of the GOP nomination, any notions of eliminating the army of legislative liaisons who promote the governor's agenda (and work against disfavored bills) were quickly abandoned. Rep. Martin Daniel (R-Knoxville) has nevertheless championed a bill to prevent the executive branch from using tax money to try to influence legislation.

When Daniel presented the proposal to the House Public Service & Employment Law Subcommittee last week, he insisted the measure wouldn't get rid of legislative liaisons, arguing they could still discuss bills with lawmakers provided they were specifically invited by a member to give their input.

Several committee members said the bill would create a confusing set of rules for when it would be OK for liaisons to discuss bills with lawmakers, many of whom

rely heavily on the expertise of state agency representatives to better understand legislative proposals. Daniel was put on the defensive by the barrage of committee concerns, trying to get a week-long delay to muster more support. But the question had already been called, and the measure was killed on a voice vote.

Another perennial bill sponsored by Daniel and Sen. Mark Pody (R-Lebanon) seeking to allow lawmakers to lodge formal challenges to fiscal notes issued by legislative analysts failed for lack of a second last month in the Senate State and Local Government Committee.

The Griffey agenda. Freshman Rep. Bruce Griffey (R-Paris) has shown a remarkable capacity for taking it on the chin when it comes to his legislative proposals. He passed none of his bills in his first year and has been picking up where he left off this session. And he hasn't done himself any favors by demanding roll call votes on bills as they are about to be killed in committee.

The Civil Justice Subcommittee on Wednesday killed Griffey's proposal to amend the state constitution to popularly elect the state Attorney General. Lawmakers have long groused about Tennessee's unique system of having the AG appointed by the state Supreme Court, and many aren't particularly enamored with the state's current top lawyer, Herbert Slatery. So it's a testament to Griffey's dearth of legislative clout that his proposal couldn't even get out of subcommittee.

Another Griffey bill seeking to impose a tax on money transferred to foreign countries failed in the Banking & Investments Subcommittee. Two Republicans voted for, two Democrats against, and the remaining three GOP members abstained. The Criminal Justice Subcommittee also sent a Griffey measure, to require chemical castration as a condition for parole for child sex offenders, to be studied after the legislature adjourns for the year.

A further measure seeking to prohibit major social media platforms like Facebook, Twitter, and YouTube from deleting posts on religious or political grounds was delayed for a week. The prospects aren't looking good.

Healing raw feelings. One of the more emotional fights of last year's legislative session involved an effort by Briggs to impose health regulations on the sale of raw milk following two E. coli outbreaks in Tennessee. Briggs' bill ran into heavy opposition from Sen. Frank Niceley (R-Strawberry Plains), a main sponsor of a 2009 law that created the state's "cow sharing" program. Briggs took offense to the way his legislation was killed, even briefly considering stepping down from his seat to pursue other interests.

Briggs was persuaded to stay, and this year hammered out an agreement with Niceley and other raw milk advocates in what one fellow GOP senator likened to "negations between the Palestinians and the Israelis." Under the new bill, farmers would be required to maintain contact lists of customers so they could be informed if there is an outbreak. Farmers would also have to post signs warning of the potential health risks. The measure went on to pass the Senate unanimously.

Niceley declared it a "modern-day miracle."

### Tennessee News Digest

- Federal regulators say the Tennessee Valley Authority violated whistleblower protections when it disciplined and then fired two nuclear engineers after they raised safety concerns at the Sequoyah and Watts Bar atomic power plants.
- A federal immigration judge in Memphis ordered the deportation of 94-year-old Friedrich Karl Berger to his native Germany. A two-day trial last week determined Berger was an armed guard
- in a concentration camp during World War II and never asked for a transfer. Berger, who moved to Oak Ridge in 1959, was still receiving a German pension based in part on his wartime service.
- Alan Graf Jr., the longtime chief financial officer of FedEx Corp., announced he will retire after 40 years with the Memphis-based company.
- Knoxville Chancellor Mike Moyers announced he won't run again in 2022.
- Finnish tiremaker Nokian has begun commercial production at its \$360 million plant in Dayton. The facility currently employs 100 and plans to add 300 more jobs as it expands in coming years.
- McKee Foods, the maker of Little Debbie snacks, announced a \$500 million expansion in Collegedale over the next 15 years, creating 500 jobs.
- Nashville is reportedly in the running for a Tesla plant to make its Cybertruck.

#### All bets are off?

## Last-minute twist could derail deal on guidelines for sports wagering

After several attempts to reach a consensus on rules for Tennessee's new sports betting law, it appeared an agreement had finally been reached Tuesday among Tennessee Lottery officials and the wagering advisory committee. But a meeting later in the week with Senate Speaker Randy McNally has thrown that deal into flux.

Rebecca Hargrove, the president and CEO of the Lottery, had initially backed efforts to limit sportsbook operators from paying out any more than 85 cents on every dollar, a move designed to protect revenues to be taxed at a 20% rate by the state. The betting industry argued no other sports wagering state mandates a cap on payouts. The Lottery countered with a 92% proposal.

After much discussion, the Sports Wagering Advisory Council finally settled on a 95% cap. The only thing left was gaining McNally's seal of approval, after which applications could be made available to sportsbooks within 48 hours. But then McNally let it be known that he wants to start the program with a 90% cap.

Under the new gambling law, the Lottery board is the final arbiter of all sports betting rules, so it could presumably decree a lower payout rate than the advisory panel had envisioned. But that could chafe supporters of last year's betting bill already upset at what they see as foot-dragging by the Lottery. Notably, McNally and Gov. Bill Lee did not support the gambling law.

Gambling at the gates. Advisory Council Chairman Billy Orgel said he and his son went on a field trip across the state line to West Memphis to get a feel for the sports gaming options on offer after Arkansas' program went live in January. That experience led Orgel, a Lee appointee to the panel, to become supportive of a more *laissez faire* approach to the minimum hold requirement in Tennessee.

Sports betting is also available at casinos in Mississippi and was approved for North Carolina last year. A bill to allow gaming at Kentucky horse racing tracks has run into trouble in the legislature there. But lawmakers in Virginia on Sunday legalized sports wagering and approved casino gambling for five economically distressed cities, including Bristol, subject to approval in a local referendum.

#### **Disaster politics**

# Hagerty front and center for Trump visit to tour state tornado damage

The usual assembly of elected officials was on hand last week when President Donald Trump arrived for a tour of tornado damage, including Gov. Bill Lee, Nashville Mayor John Cooper, and U.S. Sens. Lamar Alexander and Marsha Blackburn. Another prominent member of the welcome party was Bill Hagerty, the former U.S. ambassador to Japan who is currently running to succeed Alexander in the Senate.

Hagerty's leading opponent for the GOP nomination in the Senate race is surgeon Manny Sethi, who was quick to praise Trump for visiting Middle Tennessee. But Sethi consultant Jordan Gerkhe was less than charitable about Hagerty working his way to the forefront. While most of Tennessee was reeling from the "great tragedy" of the tornadoes that left 25 dead, Gehrke tweeted, "Bill Hagerty just sees a political opportunity."

The Hagerty campaign responded to the criticism by saying the candidate had attended at the invitation of the president. But on the day the tornadoes struck, Hagerty told a Republican crowd in Knoxville he had been on the phone three times with the White House to arrange for the president to come to Tennessee. Hagerty hastened to add at the event that he appreciated Trump's "complete and total endorsement" in the race.

It only was the latest example of the political minefield the Sethi camp has tried to maneuver in attacking Hagerty while at the same time heaping praise on Trump. Sethi aides have previously criticized Hagerty as being the "establishment" candidate and for having to rely on surrogates like Donald Trump Jr. or Nikki Haley because of his own purported shortcomings.

Sethi, by his campaign's telling, is the most Trumplike candidate in the race. The ongoing challenge for Sethi is the president's hearty support of Hagerty — as evidenced by the cozy relationship between the two men on the tarmac last week. In other words, can Trump really be so right about everything except for Hagerty?

Hagerty doubled down this week with a fundraising email thanking Trump for his visit and featuring a *Tennessean* photo of the candidate shaking hands with the president at the airport. While the Hagerty email includes links to make disaster relief contributions, it also seeks donations to his campaign.

### Tennessee Notes & Quotes \_

- "You can consider me the prodigal son that has come back home, because there's a new father in the house." State Rep. Joe Towns to the Registry of Election Finance and its new executive director, Bill Young.
- The panel voted 4-1 to forgive **Towns'** most recent \$10,000 penalty for being 203 days late on submitting a campaign finance report. He is still trying to negotiate a settlement for another \$65,000 in fines for previously refusing to file earlier reports. Candidates can't qualify for this year's ballot if they owe fees.
- "A vote against this piece of legislation is not a referendum on your personal beliefs and your personal relationship with your creator and your savior." State Rep. Kevin Vaughan (R-Collierville) on the latest effort to declare the Bible the official book of Tennessee. A vote on the bill was put off for a week shortly after Vaughan's comments received sustained applause.
- The National Rifle Association has canceled next month's annual meeting in Nashville due to the spread of the coronavirus. The event had been scheduled for April 16 to April 19 at the Music City Center.
- "I am somewhat concerned about the tight time line of the school year." Nashville Chancellor Anne Martin to attorneys contesting a lawsuit filed by Davidson and Shelby counties aiming to block the state's new school voucher program scheduled to go into effect in the academic year starting in August.
- The 58 private schools approved for the voucher program include three in Sumner County and one each in Cheatham, Rutherford, Williamson, and Wilson.
- Former state House Majority Leader **Gerald McCormick** (R-Chattanooga) and Rep. **John Forgety** (R-Athens) are the latest former lawmakers now plying their trade as lobbyists. McCormick in 2018 joined the Ingram Group in Nashville, where he is registered to lobby on behalf of 11 clients including AT&T and BlueCross BlueShield of Tennessee. Forgety, a former McMinn County teacher and superintendent, is lobbying for the Tennessee Education Association.
- The Chattanooga Times Free Press has combed through the lobbying records to determine that McCormick and Forgety join 20 other ex-lawmakers among the lobbying ranks. They include former Sens. David Fowler, Roy Herron, and Ron Ramsey, along with former Reps. Steve Biven, Steve Buttry, Charles Curtiss, Mike Harrison, Ryan Haynes, Phillip Johnson, Debra Maggart, Joe May, Joe McCord, Ken Meyer, Mike Murphy, Bill Nolan, Randy Stamps, Eric Swafford, Harry Tindell, Mike Turner, and Mike Williams.
- Democrat **Virginia Couch**, a Knoxville attorney and adjunct professor, announced a bid to challenge Republican state Rep. **Martin Daniel** this fall. Daniel won re-election in 2018 by just 3 percentage points.
- "I've never wanted to destroy an opponent the way I want to destroy him." *State Rep. Tom Leather*-

- **wood** about his Republican primary opponent in District 99, former Shelby County GOP Chairman **Lee Mills.** Leatherwood has accused Mills' wife, County
  Commissioner **Amber Mills**, of using her office to
  promote her husband's political ambitions.
- Gov. Bill Lee's nomination of **Mary Pierce**, a former Nashville school board member, to the new charter school authorizing commission appears to have been defeated in the House. Pierce came under criticism for a Facebook post naming the schools attended by the children of two Democratic state lawmakers from Nashville.
- Lee's nomination of former Jonesborough Mayor Kelly Wolfe to the board of East Tennessee State University failed when the House voted 48-40 against the confirmation Thursday. Wolfe has long been at loggerheads with state Rep. Matthew Hill (R-Jonesborough), supporting his primary opponent in 2014. Rep. Micah Van Huss (also R-Jonesborough) led the charge against Wolfe on the floor, alleging the people of Washington County had already "voted this man out of office." When reminded Wolfe had stepped down as mayor in 2018, Van Huss said he was referring to a lost re-election bid to the state GOP executive committee.
- The state Democratic Party has hired **Julio Salazar**, a former intern who went on to serve as field organizer for former presidential candidate **Pete Buttigieg's** Iowa team, as its data administrator.
- McMahan Winstead & Richardson has named Tennessee National Guard Brig. Gen. **Kurt Winstead** as the head of the lobbying firm's new Washington office. He is the husband of name partner **Beth Winstead**.
- "We want to make sure this is a university where every student has the chance to succeed, including underrepresented minorities. Student success has got to be central to everything we do." Interim University of Tennessee President Randy Boyd speaking at a Knoxville town hall about efforts to make campuses more welcoming. Boyd held five meetings around the state to make his case for a five-year contract.
- Kingsport pharmacist **Diana Harshbarger** is the latest Republican to join the race to succeed retiring U.S. Rep. **Phil Roe** (R-Johnson City). Other GOP candidates who have filed federal paperwork include **John Clark, Rusty Crowe**, and **Steve Darden**.
- "Wear your lucky socks next time." House Infrastructure Subcommittee Chairman Sam Whitson (R-Franklin) after his panel killed a bill sponsored by freshman Rep. Rick Eldridge (R-Morristown) seeking to allow vehicles preparing to exit off an interstate to decelerate on the shoulder.
- "Do I have a motion, second?" House Employee Affairs Subcommittee Chairman **John Holsclaw** (R-Elizabethton) on a bill by Rep. **Harold Love Jr.** (D-Nashville) to raise the state's minimum wage to \$10.
- $\blacksquare$  "Motion. Second." *Love*.
- $\blacksquare$  "Nice try." *Holsclaw*, ruling the bill dead.