

## ECNC Weekly Update, June 16, 2006

### Prepared by Connie Wilson

The House passed a budget this week with strong bipartisan support. The differences between the House and Senate budget are much fewer than in previous years. Leadership in both chambers is talking about the desire to end session around the first week of July. Three major sticking areas during negotiations will be Medicaid funding for the counties, special provisions and capital projects. Budget negotiations will begin Monday.

#### Items of Interest from House Budget

\$118,000,000	¼% Reduction State Sales Tax
\$ 14,300,000	¼% Reduction in Upper Income Tax Bracket
\$195,176,407	Transfer Reduction from Highway Trust Fund
\$ 10,800,000	Small Business Health Insurance Tax Credit
\$100,000,000	Clean Water Trust Fund
\$ 750,000	Furniture Market Advertising
\$ 750,000	Marketing for Business Site Location
\$ 750,000	New Electronic Documentation System for Industrial Commission

#### Action Bills

**House Bill 818 – Workers’ Compensation/Drivers’ Status** was introduced by Representative Sutton and has passed the House and has been reported favorably out of the Senate Commerce Committee. On Thursday, it passed 2<sup>nd</sup> and 3<sup>rd</sup> readings in the Senate and has been ratified. It clarifies that a principal, intermediate or sub – contractor is not liable as an employer for the payment of compensation on account of the injury or death of the independent contractor if the contractor contracts with an independent contractor that is licensed by a governmental motor vehicle regulatory agency and the independent contractor is operating the vehicle pursuant to the license.

**House Joint Resolution 1982 – Authorize Res./Employers’ Protest Filing Period** was introduced by Representative Wainwright and has passed 2<sup>nd</sup> and 3<sup>rd</sup> readings in the House and has been sent to the Senate Rules Committee where it has been reported out favorably. On Thursday, it passed 2<sup>nd</sup> and 3<sup>rd</sup> readings in the Senate and has been chaptered.

**Senate Bill 1621 – Wage Standard – Textile Manufacturers** was introduced by Senator Hoyle and revises the wage standard under the Bill Lee Act for certain textile manufacturers whose business utilizes a continuous manufacturing process in separate facilities.

**(Referred to the Senate Finance Committee)**

**Senate Bill 1741 – Modify Appropriations Act of 2005**

By a vote of 92-26, the House agreed to a proposal that spends nearly 10 percent more than the \$17.2 billion budget the General Assembly approved for the year ending June 30 and \$94 million more than the Senate plan.

**Senate Bill 2012 – SUTA Modifications** was introduced by Senator Bingham and relieves a successor employer of the higher unemployment contribution rate of its predecessor when there is no common ownership of the two employers.  
**(Referred to the Senate Finance Committee)**