

**The Office of
Representative Bo Watson**

CAPITOL HILL REVIEW

A weekly wrap-up of legislative news

For Immediate Release

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Major ethics reform signed into law

(NASHVILLE, Tenn) - Thursday, February 16, 2006 – Members of the House of Representatives were on hand Wednesday as the Governor signed into law landmark ethics legislation approved last week by the House and Senate. The ceremony capped a long effort by House Republicans to increase accountability and provide a more open government for the people of Tennessee.

The law bans campaign contributions during special session and charges local governments in Tennessee with formulating their own ethics rules. It also creates an audit process for lobbyist disclosures and lobbyist employers. Probable cause is required to audit lobbyist employers while lobbyist disclosure reports will be audited at the rate of 2% annually.

Increased disclosure is an integral part of the new law. Committee and subcommittee votes must now be posted online and the audio from all subcommittees must be recorded. Travel and per diem expenses would be posted online from the Governor, his cabinet, constitutional officers (Secretary of State, Treasurer, Comptroller, Attorney General and Adjutant General) and members of the legislature.

The number of campaign financial disclosures that must be filed will be increased to six in an election year and two in a non-election year. Candidates must also disclose employer and occupation of itemized contributors and constitutional officers must post online their statements of interest.

Major new campaign finance reform was included within the bill. Federal aggregate campaign contribution limits of \$101,400 per election cycle will be placed on individuals, with no more than \$40,000 toward candidates and \$61,400 toward PACs or multi-candidate PACs. The aggregate limit increases with the Consumer Price Index.

Medical Malpractice Reform

Legislators, citizens, and health care professionals held a press conference on Wednesday calling for medical malpractice reform in Tennessee. The press conference was called to announce that Tennessee is now the 21st state in the nation to be in a “crisis situation” where the deteriorating medical liability climate is jeopardizing Tennesseans’ access to care.

According to the American Medical Association (AMA), Tennessee physicians have seen liability premium increases as high as 127 to 212 percent over the past decade. The Association claims that this fact makes it difficult to attract physicians to Tennessee, particularly in high risk specialties. AMA data shows that of Tennessee’s 95 counties, 81 have no residing neurosurgeon in patient care, 49 have no residing orthopedic surgeon in patient care, 47 counties have no residing emergency physician in patient care, and 42 counties have no residing obstetrician-gynecologist in patient care. In addition, Tennessee rates 43rd in the nation in board-certified emergency physicians per 100,000 people.

Primary components of the medical liability reform legislation include:

- A limit on non-economic losses for all individual providers of \$250,000 and a \$250,000 limit for all facilities, for a total limit of \$500,000 for all non-economic damages with no limit on economic awards.
- A sliding scale for attorney fees to ensure that more money goes to the injured patient. As the award amounts go up, a greater percentage of the award goes to the patient.
- A periodic payment provision to allow large verdicts to be paid over time versus lump-sum, which will help ensure that award dollars are available over time for the intended purpose.
- A provision requiring that any healthcare liability lawsuit must include the amount of money being sought in damages.

Eminent Domain

Legislation to address the protection of private property from government seizure was filed this week. The US Supreme Court’s *Kelo v. City of New London* decision ignited the eminent domain controversy.

The U.S. Constitution restricts eminent domain to public uses—roads, parks or public buildings—and sometimes for public purposes, such as railroad tracks and utility lines. But on June 23, the U.S. Supreme Court issued a ruling opening the floodgates to eminent domain abuse. The 5-4 decision condoned the rights of local governments to seize private property for public use in the name of economic development.

Now even properties not considered blighted could be condemned to make way for public projects, such as sports arenas and shopping malls, based on a promise that they will create jobs and generate taxes. The ruling allows local governments to play arbiter, choosing which economic development is "better," instead of letting the marketplace decide.

Three states—Alabama, Delaware and Texas—have already passed legislation limiting the use of eminent domain, and lawmakers in 18 states introduced legislation setting limitations on the government's power of eminent domain last year.

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