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STAY UP-TO-DATE

Stay up-to-date through *This Week* and our legislative update calls during session. TBA also invites member banks' in-house counsel to join our Bank Lawyers Committee. Contact Amy Heaslet to learn more at ahaslet@TNBankers.org.

TBA priorities for the 112th General Assembly

The months leading up to the start of the 112th General Assembly on January 12 were marked with uncertainty as the COVID case numbers increased daily. However, TBA's government relations team prepared for session with the expectation that regardless of how we were able to represent our members at the Capitol—whether in-person or virtually—we would effectively advocate for the banking industry's issues.

In the midst of the uncertainty of 2020 and changes at the federal level, Tennessee's executive and legislative branches remained stable. Governor Bill Lee entered his third year, and Randy McNally and Cameron Sexton were re-elected as speakers of the Senate and House, respectively. In both chambers, the caucuses also re-elected nearly all in leadership positions, and there are fewer freshmen heading to Nashville than in the past—two in the Senate and 10 in the House.

With continuity in leadership, and TBA's government relationship team having strong relationships with members who are supportive of the banking industry, we expect to have another successful legislative year.

Our top priority will be to pass the two bills we filed in 2020 but were not passed due to the shortened and streamlined session. The first of those bills will update the state's trust laws to ensure Tennessee remains one of the leading trust jurisdictions. On an annual basis, TBA's trust legislative committee meets to review our trust laws, and this year was no different. The committee met in the fall and in addition to what we will re-file from 2020, they also approved working to promote our trust laws not only nationally but also internationally through marketing efforts and additional legislative changes.

The results of our efforts to maintain strength in our trust laws is well documented and provides a great opportunity to educate legislators on the economic impact of the laws they pass. As reported recently by Commissioner Greg Gonzalez, trust assets under management in Tennessee have increased from \$25 billion to \$160 billion in the past six years.

The second bill we will re-file in 2021 is one

to modestly increase the homestead exemption to \$35,000. In 2019, we narrowly defeated strong efforts by the Home Builders Association to increase the exemption to \$250,000. Recognizing the desire of legislators for an increase, we then took an offensive position in 2020 and filed our own bill for an increase to \$35,000, which would put Tennessee in line with other southeastern states. The bill was met with support in the House but stalled due to the legislature's recess in March and not being picked up when they resumed in June.

Given the general expectation of a downturn in economic conditions and a likely increase in personal bankruptcies as the country recovers from COVID-19, it is critical we take the lead in addressing the need for increase in the homestead exemption. We expect the Home Builders Association to bring their own legislation for a much higher increase, so we will hit the ground running in January and push for a reasonable, modest increase.

With the potential of having two very different, competing bills to increase the homestead exemption, we will need all bankers to contact your legislators and explain our position and ask for their support of our bill. Bankers contacting legislators to defeat the Home Builders' efforts in 2019 for a drastic increase was the only reason we were successful in our opposition and it will be critical again for our success this year.

TBA will also file a third bill to extend the amount of time a bank may hold property other than real estate after repossession from 6 months to 12 months.

I also encourage you to stay informed and up-to-date on all legislative issues to help us advocate or oppose other issues as they arise. We expect this session to be no different than the other years where issues we strongly oppose will arise and we'll need your support in defeating them. The best way to stay informed is to read the legislative updates in our weekly newsletter, *This Week*, and participate in our bi-weekly conference calls, which are held every other Friday during session. If you would like to participate in these calls, please email me at ahaslet@TNBankers.org.