

ACEC Tennessee

American Council of Engineering Companies of Tennessee

IMPROVING MANUFACTURING, PUBLIC ROADS AND OPPORTUNITIES FOR A VIBRANT ECONOMY



By: Kasey Anderson, CAE
Executive Director, ACEC TN

Arguably the most significant law passed by the Tennessee General Assembly in 2017, the IMPROVE Act (Improving Manufacturing, Public Roads and Opportunities for a Vibrant Economy) went into effect on

July 1st, providing the largest tax cut in our state's history while also securing necessary funding to address the \$10.5 billion backlog of transportation infrastructure needs. We owe a debt of gratitude to Governor Bill Haslam, Leader Mark Norris and Chairman Barry Doss for their leadership on this issue, and we continue to applaud the many legislators who voted for this important piece of legislation. Their votes position Tennessee to reap the benefits of increased economic competitiveness, safety, mobility, and quality of life.

New Funding Sources

It had been 28 years since the last increase in Tennessee's gas tax, and the need for transportation infrastructure funding was becoming dire. A "pay-as-you-go" state, we were operating on 1989 money in a 2017 economy. We have deteriorating roads and structurally deficient bridges throughout our state, and many cities and counties lack the funding for necessary maintenance and improvements.

Raising taxes is always hard, particularly with a \$2 billion surplus in the state's general fund, but Tennessee is committed to a "pay as you go" philosophy for transportation, reliant on revenue separate from the general fund. Securing a dedicated, sustainable funding source was critical to addressing our needs long-term. The IMPROVE Act provides that solution.

A moderate increase in the user fee on gas ensures that those using the roads are funding them, and allows Tennessee to collect significant revenues from out-of-state tourists. Similarly, the increased

user fee for diesel guarantees that the trucking industry contributes to road improvements as well. (The International Fuel Tax Agreement requires that trucks pay state fuel tax based on miles driven regardless of where fuel was purchased.)

The following is a summary of the IMPROVE Act's funding sources:

- Gas- 6 cents increase, phased in over three years (4c- FY18/1c- FY19, 1c- FY20)
- Diesel- 10 cents increase, phased in over three years (4c- FY18, 3c- FY19, 3c- FY20)
- Alternate fuel- 8 cents increase, phased in over three years (3c- FY18, 2c- FY19, 3c- FY20)
- New \$100 registration fee for electric vehicles
- Registration fees for cars/for-fire vehicles/semi-trailers increased by \$5/\$10/\$20

Largest Tax Cut in Tennessee's History

The IMPROVE Act cuts nearly \$300 million in taxes in 2018, and more than \$500 annually when fully implemented:

- **Sales Tax on Groceries: \$125 million** - A 20% reduction in food tax, taking the rate from 5% to 4%. The average Tennessean will save more at the store than they pay at the pump.
- **Manufacturing: \$113 million**- Restructures franchise and excise tax to help reduce the burden on those companies that export goods to other states. The positive impact of this change is already evident, with several large manufacturers announcing plans to relocate to Tennessee, adding jobs to communities that need them, and continuing to drive our economy.
- **Hall Income Tax Relief: \$55 million**- While the General Assembly had previously voted to repeal the Hall Income Tax, those cuts had not yet been Included in the budget.
- **Property Tax Relief** provisions for veterans, disabled, and the elderly.

The IMPROVE Act specifies 962 critical projects across all 95 counties that will be completed with

Continued on page 2

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These companies provide TN engineering firms with products and services and support the activities of ACEC Tennessee through participation in the Partners Program. Additional information about these Partner Program participants is available at www.acectn.org

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YANMAR America

AUGUST
11

Early Registration
Ends for TN Engineers'
Conference

SEPTEMBER
27-29

2017 TN Engineers' Conference,
Music City Center

SEPTEMBER
28

TN Engineering Foundation
Luncheon

OCTOBER
15-18

ACEC Fall Conference
Hilton Orlando Bonnet Creek
Orlando, FL

FROM THE PRESIDENT (CONT. FROM PAGE 4)

Professional Development

It isn't a stretch to say that just about everything ACEC TN does is directly related to professional development. It is also true that the more you get engaged, the more you will get out of it. The 10 years during which I have been increasingly involved with ACEC are the same years during which my career and leadership opportunities have grown the most. How are you doing in your own career growth? In addition to the numerous development opportunities with committee and other involvements, ACEC TN offers the Leadership PE program (gbrubaker@kswarellc.com), which has been very successful and in high demand in the last number of years. Its specific purpose is to sharpen the skills of current mid-level and senior leaders and high-potential emerging leaders within our firms. So, even though there are many demands on your valuable and limited time, getting involved with ACEC is one of the best ways you can serve your profession and your state, meet people worth meeting, grow your business, and further your own career. Our new year just began July 1st, all of the committees are just getting re-formed, the Board has laid out new goals, and now is exactly the right time for you to take advantage of the premier professional organization in Tennessee.

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IMPROVING MANUFACTURING, PUBLIC ROADS AND OPPORTUNITIES CONT.

the new funding. In addition to new funding and tax cuts, the IMPROVE Act will also allow TN's largest cities and counties the option of funding transit projects by allowing local voters, through referendum, to impose an increased surcharge on taxes they already collect. When fully implemented, the IMPROVE Act will provide \$245 million annually in new money for TDOT, \$70 million for counties, and \$35 million for cities. County-specific information, including revenues and a list of state-funded projects, can be found on the Transportation Coalition of Tennessee's website at www.tcoftn.org/ResourcesImproveAct.



ACEC members celebrate the signing of the IMPROVE Act with Governor Haslam, Senator Mark Norris, and Reps. Barry Doss, Ron Travis, Sam Whitson, Tim Wirgau, and members of the Transportation Coalition of Tennessee.

CIVIL PE EXAM REVIEW COURSE BEGINS AUGUST 14

TSPE and the ASCE Nashville Branch Younger Member Group is offering a ten-week Civil PE exam review course. If you know someone who is taking the October 27 exam, please share this information.

The course will be available in person or can be live-streamed remotely. The live session will be held in the new Fields Engineering Center at the Lipscomb University Raymond B. Jones College of Engineering. The course will be held Monday evenings from

6:00-8:30 pm, beginning August 14. A discounted rate of \$350 is provided for TSPE, ASCE, and ACEC members as well as employees of TDOT.

For additional information, go to <http://acectn.org/category/current-events/>. To register online, visit <http://tinyurl.com/pereviewfall2017>.

Lipscomb will also be offering an FE Exam Review Course beginning this fall. For more information: <https://secure.lipscomb.edu/engineering/form/detail/3190>

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ACEC Leadership PE Class was hosted by the U S Army Tennessee Corps of Engineers, Memphis District in May and toured the Mississippi Motor Vessel

1st Row – Leanne Whitwell, Heather Smith-Sawyer, Lindsey Harris, Lia Obaid, Jessica Lucyshyn, Erin Woodson, Kristin Qualls, Brent Thornton, and Felicia Freeman; Jason Hill.

2nd Row - Mark Woods, Jeff Old, Mike Kendall, Robby Dickenson, Steve McGuire, Heath Elder, Jeromy Carpenter, Britt Henderson, Jason English, Morgan Falls, William Witcher, Lawson Bordley, and Jason Dittrich.

Not Pictured: Brian Hall and Adam November

AUGUST
2017

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- **Civil PE Exam Review Course**
- **Why Spend Your Time with ACEC**

FROM THE PRESIDENT

THE MONTHLY UPDATE



Why Spend Your Time with ACEC?

By: Charlie Smith, PE
Barge, Waggoner, Sumner & Cannon, Inc
President, ACEC Tennessee

You're busy. I get it; we're all busy. So why should you care about ACEC, and what good is it to you? In the mix of priorities, these are central questions on my mind as I commit to another year of service with this outstanding group of people. Here are three of the answers:

Access and Influence

Every year we are faced with many (typically a few hundred) bills in the TN legislature that can impact our businesses and the health, safety, and welfare of the people we serve. The 2017 legislative session was particularly energetic, due in large part to the unusual attention paid to the IMPROVE Act. But numerous other critical bills were debated and passed or defeated – and ACEC was involved. By involved I mean everything from continuously tracking and intentionally communicating our perspectives to literally being at the table with the legislators who were making the decisions and seeking our help in writing or re-writing legislation and strategizing passage or defeat. That access, representation and involvement are some of the key things your ACEC membership provides you, and they are some of the key services we as an organization of professionals provide to our state and across the nation. If understanding

and influencing legislative policy, contracting mechanisms and procurement, or working with agencies to improve regulation and interaction is interesting to you, you can join in with the ACEC TN Government Advocacy (steven.field@stantec.com), Business Practices (mickey.sullivan@gspnet.com), or Interpro (jkenny@facilitysystems.org) committees.

Networking, with Benefits

All organizations claim to provide networking opportunities, but that means something different in every situation. At ACEC it means you have the opportunity to meet, and more importantly get to know, some of the smartest and most experienced professionals in the business. I assume you work at a good firm, and that you have mentors and peers with whom you enjoy working, learning, and pursuing meaningful work with good clients. Getting involved with ACEC will help you take all of that to a new level. What's more is you will probably enjoy the effort, because there are so many dedicated engineers and professionals in our state who are also people you can appreciate spending time with. Involvement with ACEC committees also often comes with meaningful interaction with clients and key agency stakeholders – focused on the issues that are key to the business of engineering. If building your professional and stakeholder network is one of your goals, you should get involved with the ACEC TN Public Relations (prestonelliott@rpmtraffic.net), Transportation Working Groups (brad.winkler@wsp.com), Environment & Energy, or Engineering Excellence Awards (acannon@cannon-cannon.com) committees.

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