

# Georgia Industry Legislative Update

Week Number 3

Lawmakers worked Monday through Thursday this week, completing the eight day of the 40 day session.

Appropriations Committees in both the House and Senate continues to learn more about the Governor's recommendations through testimony from agency heads. Many new bills were introduced and committees and subcommittees began meeting.

## **Energy and Taxes**

**HB 1008 - Sales and use tax exemption; natural or artificial gas; continue** – Representative Allen Peake- Lawmakers established this tax "cap" on energy sources used in manufacturing and processing two years ago. It is set to end on July 1 unless an extension is approved. With increases in energy prices, this exemption protects manufacturers against “windfall” sales taxes that would be collected if energy prices spike.  
Bill Status: *01/28/2010- House First Readers*

Below: Representative Allen Peake and Lee Lemke



**HB 951 - Sales Tax Holiday for School Supplies and Energy and Water Efficient Products-** This bill renews the sales tax holiday for school supplies from July 29, 2010 until August 1, 2010. It also provides for the sales tax holiday for energy and water efficient products from October 7, 2010 until October 10, 2010.  
Bill Status: *01/26/2010- House Second Readers*

**HB 996 - Property Tax Credit for Heavy-Duty Equipment Vehicles-** Representatives Jeff May, Jay Roberts, Tom McCall, Terry England, and Allen Peake- This bill gives owners of heavy-duty equipment vehicles a \$100,000 property tax credit on their 2010 tax bill. The estimated loss of property tax revenues to local governments is \$24 million. ‘Heavy-duty equipment motor vehicle’ means an off-road vehicle with all its attachments and parts which is self-propelled, weighs 5,000 pounds or more, and is primarily designed and used exclusively for utility services and maintenance, earth moving, construction, industrial, maritime, or mining uses, provided that such motor vehicles are not required to be registered and have a license plate.’  
Bill status: *01/28/2010-House Second Readers*

**SR 801 - Urge Congress to Oppose Cap & Trade Legislation-** Senators Chip Pearson, David Shafer, Chip Rogers, Jeff Mullis, and Ralph Hudgens- This resolution urges Congress not to pass “Cap & Trade” legislation.

## **Environmental**

At the monthly meeting of the Board of Natural Resources on Wednesday, the board ushered in Ms. Jenny Lynn Bradley as the new Chairman and we saw GAC member Earl Barrs of Due South Investments LLC moved into the Vice Chairman slot.

**HB 320 - Georgia Environmental Facilities Authority; Change name to Georgia Environmental Finance Authority-** This simple bill changes the name of the Georgia Environmental Facilities Authority (GEFA) to the Georgia Environmental Finance Authority, which ACCG supports. However, it is important to watch this bill as it may become a vehicle for an amendment that would authorize the state to deposit money from selling GEFA's state-funded loan portfolio to the state treasury—instead of the money being available to provide future low-interest water and sewer loans to local governments.

Bill Status: *01/28/2010-Senate Committee Favorably Reported*

**HB 895 - Regulating Interbasin and Intrabasin Transfers of Water-** Representative Debbie Buckner- This bill requires consumptive use assessments on any new water withdrawal permits from the Environmental Protection Division of the Georgia Department of Natural Resources. Before the withdrawal would be approved, economic feasibility coupled with environmental effects on the withdrawal would be evaluated to determine if the transfer would be permitted. Bill status: *Not assigned*

**SB 311 - Water Savings and Conservation Act of 2010-** Senators David Shafer, Chip Rogers, Ralph Hudgens, Jack Murphy, Judson Hill and Lee Hawkins- This bill requires the Environmental Protection Division of the Georgia Department of Natural Resources to inspect water infrastructure throughout the state and inform local governments of needed repairs. The local government can then either submit a plan to address the problems or allow another local government to do so in exchange for the water recovered from repaired piping.

Bill Status: *Natural Resources and the Environment*



**HB 970 – Property Boundaries; processioning; change certain provisions-** Representatives Ellis Black, Lee Anderson, Edward Lindsey, Tom McCall, Jay Roberts, Lynmore James and Jon Burns- This bill pertains to tracts of land of five acres or more and requires surveyors to contact adjoining landowners whenever the land is resurveyed. Before a new survey can be recorded, the surveyor must provide a certificate stating the adjoining landowners have been contacted in accordance with new provisions. This bill also provides the opportunity for adjoining landowners to offer information regarding land line locations.

House and Senate Natural Resources & the Environment Committees met this week to receive updates on tri-state water issues. The committees were addressed by DNR Commissioner Chris Clark, Governor Perdue's Executive Counsel Nels Peterson, and Water Contingency Task Force Co-Chairmen John Brock and Tim Lowe. The Task Force was appointed by Governor Perdue

and charged with developing water solutions in the event the City of Atlanta is permanently denied the use of water from Lake Lanier. Legislators were informed they would soon receive final recommendations of the Task Force and discuss possible legislative solutions to address the problem.

## **Transportation**

In a move that is certain to threaten the Governor's support for additional transportation funding, the State Transportation Board (STB) voted Thursday to proceed with reverting to accrual accounting rather than continue the cash accounting methods put in place following demands by the Governor and State Auditor in 2008. The controversy over the department's accounting methods arose after critical audits revealed the reportedly unconstitutional practice and many other financial problems at the agency. The sudden switch back to cash accounting in Fiscal Year 2008 created a \$456 million deficit and froze many transportation projects across the state.

The board justified its decision Thursday by stating that the revision to accrual accounting (to begin on July 1 of this year) will allow the agency to spend more money and, in turn, create more jobs. The STB also requested a formal opinion from the Attorney General (AG) on the constitutionality of using this method and indicated they will reverse their decision if the AG rules against them. Shortly after this decision, the Governor released a statement that the "action by the DOT Board exhibits a clear defiance of state law and a frightening lack of concern for our state's financial systems.

**HB 944 - Prohibition Against Texting While Driving-** This bill prohibits the use of any wireless telecommunications device to send or read a text message while driving except when using the device to communicate an emergency situation to an emergency response operator, hospital, physician, health clinic, ambulance, fire department or police department.

Bill Status: 01/26/2010- House Second Readers



**SB 305 - Increase Use of Design- Build at GDOT-** This bill doubles the amount of projects that GDOT can let under the design-build delivery method to 30% of the total amount of construction projects awarded in the previous fiscal year.

Bill Status: 01/13/2010- Senate Read and Referred

## **Economic Development**

**HB 1023 - Jobs, Opportunity, and Business Success Act of 2010; enact-** This bill offers a number of state tax cuts and credits to businesses. It waives business registration fees for one year at the Secretary of State's office. It provides companies with a quarterly credit towards their unemployment tax for each employee hired that is receiving state unemployment benefits. It gives employers a \$2400 income tax credit for every unemployed person they hire and keep on the job for 24 months. This bill eliminates the net worth or intangible tax. It also provides a 50% reduction in the



Capital Gains Tax once the state revenue shortfall reserve fund is at least \$500 million. An income tax credit of up to 50% of an investment made in small or start up Georgia business with 20 or fewer employees is provided to investors.

Bill Status: *01/28/2010- House Hopper*