

Georgia Industry Legislative Update

Week Number 4

Lawmakers worked five days last week, wrapping up the 13th day of the 40 day session. Action on the 2010 supplemental budget is wrapping up in the House and it should be up for a vote next week.

Taxes

HB 963 – Ad Valorem tax; returns of taxable real property; change certain provisions-

Representative Larry O’Neal- This bill eliminates inconsistencies within the ad valorem tax code. Section 1 eliminates the requirement that property tax returns be submitted in person or by mail. This provision conflicts with another section in the ad valorem code allowing for electronic filing of returns. This will allow for electronic filing of such returns. Section 2 clears up an inconsistency in the code section providing a homestead exemption for those that are 62 and older with income of \$10,000 or less. When an amendment to this section was passed several years ago to change the calculation of income to include only the net income of the resident and spouse rather than the gross income of everyone residing in the homestead, the statute was only changed in one of two places, and therefore is internally inconsistent. This bill makes the technical correction so that the provision uniformly provides for a calculation based on the net income of the applicant and spouse only.

Bill Status: *House Committee Favorably Reported*



HB 1028 – Ad Valorem tax; forest land conservation use property; revise provisions-

The Forest Land Protection Act (added to the GA Constitution in 2008) has a few issues that need fixing- Representative Jay Roberts- This bill will make the necessary amendments to fix the unintended landowner liabilities regarding potential breaches of the land use covenants. It also protects the original covenant owner from a breach that occurs on property that has been sold. Bill Status: *bill passed the House Ways & Means Committee on February 4th and on to the House Floor*

HB 1082 – Creation of Multi-Tiered Freeport Tax Exemption- Representatives Jay Powell, Edward Lindsey, Roger Williams, Ellis Black, John Meadows, and Stacey Abrams-This bill designates the current Freeport tax exemption as a “level 1 freeport exemption” and would authorize a county or city call for a referendum to approve the creation of a new “level 2 freeport exemption.” The level two Freeport exemption could include any business inventory not included in level 1.

Bill Status: *House First Readers*

HR 177 – **Pari-Mutuel Wagering on Horse Racing**- Representatives Harry Geisinger, Tom McCall, Ed Lindsey, Roger Bruce, Kevin Levitas and Willie Talton- This bill calls for a very specific constitutional amendment to be placed on the November ballot as follows: “Shall the Constitution of Georgia be amended so as to authorize the General Assembly to provide by law for pari-mutuel wagering in Georgia on horse racing?”

Bill Status: *Judiciary*

Environmental

HB 1039 – **Outdoor Watering Plan**- Representatives Debbie Buckner, Richard Smith, Brian Thomas, Lee Anderson, Randy Nix, and Lynmore James- This bill restricts outdoor watering during the hours of 10:00 am to 6:00 pm; however it completely exempts agriculture from the restrictions. Governor Perdue even referred to the bill in the Atlanta paper, stating “...trying to do this is in a blanket sort of way I’m not sure is the best way to create good water policy.”

Bill Status: *Natural Resources & the Environmental*

HB 1094 and SB 370 – **Georgia Water Stewardship Act**- (House bill and Senate bill are exactly the same at present): These much anticipated comprehensive bills encompass a multi-faceted approach to water conservation and future water capacity. All state agencies addressing Georgia’s water issues have until August 1, 2010 to examine their programs, policies and rules and submit a report identifying opportunities to provide incentives for voluntary water



conservation measures (for local water systems) and to enhance the state’s water supply. The bills outline a timeline for public water systems to conduct standardized water audits and sub-metering for new construction, including requirements for low flow fixtures. Rules for conducting and reporting these audits will be promulgated by the DNR. In addition, a Joint Committee on Water Supply will be named by the Governor, Lt. Governor and Speaker to conduct a comprehensive analysis of the state’s strategic needs for additional water supply, including identification of creative financing options.

Bill Status: *House First Readers*

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*

Transportation:

Democrats this week introduced their own version of transportation funding legislation in advance of the Governor’s highly anticipated bill expected next week. The legislation allows voters to approve a 1% regional sales tax and dedicates half of all proceeds to public transit.

The Senate Transportation Committee held a hearing on the controversial accounting changes made last month by the GDOT Board. Senators made clear their displeasure with the action of the board and stated that the General Assembly is the proper forum to clarify any confusion in the law over accounting procedures.

The Board of Transportation reversed itself on Funding Switch on Friday, February 5th, and voted to rescind its decision to switch to an accounting system deemed illegal by the state Auditor. The vote was 9-0 to reverse with two members, David Doss and Dana Lemon, abstaining.

HB 1077 – **Raise Gas Tax Three Cents**- Representatives Virgil Fludd, Ron Stephens, and Howard Mosby – This bill increases the motor fuel excise tax from 7.5¢ per gallon to 10.5¢ per gallon. It also allows taxpayers an income tax credit equal to one cent per gallon of fuel purchased during the year.
Bill Status: *House Second Readers*



Federal Issues:

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. It was favorably reported and voted out of the Economic Development Committee.
Bill Status: *Senate Read Second Time*

Other Bills Of Interest:

HB 970 – **Land Surveying** – Representatives Ellis Black, Lee Anderson, Tom McCall, Jay Roberts, and Lynmore James- This bill requires a 10 day notification to adjoining landowners that a survey is taking place on a neighboring tract of land. This requirement will only apply to tracts containing five acres or more and located within an agriculturally zoned area.
Bill Status: *House Second Readers*



HB 1028 – **The Forest Land Protection Act (FLPA)** – Representatives Jay Roberts, Larry O’Neal, DuBose Porter, Tom McCall, Stephanie Benfield and Terry England- This bill revises FLPA language relating to covenant breaches. The language in HB 1028 clarifies some original intent which was a point of contention between the legislative and rule-making phases regarding breach of covenant and who is responsible for paying the penalties associated with a breach.
Bill Status: *Moved out of Ways & Means on February 4th and on to Rules Committee*