

# Georgia Industry Association Legislative Update

Week Number 5

The pace at the Capitol continues to pick up, and many tax bills have moved forward. On Tuesday, Governor Sonny Perdue released Georgia's revenue numbers for the month of January 2010. The percentage decrease year to date FY2010 over FY2009 is 12.9%. [HB 947](#) is the Amended FY 2010 budget, known as the Supplemental budget. House lawmakers on Thursday passed HB 947, cutting almost \$1 billion from last year's budget.

## **Taxes**

Governor Perdue outlined his major transportation funding bill in a press conference on Thursday. The bill, which we expect to be introduced next week, would divide the state into 12 transportation regions. Each region would hold a vote on an eight-year, one percent sales tax to fund local transportation projects approved by the Department of Transportation's director of planning. The vote, or "referendum," would take place during the 2012 presidential primary. The actual legislation will be introduced next week.

**HB 996- Ad Valorem Tax; heavy duty equipment vehicles; change partial exemption to tax credit; provide-** Representatives Jeff May, Jay Roberts, Tom McCall, Terry England, and Allen Peake- This bill changes the partial exemption of ad valorem tax on heavy equipment to a tax credit.

Bill Status: *House Second Readers*

**HB 1093- Occupational taxes; county provide electronic information to Department of Revenue; provisions-** Representatives David Knight, Larry O'Neal, Allen Peake, Jerry Keen, Bob Bryant, and Mike Glanton- This legislation will help the Department of Revenue identify businesses that are not paying local and state sales tax.

Bill Status: *House Committee Favorably Reported*



**HB 1099- Sales and use tax; phase in deduction on motor fuels, provisions-** Representatives DuBose Porter, Calvin Smyre, Carolyn Hugley, Kathy Ashe, Quincy Murphy, and Pat Gardner- This bill requires that the 4<sup>th</sup>% of the motor fuel sales tax be dedicated to transportation and enables a 1% Tsplost.

Bill Status: *House Second Readers*

**HB 1135 – Transportation, Department of; enter into multiyear contracts; authorize-** Representative Jay Roberts – This bill enables the GDOT to enter into multi-year construction agreements.

Bill Status: *House Second Readers*

**HR 1300- Sales and use tax; motor fuel collections; appropriated for transportation;**

**provisions-** Representatives DuBose Porter, Calvin Smyre, Carolyn Hugley, Kathy Ashe, Quincy Murphy, and Pat Gardner- This bill requires that the 4<sup>th</sup>% of the motor fuel sales tax be dedicated to transportation and enables a 1% Tsplost.

Bill Status: *House Second Readers*

**HR 1358**, if it were passed, would allow for surplus sales tax revenues to be dedicated to transportation. A general budget baseline would be established based on the record revenues of 2008. Once state revenues return to a surplus level based on the 2008 level plus another 3% then 25% of the surplus revenues would be dedicated to transportation. The idea behind this resolution is to provide additional future funding above and beyond any other plan.

**HR 1177 – 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: *House Second Readers*

**SB 346- Ad Valorem Taxes; Revise Comprehensive Provisions-** Senate Majority Leader Chip Rogers- This legislation would reform Georgia’s property tax system. Senator Rogers opened his presentation to the committee by apologizing for bringing such a long, complicated piece of legislation, but stated that a 48-page bill wouldn’t be necessary if Georgia’s property tax system that wasn’t so convoluted. Senator Rogers stated that his legislation had two primary purposes: first, to ensure that when an owner’s property taxes are calculated, that the assessment is tied as closely as possible to the fair market value of the property; and second, to make sure that every taxpayer had the option and clear opportunity to appeal his assessment.

Bill Status: *Senate Read and Referred*



**SB 366- Sales Tax; provide phase in on the dedication of a portion of state sales tax on motor fuels to transportation purposes-**

Senators Doug Stoner, Valencia Seay, Tim Golden, Robert Brown, Steve Henson, and Curt Thompson-This legislation requires that the 4<sup>th</sup>% of the motor fuel sales tax be dedicated to transportation and enables a 1% Tsplost.

Bill Status: *Senate Read and Referred*

**SR 972- Sales Tax; provide that an amount equal to state sales tax on motor fuels; appropriated for transportation purposes-**

Senators Doug Stoner, Valencia Seay, Tim Golden, Robert Brown, Steve Henson, and Curt Thompson- This legislation requires that the 4<sup>th</sup>% of the motor fuel sales tax be dedicated to transportation and enables a 1% Tsplost.

Bill Status: *Senate Read and Referred*

## **Transportation**

During Governor Perdue's press conference previewing upcoming legislation for Transportation Funding, although the bill has not been introduced we are aware for the following points relating to the bill;

### New Regional Transportation Resources: Referendum on a 1% Sales Tax

- Keeps taxing authority with state and local governments
- Creates 12 Special Tax Districts for Transportation along boundaries of Regional Commissions
- No County "opt-out"
- Director of Planning:
  - Initiates collaboration with local governments to develop each region's transportation goals and regional project assessment criteria
  - Uses regional assessment criteria to assemble locals' project requests into a draft project list
  - Approves each region's final project list
- MPO's play prominent role in developing the project list in their area
- First vote is statewide at the Presidential Preference Primary in 2012
- Votes tallied by region
- 8-year term of levy
- All revenues to be invested in regions where funds were collected
- 10% of each region's revenues are designated for discretionary use by local governments (distributed to cities and counties per the LARP formula)
- SRTA is the Trustee for revenues and manages disbursement of funds
- Citizen Advisory Board for each region; members appointed by the Regional Commission
- Upon conclusion of the 8-year levy or if a region's voters reject the tax, the ballot question and process may be reinitiated by Local Legislation of the General Assembly (may be triggered upon request of a majority of a region's counties)
- Proceeds of the tax may be used for all transportation activities and purposes



### Existing Transportation Resources: Modernize Rules for "Balancing"

- Redraws balancing districts along boundaries of Regional Commissions
  - Distributes capacity-adding funds to districts based on population
  - Distributes maintenance funds to districts based on lane miles
  - Subject to appropriation by General Assembly
  - 10-year balancing period, commencing July 1, 2011

### MARTA: 50/50 Capital/Operations Expenditures

- Suspend the 50/50 restriction on MARTA's expenditures for a 3-year period

Speaker David Ralston (R-Blue Ridge) announced that he would be introducing legislation to place term limits on GDOT Board Members. Ralston's proposal would give House members the choice between two, two-year terms or one five-year term. GDOT Board members currently serve five-year terms without term limits.

**HB 938** and **HB 944** – Representatives Allen Peake and Amos Amerson- This legislation would ban the practice of texting while driving. Georgia would be the 20<sup>th</sup> state to outlaw the practice, with one study claiming that California's ban has led to a 70% reduction of texting while driving. Bill Status: *HB938- House Second Readers & HB944-House Second Readers*



**HR 1358- Sales and use tax; 25% to transportation; dedicate-** Representatives Ed Setzler, Mark Hamilton, Donna Sheldon, Mike Glanton, Pat Gardner, and Doug Holt- This bill provides for transportation funding based on the surplus of general funds. Bill Status: *House Second Readers*

**SB 305- Transportation Department; design-build method; increase the percentage of projects-** Representatives Jeff Mullis, Chip Pearson, Doug Stoner, John Douglass, Cecil Staton, and Judson Hill- This bill enables the Georgia Department of Transportation to contract Design/Build Projects up to 30% of the total amount of construction projects awarded in the previous fiscal year. The current law allows the GDOT to contract up to 15%. Bill Status: *House First Readers*

**SB 323- Transportation Projects; require local and small business participation-** Senators Chip Pearson, Jeff Mullis, Chip Rogers, and Tommie Williams- This legislation requires contracts awarded for Public Private Partnerships to include a minimum of 30% local contractor participation on 30% small business participation. Bill Status: *Senate Read and Referred*

**SR 821- Transportation Department; multiyear construction agreements-** Senators David Shafer, Jeff Mullis, Chip Rogers, Tommie Williams, Steve Thompson, and Judson Hill- This legislation enables the GDOT to enter into multi-year construction agreements. Bill Status: *Senate Read and Referred*

## **Environmental**

**HB 970- Property boundaries; processioning; change certain provisions-** Representative Ellis Black, Lee Anderson, Tom McCall, Jay Roberts, Lynmore James, and Jon Burns- This bill would require surveyors or property owners to notify adjoining landowners by certified mail when a new survey is going to take place. It also gives adjoining landowners the opportunity to dispute a survey before it is recorded in the county tax assessor's office. Bill Status: *House Second Readers*

**HB 1028 – Forest Land Protection Act Revisions**- Representatives Jay Roberts, Larry O’Neal, DuBose Porter, Tom McCall, Stephanie Benfield and Terry England- This bill clarifies some original intent of FLPA 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: *House Committee Favorably Reported*



**HB 1094 and SB 370- Water; examine practices, programs, policies; develop programs for voluntary water conservation; reports of measurable progress**- Senators Ross Tolleson, John Bulloch, Bill Cowser, George Hooks, Dan Weber, and Bill Heath and Representatives Lynn Smith, Matt Ramsey, Terry England, Judy Manning, Edward Lindsey, and Jimmy Pruett- These bills are identical are commonly known as the Governor’s Water Bills. The Senate Natural Resources Committee held a hearing on SB 370 last Wednesday, and the subcommittee of the House

Natural Resources Committee heard HB 1094 early Thursday.

Bill Status: *HB 1094- House Second Readers and SB 370- Senate Read and Referred*

### **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 and trade” legislation.

Bill Status: *Senate Read Second Time*

### **Other Bills Of Interest:**

**SB 393 and SR 1013** – Legislation introduced by Senator Bill Heath to alter the way some important state officials are chosen. Currently, the Commissioner of Agriculture, Insurance, Labor and the State School Superintendent are elected by the voters. These pieces of legislation would make changes to allow the Governor to appoint these positions beginning in 2014.

Bill Status: *SB 393- Senate Read and Referred & SR 1013- Senate Read and Referred*