



## The Capitol Report: March 28<sup>th</sup>, 2003

Provided by The Georgia Railroad Association

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*Rejection of the Governor's tobacco tax bill in the House this week leaves open the question of how the General Assembly will make up a projected revenue shortfall of almost a billion dollars and balance the 2004 budget. The one-week recess scheduled to begin after today's session may not be enough time for lawmakers to resolve the budget question. With only nine legislative days remaining in the 2003 session, a longer recess or even a special legislative session may be required. It's a good time to keep your hand on your wallet.*

### **Sales tax increase is possible revenue target.**

A bill to "temporarily" increase the sales and use tax by one cent would increase diesel fuel costs for railroads. HB 541 would provide that non-highway diesel fuel "shall be fully subject to the sales and use taxes levied or imposed by this article..."

HB 541 is one of numerous bills introduced as possible emergency measures to deal with the revenue shortfall. It is now in the House Ways & Means Committee. Introduced by Rep Ron Stephens and Ways & Means Chairman Richard Royal, HB 541 would increase from four to five percent the state-wide sales and use tax, commencing on July 1, 2003, and expiring on June 30, 2004.

GRA members may wish to discuss their concerns regarding tax issues with their legislators during the recess next week.

### **Senate tort bill not quite "reform."**

The Senate yesterday passed a watered-down version of SB 133, the civil justice reform touted in January as the "number one priority" of the Senate leadership. The substitute bill, offered by Senate Judiciary Chairman Charles Tanksley, was backed by plaintiff lawyers, who clearly had more support in the Senate than did the business and medical communities.

As passed by the Senate, SB 133 is not without merit. The substitute provides for:

- ▶ Elimination of the current law which allows plaintiffs to dismiss a suit at any time in the process, and then refile.
- ▶ Reduction in the rate of interest of cases under appeal from 12% to prime plus 3%.
- ▶ Forum non-conveniens, a change in venue provisions that would allow judges to send cases back to the state where the cause of action occurred.

While these are positive provisions, they pale in comparison to the provisions dropped from the bill, including elimination of joint and several liability, judicial offset of collateral sources, and a cap on non-economic damages.

Early in the session, most observers thought the tort reform bill would pass easily through the Senate and then face stiff challenge in the House. Now all hope for a true reform bill rests in the House.

## **Ban on remote controlled locomotives proposed.**

Legislation introduced in the Senate on Wednesday would prohibit railroads from using remote-controlled locomotives. Sponsored by Senators Rene Kemp and Seth Harp, SB 325 is similar to bills introduced in numerous states.

SB 325 was referred to the Senate Transportation Committee chaired by Senator Tommie Williams of Lyons. Senator Williams told GRA that he does not plan to take the bill up this year. If the bill does not receive final action this year, it will carry over to the 2004 legislative session.

## **Committee approves railroad excursion authority.**

The House Economic Development Committee this week passed legislation to create a new railroad excursion authority in South Georgia. HB 497, introduced by Speaker Pro Tempore DuBose Porter and other members of House leadership, provides for an authority to be established "for the purposes of construction, financing, operation, and development of rail passenger excursion projects utilizing any state-owned railway in Bibb, Twiggs, Wilkinson, Laurens, Treutlen, Montgomery, Wheeler, Telfair, Burke, Emanuel and Toombs counties.

GRA continues to encourage the bill's sponsors to work directly with railroads on straight-forward business agreements instead of creating authorities. Some progress is being made, and it is possible that legislation will not be required. The sponsors simply want to be able to operate excursion trains to Macon a few times each year, primarily on weekends.

## **GRA Associate Members for 2003**

Adams-Warnock Inc.	Lanier Steel Products
A & K Railroad Materials	LB Foster Company
Atlas Railroad Construction	Lindsey Bridge Contractors
Bankhead Railway Services, Inc.	Neel-Schaffer Inc.
Century Group Inc.	Palmer & Cay Insurance
Crouch Engineering	Performance Railway Services
Dixie Precast, Inc.	Pointer Smith Contracting
Full Service Railroad Construction Company	Railcar Management
GE Capital Rail Services	Ralph Whitehead Associates
Georgia Operation Lifesaver, Inc.	RW Alexander Contractors
Georgia Ports Authority	Sumter Bank & Trust
Georgia Rail Consultants	Tifton Terminal Railway Museum
Hulcher Services	Trinity Rail Group
Joseph Transportation	Volunteer Trackworks LLC
Koppers Industries	Zurich North America

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### **Just a reminder:**

The GRA Spring Conference is June 8-10 at Brasstown Valley Resort in Young Harris, Georgia. Registration forms have been e-mailed to all members, [additional registration forms are available on the GRA website](#). Registration forms are due to the GRA office by April 25, 2003 and your room reservations must be made by April 24, 2003. You may contact the Brasstown Valley Resort directly at **800-201-3205** to make your room reservation.

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