



## The Capitol Report

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*The 2009 Georgia General Assembly adjourned sine die Friday night, with some observers predicting that a late summer special session will be necessary to adjust the budget. Business generally escaped with without damage, and even had a few "wins" as lawmakers sought ways to bolster employers.*

### **Transportation Governance passes as funding measure fails.**

For the second year in a row there will be no one cent increase in the sales tax as a House/Senate conference committee was unable to agree on whether transportation funding should be statewide or local option. House leadership wanted a statewide one cent sales tax increase while the Senate was adamant that a state wide measure would not pass on the ballot and insisted on a regional tax.

After two days of negotiations the Senate offered to pass last year's transportation funding plan- a local option sales tax based on regional development districts. The measure passed the House on the closing night last year but failed in the Senate by 3 votes. The House refused that offer as well. If a transportation funding measure were to pass, GRA preferred the Senate version because it exempted the one-cent sales tax on diesel fuel for locomotives.

In the final hour of the session, the Senate agreed to the House substitute for [SB 200](#), which gives the Governor and legislative leaders more authority over The Department of Transportation. The bill vests operational control in a new Planning Division, whose director would be appointed by the Governor. Under the legislation, the DOT board remains in place – unlike previous versions of this legislation, including the one that passed the Senate. The planning director will set the agency's statewide plan and the funding for the plans will go thru the appropriations process at the General Assembly.

### **Metal theft bill awaits Governor's signature.**

Just minutes before midnight on the last night of the 2009 legislative session, the Senate agreed to the House substitute for [SB 82](#), the bill to

combat metal theft. Earlier in the day, the House passed SB 82 on a vote of 147 – 20. The lopsided nature of the vote surprised some observers because 14 House members spoke against the bill from the well. Metal recyclers worked hard in opposition to the measure, but in the end it was the 20-plus members of the Metal Theft Coalition who prevailed.

SB 82 is not a strong bill. The lobbying efforts of metal recyclers did succeed in watering the measure down as it went through the process. Nevertheless, there are several provisions in the bill that should be helpful in combating the growing metal theft problem. Key provisions would:

- Require a photo ID to sell copper and certain other metals to a metal dealer.
- Require the metal dealer to make a photocopy of the ID.
- Require a 24-hour waiting period before cash payment is made for copper, aluminum forms, and catalytic converters. Immediate payment can be made by check.
- Allow prosecutors to include the reasonable costs that are incurred in the repair of property or in the attempt to recover property. This will elevate some thefts from misdemeanors to felonies.

The 24-hour waiting period for cash payments should deter some thieves and perhaps create opportunity for apprehension of others.

### **Bills of Interest:**

[HB 204](#) Sims 169<sup>th</sup> amend Part 1 of Article 1 of Chapter 8 of Title 48 relating to general provisions regarding sales and use taxation, so as to change certain provisions regarding applicability of sales and use tax to motor fuel sales; to **provide for an exemption from state sales and use tax on the sale or use of diesel fuel used to propel locomotives.** *Carryover bill for 2010*

[HB 248](#) Barnard 166<sup>th</sup> amend Article 3 of Chapter 8 of Title 12, relating to **hazardous waste**, so as to provide for voluntary and timely investigation and remediation of properties where there have been releases of regulated substances into the environment for the purpose of reducing human and environmental exposure to safe levels; to provide criteria for qualifying for a **voluntary remediation program**; to provide for corrective action; to provide for program standards and policies. *House agreed to Senate Substitute*

[HB 277](#) Smith 129<sup>th</sup> an Act to amend Title 32 , relating to highways, bridges, and ferries to create the **Georgia 2020 Transportation Trust Fund Oversight Committee** and to provide for its membership, powers, and

duties; to provide criteria for expenditures from the Transportation Trust Fund; to provide for allocation of funds from the trust fund; to provide a list of programs or projects to be funded through the trust fund; to amend Title 48, relating to revenue and taxation, so as to implement the **additional 1 percent special transportation sales and use tax**. *Passed Senate, no conference committee agreement.*

[HB 318](#) McCall 30<sup>th</sup> The House and Senate adopted a conference report on this bill which provides a full property tax exemption on heavy equipment every year after the year of initial purchase. "Heavy equipment" is defined as self-propelled vehicles of more than 5,000 pounds used for industrial, mining or other purposes where no license plate is required.

[HB 438](#) O'Neal 146th amend Article 2 of Chapter 7 of Title 48, relating to imposition, rate, computation, and exemptions regarding income tax, so as to provide for the comprehensive **revision of the income tax credits for qualified jobs, investment, investment property, and projects**. *Passed Senate, House agreed to Senate substitute*

[HB 439](#) O'Neal 146th amend Article 2 of Chapter 7 of Title 48 relating to imposition, rate, computation, and exemptions regarding income taxes, so as to provide for the comprehensive revision of income tax credits for **business enterprises** in less developed areas, **employers providing approved retraining**, business enterprises having qualified research expenses, base year port traffic, and taxpayers establishing or relocating headquarters into this state. *House and Senate adopted a conference committee report on this Administration bill to revise income tax credits for business development in less developed areas of the state. The bill changes provisions for tax credits for training and for exports through Georgia ports.*

[HB 441](#) O'Neal 146thA BILL amend Article 2 of Chapter 2 of Title 48, relating to state administration of revenue and taxation, so as to provide for the **expedited payment of sales and use tax refund claims secured by a satisfactory bond**; to provide for frivolous or excessive sales and use tax refund claims; to provide for civil and criminal penalties. *House agrees to Senate substitute*

[HB 481](#) Graves 12<sup>th</sup> to enact the Jobs, Opportunity, and Business Success Act of 2009; to amend and enact provisions intended to **provide for tax relief and encourage employment opportunities and business stimulation**; to amend Title 14, relating to corporations, partnerships, and associations, so as to provide for a period of time for the waiver of certain filing fees otherwise charged in connection with such entities; to amend Title

34, relating to labor and industrial relations, so as to provide that for a period of time employers who hire persons receiving employment security benefits shall be entitled to a credit against employer contributions; to amend Title 48, the "Georgia Public Revenue Code," so as to provide for a graduated elimination of the corporate income tax; to provide for other related matters. **The House and Senate approved a conference committee report that stripped from HB 481 a provision to phase out the corporate income tax and replaced it with a cut in long term capital gains taxes for individuals and corporations. Governor Perdue has indicated that he may veto the bill because of this provision. Introduced by Rep. Tom Graves of Ranger, HB 481 provides employers with an unemployment tax credit of up to \$125 per quarter for each individual they hire who is receiving unemployment benefits. In addition, the bill provides employers with a \$2400 income tax credit for each unemployed person they hire prior to July 1, 2010.**

[HB 581](#) Coan 101<sup>st</sup> amend Chapter 8 of Title 34, relating to employment security, so as to **protect the solvency of the Georgia Unemployment Trust Fund** by providing incentives to employers to comply with the Employment Security Law; to protect existing jobs and to stimulate job creation; to reduce employer payment requirements for de minimis tax amounts; to establish a credit to employers for hiring unemployment claimants; to provide for the Georgia Works program to assist recipients of unemployment compensation in obtaining new job skill training; to reauthorize certain federal moneys for the administration of Chapter 8 of Title 34. **Early in the day the House agreed to a Senate substitute for the bill that will allow employers to avoid \$170 million in new unemployment taxes next year. While unemployment taxes will go up, HB 581 makes Georgia eligible for federal stimulus funds that will go straight to the Employment Security Trust Fund. That should translate into a near dollar-for-dollar cost avoidance for Georgia employers.**

[HR 206](#) Smith 129<sup>th</sup> A RESOLUTION proposing an amendment to the Constitution so as to provide for the creation of a **Transportation Trust Fund**; to provide for a levy of a 1 percent sales and use tax on the purchase of tangible goods and certain services at retail; to provide for the deposit of the proceeds of such tax into such trust fund; to provide for the governance and oversight of such trust fund; to provide for the administration of such trust fund; to provide for the authority of the General Assembly with respect to the foregoing; to provide for other matters relative to the foregoing; to provide for the submission of this amendment for ratification or rejection. **No agreement in conference committee**

[SB 39](#) Mullis 53<sup>rd</sup> to amend Chapter 8 of Title 48, relating to sales and use taxes, so as to provide for a **1 percent sales tax to be used to fund transportation projects in special transportation districts within the state**; to provide for the creation of such districts, the governance thereof, and the development of a list of transportation projects by the district; to provide that each county may opt out of the district; to provide for contracting and constructing of the transportation projects on the regional lists. **No agreement reached in conference committee**

[SB 82](#) Unterman 45<sup>th</sup> amend Article 14 of Chapter 1 of Title 10 relating to secondary metals recyclers, so as to change provisions relating to transaction records; to provide for transmission of transaction records to the applicable sheriff's department; to regulate payments to persons selling copper items to secondary metals recyclers; to provide for supervision of secondary metals recyclers by counties, municipal corporations, or consolidated governments. **Senate agrees to House substitute**

[SB 200](#) Williams 19<sup>th</sup> BILL to be entitled an Act to amend Title 32 of the Official Code of Georgia Annotated, relating to highways, bridges, and ferries, so as to enact the "Transforming Transportation Investment Act"; to abolish the State Road and Tollway Authority; **to create the State Transportation Agency** and the State Transportation Authority; to amend Chapter 32 of Title 50, relating to the Georgia Regional Transportation Authority, so as to abolish said authority. **Senate agrees to House substitute.**

[SR 44](#) Mullis 53<sup>rd</sup> A RESOLUTION proposing an amendment to the Constitution so as to provide for a 1 percent regional local option sales and use tax for a specified period of time to **fund specific transportation projects.** **No agreement reached in conference committee**

[SR 109](#) Tolleson 20<sup>th</sup> A RESOLUTION creating the Joint Study Committee on the Retrofit of Diesel Engines. **Hearing in Natural Resources subcommittee, no action taken.**

[SR 667](#) Tolleson 20<sup>th</sup> A Resolution creating the Senate Retrofit of Diesel Engines Study Committee. **Passed Senate**

[SR 690](#) Stoner 6<sup>th</sup> A Resolution requesting the Georgia DOT develop a statewide rail plan. **Passed Senate**