



The Capitol Report April 8, 2004

Provided by The Georgia Railroad Association

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The Georgia General Assembly adjourned sine die as the clock ticked past mid-night last night, but Governor Sonny Perdue will call a special session to meet the Constitutional requirement for a balanced budget. The 2004 session was a good one for the railroad industry.

Legislature must make curtain call.

The gavel had barely gone down on the 2004 legislative session when Governor Sonny Perdue said he will call a special session to repair a reported \$57 million hole in the \$16 billion budget which passed late on the final day. The budget apparently became unbalanced when a bill to raise court filing fees to pay for the public defender program failed to pass.

The Governor will likely call for the special session to begin next week, and the "call" may include ethics reform and civil justice reform as well as the budget fix.

Civil justice reform failed when a House/Senate conference committee could not agree on HB 1028. While tort reform bills have largely focused on medical malpractice, one provision added to HB 1028 in the Senate is of particular importance to business. That provision would essentially eliminate "joint and several liability" in all multi-defendant civil cases. Under joint and several liability, "deep pocket" defendants are often required to pay damages far exceeding their level of fault.

If tort reform is part of the Governor's "call" for a special session, GRA will work with the Georgia Chamber of Commerce for elimination of joint and several liability as well as other business-related reforms.

A good session for freight rail.

The 2004 legislative session was contentious and difficult, but it was good session for freight railroads. Key actions of rail issues include the following:

- Passage of GRA's bill to eliminate railroad civil liability for failure to petition for closure of a grade crossing.
- Defeat of labor-sponsored legislation to put stiff penalties on railroads and railroad managers and executives for denying or interfering with medical treatment, or harassing, disciplining or threatening to discipline employees who file injury claims.
- Failure of a bill to broaden truck weight variances for agricultural products.
- Failure of a bill to prohibit use of remote controlled locomotives.
- Passage of legislation to create the Georgia Transportation Infrastructure Bank, which can help finance rail projects that promote economic development.
- Passage of legislation to increase penalties for cargo hijacking

Unemployment tax surcharge extended once again.

Georgia employers avoided a substantial increase in unemployment taxes when the House and Senate agreed on a bill to extend the suspension of a statutory surcharge for another year. The surcharge provision was added to the Employment Security law as a safety measure when the legislature suspended employer contributions to the Trust Fund several

years ago. A surcharge of up to 100% was to kick in automatically when the Trust Fund declined to specific levels.

HB 1555 originally passed the House with a floor amendment that made persons seeking only part-time work eligible for unemployment benefits – a \$17 million hit on the Employment Security Trust Fund. That amendment was removed in the Senate, and the House ultimately agreed, clearing way for passage of the bill.

As passed, the bill will allow the Commissioner of Labor to apply a surcharge of up to 35% if necessary to keep the Trust Fund solvent. However, it eliminates the possibility of a 100% surcharge prior to January 1, 2006.

Bill Status Report

SB 325 by Harp of Midland would have prohibited railroads from operating remote controlled locomotives. GRA opposed this bill. Remained in Senate Transportation Committee.

SB 585 by Mullis of Chickamauga would have required local governments to share in the cost of maintaining road surfaces at railroad grade crossings. This GRA bill remained in the Senate Transportation Committee.

HB 1022 by Tom McCall of Elberton would have made technical corrections and eliminated antiquated sections of current law governing railroads. This GRA bill deletes from the Georgia code those provisions preempted by federal law, as well as out-dated references to steam engines. Organized labor has opposed this legislation. Passed House. Favorably reported by Senate Transportation Committee, but did not clear Rules Committee in time for further consideration.

HB 1235 by Roberts of Ocilla would have broadened truck weight variances for agricultural products within 150 mile radius of the originating farm. GRA opposed this bill. Remained in House Transportation Committee.

HB 1254 by Channell of Greensboro, to provide that there can be no cause of civil action against a railroad simply because the railroad did not petition close a railroad grade crossing. Likewise, there can be no cause of action against a local government for not granting a railroad's petition to close a crossing. GRA bill passed House and Senate, awaiting Governor's signature.

HB 1324 by Watson of Decatur would have imposed criminal penalties against railroads disciplining employees who suffer job-related injuries. GRA testified against this organized labor bill in a sub-committee hearing. Remained in House Industrial Relations Committee.

HB 1456 by Rep. Gerald Greene of Cuthbert will increase penalties for hijacking and theft of cargo. Passed House and Senate. Awaits Governor's signature.

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