



Annual Meeting Legislative Report

June 4, 2015

2015 General Assembly

While 2014 was a year on the offense, GRA focused on defense in the 2015 legislative session. In November, the GRA Board of Directors approved a two-year legislative agenda that is as follows:

1. Opposed anticipated legislation to increase truck weights on state roads in Georgia. GRA to participate in a coalition of ACCG, GMA, AAA, and others to oppose the legislation.
 2. Support increased overall state funding for freight rail facilities, including public/private partnerships and state owned facilities. GRA to lobby for increased overall bond funding for intermodal projects without specifying particular projects.
 3. Support action allowing state to finance rail related projects as an agent in the federal RRIF program
 4. Support elimination of the diesel fuel sales tax for use in locomotives.
- **HB 411:** As expected, industry lobbyists and rural legislators brought a bill to increase truck size and weights in Georgia. HB 411 attempts to raise the base weight limit of 80,000 lbs. to 92,400 lbs. for trucks carrying unfinished wood products. It raises the variance from 5% to 10% and would increase the radius of this exemption from the current 100 mile limitation to 150 miles. GRA worked with CABT and local advocates such as ACCG, GMA, Georgia State Patrol, GDOT, Road Safe America and AAA to oppose the bill.
In committee, a series of amendments were sponsored that would have created a permit fee and increased fines. The House Rules Committee held HB 411 on Day 30 and did not allow it to the House floor for a vote. The House Transportation Chairman named Rep. Jon Burns to chair a sub-committee to study this issue in the interim. It is not clear how that will proceed now that Rep. Burns has been named the new Majority Leader.
 - **HR 613 and SR 449:** Both the House and Senate passed urging resolutions regarding the proposed federal Clean Power Plan. HR 613 was sponsored by Representative Chuck Martin (R-Fulton), and SR 449 was sponsored by Sen Steve Gooch (R-Lumpkin County).

The resolutions encourage the United States Environmental Protection Agency to withdraw the proposed Clean Power Plan. The resolutions also encourage EPA to provide Georgia with full credit for CO2 reductions achieved since 2005, supports the comments on the Clean Power Plan submitted to EPA by the Georgia Environmental Protection Division, the Georgia Public Service Commission, and the Georgia Attorney General; and urges Congress and the President to enact legislation to prohibit the Clean Power Plan from taking effect unless and until any and all legal challenges to the Clean Power Plan have been fully resolved and no appeals remain.

- **SB 90/ HB 681:** These bills seek to re-regulate the law related to rail crossings. The measure would have empowered land owners to demand a crossing in certain circumstances with GDOT and the Railroad having to comply with a rigid timeline for action. After the bill was tabled in the Senate Judiciary Committee, several substitutes were produced. One substitute would have limited the requirement to passenger rail only. Another substitute by Senate Transportation chair Tommie Williams actually passed out of the Senate Judiciary Committee but was not passed out of the Rules Committee for a floor vote. It would have revised the current code to allow local municipalities to overrule GDOT and RR decisions to close crossings. The bill returns to the Senate Judiciary Committee. Toward the end of the session, a similar bill, HB 681, was filed by Rep. John Carson (R-Marietta) and assigned to the House Transportation Committee.
- **HB 170/ HB 106/ HB 213:** This is an outline of the new Transportation Funding law that goes into effect in July:

Sales Tax vs. Excise Tax

- The new law converts the current sales tax/excise tax mechanism to an excise tax only funding model. The current 4% state sales tax paid on the total purchase of gas at the pump is eliminated. Instead, the 4% sales tax and 7.5 excise tax is replaced with a single 26 cent per gallon excise tax for gasoline, and a 29 cent per gallon excise tax for diesel.
- The excise tax will be indexed to the Consumer Price Index (CPI) until 2018.

Alternative Fuel Vehicles

- The fee for alternative fuel vehicles is \$200 annually for personal use vehicles and \$300 annually for commercial vehicles. The \$5,000 tax credit for electric vehicle purchases will be repealed on July 1, 2015.
- The \$2,500 low-emission tax credit will be repealed on July 1, 2015.

Trucks

- Recognizing that heavier vehicles create more wear and tear to roadways, a new annual fee for trucks will be imposed. The fee is \$50 or \$100, based on weight.

Hotel Motel Tax

- There is a new hotel tax that imposes a \$5 per night fee on all lodging accommodations, which includes an elimination trigger if the funds are not used for transportation purposes only.
- HB 106 later clarified this definition to say that it will not apply to campgrounds, state parks, etc.

Aviation Fuel

- This legislation sunsets the current 1% sales and use tax exemption for aviation fuel. It also requires local sales tax on aviation fuel to be at or below levels levied prior to January 1, 2014.
- In accordance with federal law, this bill requires that all revenue derived from aviation fuel be spent on aviation purposes beginning July 1, 2017.

Effect on the Transportation Investment Act of 2010

- Regions that Passed a TSPLOST in 2012
 - Counties in a region which approved TIA in 2012 can adopt a new county TSPLOST after their current 10 year tax expires.
 - County TSPLOSTs may not exceed 5 years. All revenue must be dedicated to transportation and at least 30% of estimated revenue must be spent on projects in the State Transportation Improvement Plan (STIP).
 - Voters must approve this sales tax increase through a referendum.
 - All sales tax exemptions in the original TIA continue to exist.
- Regions that Rejected a TSPLOST in 2012
 - This bill amends the TIA to allow individual counties, not currently in a region with an approved TSPLOST, to adopt their own TSPLOST. Each county may adopt one additional TSPLOST at a fractional rate up to 1%.
 - Counties that participate in a regional mass transportation system (Counties served by GRATA and MARTA) may adopt a TSPLOST beginning July 1, 2015. All other counties may begin July 1, 2017.
 - County TSPLOSTs may not exceed 5 years. All revenue must be dedicated to transportation and at least 30% of estimated revenue must be spent on projects in the State Transportation Improvement Plan (STIP).
 - Voters must approve this sales tax increase through a referendum.
 - All sales tax exemptions in the original TIA continue to exist.

Local Taxes

- This new funding model has minimal impact on existing local sales taxes (HOST, LOST, MOST, SPLOST and ESPLOST).
- Existing taxes will remain unchanged until their expiration date.

- New taxes approved by voters after July 1, 2015, may continue to be imposed at a rate of 1% of the retail sales price of motor fuels, not to exceed \$3.00.

Transit Improvements

- \$75 million in bonding included in FY16 budget, to be administered by State Road & Tollway Authority. Will be distributed among the various transit agencies across the state.
- Elimination of the requirement that MARTA spend 50% of tax revenue on capital improvements and 50% on maintenance and operations (included in HB 213).

Governor's Authority

- This legislation prohibits the Governor from suspending the collection of motor fuel or aviation fuel taxes, unless a state of emergency has been declared.
- Any suspension of those taxes will only be in effect until the next legislative session and requires approval by two-thirds of the General Assembly for the suspension to remain in effect.

Georgia Transportation Infrastructure Bank

- Under this legislation, preference for loans may be given to eligible projects in Tier 1 and Tier 2 counties.
- Preference for grants and other assistance may be given to projects that have local financial support.
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