



Legislative Update

March 17, 2020

On Thursday of last week, which was Crossover Day, the Lieutenant Governor and Speaker announced their decision to indefinitely suspend the legislative session following Legislative Day 29 on Friday in light of the coronavirus situation. It is important to note that this year's legislative session is not over; we will keep you updated regarding when the General Assembly will reconvene for Day 30.

Last week was one of the year's busiest under the Gold Dome as the legislature convened for Legislative Day 26 on Monday, Day 27 on Tuesday, Day 28 on Thursday (Crossover Day), and Day 29 on Friday. Bills that did not successfully make it out of the chamber in which they originated by Thursday can no longer be considered this year. Additionally, because 2020 is the second year of a two-year session, bills that did not make it to the other chamber cannot be considered next year; they would need to be reintroduced and go through the committee process again.

Individuals running for local, state, or federal office qualified to do so on the second floor of the Capitol the week before Crossover Day. All State House and Senate members are up for reelection, though the makeup of the legislature is anticipated to change a fair amount next year- both because many members have already announced their intention not to run for reelection as well as because some districts that were close last election could possibly be lost by incumbents this year. State House and Senate members who did not qualify to run for reelection in their current seat this year include the following:

Senate:

William Ligon, Ellis Black, Jesse Stone, Bill Heath, Steve Henson, Renee Unterman (who is running for Congress), Zahra Karinshak (who is running for Congress), and John Wilkinson (who is running for Congress)

House:

Colton Moore (who is running for State Senate), Matt Gurtler (who is running for Congress), Kevin Tanner (who is running for Congress), Terry Rogers, Kevin Cooke, Michael Caldwell (who is running for State Senate), Scot Turner, Marc Morris, Tom McCall, "Able" Mable Thomas, Pat Gardner, Valencia Stovall, Brenda Lopez Romero, Andy Welch, Ken Pullin, Jimmy Pruett, and J. Craig Gordon

GRA Legislative Agenda Items

House Bill 820, introduced by House Transportation Chairman Kevin Tanner, is a product of the Freight and Logistics Commission's recommendations. It would create a budget placeholder for rail and would create the Georgia Freight Railroad Program, which would be administered under the Georgia Department of Transportation. The bill has already passed the full House and was favorably reported out of the Senate Transportation Committee by a unanimous vote. It now awaits a vote by the full Senate.

which must happen by the end of the session for the bill to be sent to Governor Kemp for his consideration.

Senate Majority Whip Steve Gooch has a similar piece of legislation, **Senate Bill 371**, which has also made significant progress through the legislative process. The bill has already been passed unanimously by the Senate. It is now the House, where it has been assigned to the House Transportation Committee for consideration.

House Resolution 935 would extend the Joint Committee on Freight and Logistics Commission for an additional year. In past weeks, it was adopted by the House by a vote of 169 to 0, and last week it was heard in the Senate Transportation Committee, where it passed unanimously. It must now pass out of the Senate Rules Committee before it can head to the floor for a full Senate vote.

Senate Bill 370: Protecting Railroad Right of Way: In 2019, the General Assembly passed SB 2, designed to facilitate Electric Membership Corporations (EMCs) to provide broadband services to rural Georgia. One provision allows the EMCs to add additional facilities on existing electric easements without additional consideration or safety measures. GRA has been working with members to address the concerns raised by SB 2. Senate Majority Whip Steve Gooch filed Senate Bill 370, which specifies that EMCs are required to comply with the application, review, safety, and permit requirements of railroad companies and state agencies when working in an electric easement that is located on property controlled by railroads or state agencies. The bill was unanimously passed by the full Senate and has been sent to the House for consideration.

Truck Size and Weight: Oppose any legislation that increases the allowable size and weight of truck carrying freight. Typically, advocates seek to revise O.C.G.A. 32-6-26 (g) (1), which allows for a weight increase and various radius distance increases for forest products, live poultry, cotton, feed, granite, raw ore or minerals, solid waste concrete or poultry. Though there has not been legislation introduced relating to truck weights, we are keeping a close eye on this issue following a recommendation by the Senate Study Committee on Reducing Georgia's Cost of Doing Business during the interim to address truck weights.

Burning of Crossties: We are monitoring two bills that relate to the burning of crossties. Two identical bills have been introduced, one in the House and one in the Senate. Both would prohibit the burning of certain chemically treated wood products for the purposes of commercial energy generation. Senate Bill 385 by Senator John Wilkinson (R-Toccoa) was passed out of the Senate Regulated Industries Committee, though it did not receive a vote by the full Senate by the Crossover Day deadline.

House Bill 857 by Representative Alan Powell (R-Hartwell) was passed out of the House Natural Resources and Environment Committee and was then passed out of the House. It will next be considered by the Senate, where it must undergo a similar committee process.

We are continuing to keep an eye on several pieces of legislation that did not pass last session, but are still in play for this session:

HB 190, Two Man Crew: GRA opposes HB 190, introduced by Representative Rick Williams, which seeks to require a train that is in use for the movement of freight to operate with at least two crew members. The bill also seeks to require railroad companies to provide automated external defibrillators on trains and provides for monetary penalties for failure to comply with the proposed provisions in the bill. There has not been any movement on this piece of legislation yet this session.

HB 375, Rail Crossings: GRA opposes HB 375, introduced by Representative Joseph Gullett. The proposed legislation would prevent a railroad common carrier from authorizing the operation of a train that causes a road to be blocked for longer than 15 minutes, except under certain circumstances. There has not been any movement on this piece of legislation yet this session.

SB 96, Whistle Posts: GRA opposes SB 96, introduced by Senator Randy Robertson last session, which would require railroad companies to put up and maintain whistle posts at least 0.25 miles ahead of an approaching private grade crossing. There has not been any movement on this piece of legislation yet this session.

Overview of General Assembly

Budget

Last week the House and Senate adopted House Bill 792, which is the Amended Fiscal Year 2020 (July 1, 2019- June 30, 2020) state budget and, at the request of Governor Kemp, made the decision to include \$100 million in funding to help address issues that are expected to arise in the state from the spread of coronavirus. Additionally, the House passed House Bill 793, which is the budget for Fiscal Year 2021. The FY21 budget has been especially contentious following Governor Kemp's call for state agencies to reduce their overall budgets by 6 percent. Following Governor Kemp's budget recommendations for FY21, which included a budget cut of \$200 million, the House decided to restore several of the money-saving cuts. They also decided to cut the teacher pay raises proposed by Governor Kemp from \$2000 to \$1000. Following the passage of the FY21 budget in the House, the Senate will have the chance to examine the state's budget when the legislative reconvenes for Day 30.

Tax Cuts

Just ahead of releasing the FY21 budget last week, House leadership announced a major tax reform plan, which would include reducing Georgia's top state income tax rate from 5.75 percent to 5.375 percent. Legislators voted to reduce the income tax rate from 6 percent to 5.75 percent in 2018 and set up a vote for the rate to be further reduced to 5.5 percent in 2020; this proposal reduces the rate even further than most had expected. In addition to reducing the income tax rate down to 5.375 percent, House Bill 949, sponsored by Representative John Carson (R-Marietta), would flatten the graduated tax system and triple the tax credit given to families who adopt children. House Bill 949, which also provides for the annual the Internal Revenue Code update, passed the House on Tuesday and will next be considered in the Senate.

As part of the tax reform plan, and in conjunction with the proposed tax cut, Ways and Means Chairman Brett Harrell's (R-Snellville) House Bill 1002 seeks to eliminate the "double deduction" of state income taxes that some Georgians are currently able to take on their tax returns. The double deduction can currently be used by Georgians who choose to itemize their deductions, though roughly 80 percent of Georgians choose the standard deduction. Harrell's legislation is important to counteract the potential loss in state revenues from the proposed tax cut- HB 1002 could raise taxes on individuals who itemize their deductions by a combined total of anywhere between \$130 million and \$220 million. The House Ways and Means Committee favorably reported the bill at the beginning of the week, though the bill was not passed out of the House by Crossover Day.

Gambling

One of the most contentious issues this session so far has been the question of whether casinos, horse racing, and sports betting should be legalized. HR 378, sponsored by the Chairman of the House Economic Development and Tourism committee, Representative Ron Stephens (R-Savannah), would

amend Georgia's Constitution to allow pari-mutuel wagering, casino gambling, and sports betting if the voters agreed to do so via a referendum. It would also establish an independent gaming commission that would be responsible for overseeing the gambling industry. On the evening of Crossover Day, House Resolution 378 was added to the House's legislative calendar in a supplemental House Rules meeting, however the resolution was never brought up on the floor, effectively killing the bill for this session.

Tort Reform

One of the Senate's pieces of tort reform legislation, Senate Bill 415 by Senator Steve Gooch (R-Dahlonega), seeks to streamline the process of litigation and reduce costs for Georgia's industries, small businesses, and citizens. It was taken up on the Senate floor last Tuesday morning following its passage by the Senate Insurance and Labor Committee. Following roughly four hours of contentious debate, Senator Gooch moved to table the bill for the time being, and the Senate agreed by a vote of 27 to 26, likely because the vote was going to be too close to call. In his presentation of the bill before the full Senate, Gooch said the legislation is necessary to help curb large jury awards and to help keep insurance premiums down. On Crossover Day, the bill's sponsor was unable to secure a sufficient number of votes to take it off of the table. Because the bill did not pass out of the Senate by Crossover Day, it cannot move any further through the legislative process this session.

Alcohol Home Delivery

The House took up House Bill 879 by Ways and Means Chairman Brett Harrell (R-Snellville), which would allow for the home delivery of beer and wine. The bill, which was passed by the House Regulated Industries Committee, would allow grocery stores and convenience stores to deliver beer and wine to directly to consumers 21 and older who are required to be at home and provide proof of age upon delivery. Harrell says his motivation for the bill was simply consumer demand, especially as more and more people are having groceries delivered to their homes. Despite concerns from some representatives that the passage of this bill could be used to provide teens with alcohol, the bill passed the House by a vote of 110-54 and now heads across the hall to the Senate for consideration.

Religious Liberty

A widely discussed piece of legislation this session has been Senate Bill 368, which was sponsored by Senator Marty Harbin (R-Tyrone) and would allow faith-based adoption agencies to refuse to place children with couples that violate "certain religious or moral convictions." Harbin has said the bill is intended to preserve choice for mothers who want to ensure their child grows up in a particular religious background. Religious freedom legislation has received a great deal of attention in past sessions and is often contentious. The bill was referred to the Senate Judiciary Committee, though because it never passed out of committee, it did not make it to the floor for a vote ahead of Crossover Day.

Ride Share/Taxi Fee

On Crossover Day, the House agreed to changes made by the Senate on House Bill 105; it now requires Senate approval when the General Assembly reconvenes because of several minor last-minute changes that were made to the bill. This pieces of legislation would charge a flat fee on ride-hailing services like Uber, Lyft, and taxis of \$0.50, or \$0.25 for pool rides, and preempt these car services from having to charge up to 9 percent in sales tax following the passage of the marketplace facilitator law earlier this session. Uber and Lyft have pushed for the adoption of the flat fee because the marketplace facilitator law, which will require online stores and platforms to collect a sales tax beginning April 1, would have ranked Georgia as the second-highest state tax on rideshares in the nation. This tax provision was added

on to the original bill, which would exempt farmers from paying sales tax on disaster relief they received following Hurricane Michael.