

# Specialty Contractors Coalition Legislative Update

Week Number 3

Monday, February 2<sup>nd</sup> was the 9<sup>th</sup> day of the legislative session. Last week, the Georgia General Assembly worked on the following items of importance:

## 1. Georgia State Budget

Georgia Legislators worked diligently last week, and each chamber passed their first pieces of legislation. After reviewing recommendations by Governor Deal and holding appropriations hearings, the House Supplemental Budget Legislation [HB 75](#) - including \$276 million in additional funds - was sent to the Senate for review. The Amended FY2015 State budgeting process ensures Georgia closes out the fiscal year with a balanced budget on June 30th in order to begin the new fiscal year on July 1st.

For the first six months of FY 2015, state revenues have increased by 5.7 percent over the same period last year. The House Appropriations Committee will now turn focus on the [FY2016 Big Budget](#), the proposed \$21.8 billion budget proposal for fiscal year 2016, which starts July 1.

## 2. Transportation

Georgia Legislators announced the long-anticipated [HB 170 - Transportation Funding Act of 2015](#) during a press conference at the State Capitol last week. This proposal was developed following several months of work by a study committee comprised of legislators and stakeholders. We monitored the discussions about transportation infrastructure needs. This bill will include the following:

- The above local motor fuel excise tax revenue must be dedicated to transportation purposes, which include roads, bridges, public transit, trails, airports, buses, seaports and all accompanying infrastructure and services necessary to provide access to these transportation facilities.
- Motor fuel is exempt from state sales tax and the state excise tax on motor fuel is increased from 7.5 cents per gallon to 29.2 cents per gallon. The rate on diesel fuel is increased from 7.5 cents per gallon to 33 cents per gallon. These rates are indexed to the Corporate Average Fuel Economy (CAFÉ) standards that take into account fuel economy and the consumer price index (CPI).
- The LOST, HOST, SPLOST and ESPLOST collected on the sale of motor fuel will terminate once the current tax expires.
- After the expiration of any local sales tax, the county may levy a local motor fuel excise tax up to 3 cents per gallon county wide through the adoption of an ordinance by the governing authority.
- In addition to the 3 cents per gallon that the commission could adopt through an ordinance, a local government also could increase the rate up to 6 cents per gallon if approved in a local referendum.
- The Governor will no longer have the authority to suspend changes to the prepaid taxes on motor fuel unless a state of emergency has been declared.
- The increased state revenues on motor fuel will increase the amount of LMIG Funds available to local governments.
- The Transportation Infrastructure Bank will receive additional capital to make loans and grants available to local governments.
- Owners of vehicles fueled solely by electricity, natural gas or propane will pay an annual registration fee of \$200 for private vehicles and \$300 for commercial vehicles.



This fee will be indexed to CPI. It is the intent of the General Assembly to dedicate this money to funding public transit.

This legislation has received widespread media attention, even before the official release of the bill. We will continue to assess the implications of this legislation and provide further information as it becomes available.

### **3. Medical Cannabis**

[Haleigh's Hope Act \(HB 1\)](#) would provide immunity from criminal prosecution for persons who possess cannabis oil, a derivative of marijuana which has been effective in the treatment of certain conditions, including children's seizures. If successfully passed, Sponsors of HB 1 have announced a major manufacturer of the substance is planning Georgia deliveries. The manufacturer would ship the medically necessary cannabis oil directly to the Georgia Families. The bill is now under consideration in the House Judiciary Non-Civil Committee.



### **Bills of Interest:**

#### **Business:**

[HB 57 - Financing of Solar Technology by Retail Customers](#) – Rep. Mike Dudgeon – This bill would include the following:

- Allow for the financing of solar technology by retail electric customers for the generation of electric energy.
- Solar technology may be leased by the retail customer from a solar financing agent who may be an electric service provider or any person whose business includes the leasing, financing, or installation of solar technology.
- Residential application is limited to ten kilowatts for a customer or 125 per cent of the actual or expected maximum annual peak demand of the premises for a commercial customer.
- The intent of the legislation is to facilitate customers of electric service providers to invest in and install solar technology, to reduce upfront costs involved in solar technology investments, and not be considered as electric service providers.



*Bill Status: House Committee Favorably Reported*

[SB 59 - "Partnership for Public Facilities and Infrastructure Act"](#) – Sen. Hunter Hill - This bill would provide definitions; guidelines for projects; to create a the Partnership for Public Facilities and Infrastructure Act Guidelines Committee and to provide for its membership, terms, allowances, duties, and support.

*Bill Status: Senate Read and Referred*

[SB 6 - Driver's License for Deferred Action Immigrants](#) – Sen. Joshua McKoon – This bill would prohibit persons granted deferred action by the Department of Homeland Security from obtaining a drivers license, permit, or card. Those found driving without a license may have their vehicle removed and impounded for 60 days. Also, the Department of Driver Services will be required to participate in the E-Verify initiative of DHS.

*Bill Status: Senate Read and Referred*

#### **Taxes:**

[HB 60- Exempt Motor Fuels from State Sales Tax](#) – Rep. Ed Setzler – This bill would include the following:

- Provide a sales & use tax exemption for the federal government, the state government, and any county or municipality of this state on motor fuels.
- Phase-in increases in the state excise tax on motor fuel beginning on January 1, 2018 from 7.5 cents per gallon to 10.5 cents per gallon and increases 3 cents per gallon each year thereafter until the excise tax reaches 22.5 cents per gallon on January 1, 2022.

- On or after January 1, 2023, the excise tax shall be adjusted annually based on the inflation rate determined by the consumer price index published by the Bureau of Labor Statistics.
- Reduce the individual income tax on or after January 1, 2018 to 5.9 percent. The reduction will continue each year at the rate of 1/10 of one percent until the rate is reduced to 5.5 percent on or after January 1, 2022.

*Bill Status: House Second Readers*

[SB 74 - Charity Care Organizations](#) – Sen. Judson Hill – This bill would create a Charity Care Organization to provide a tax deductible contribution to raise moneys for Charity Health Clinics that offer low cost and free healthcare for the un-insured.

*Bill Status: Senate Read and Referred*

[SR 43 - Senate Special Tax Exemption Study Committee](#) – Sen. John Albers – This resolution would create a study committee to review the cost and benefit of all state tax exemptions and recommend any legislative action be taken to most effectively stimulate Georgia's economy.

*Bill Status: Senate Read and Referred*

## **Human Resources:**

### **Claimant Lawyers fight "exclusive remedy" provision**

The Advisory Council to the State Board of Workers Compensation; for the first time in over 20 years; has been unable to reach consensus on a legislative package. The issue is a provision to address the recent court decision that reduced somewhat the scope of Georgia's exclusive remedy doctrine. Just as the bill was about to be introduced, claimant lawyers on the advisory panel changed their position and opposed the provision to address the Court of Appeals decision in *Pitts v. City of Atlanta*. The State Board may introduce the bill without consensus from the advisory group. The failure to reach an agreement this year questions the future of the State Board's Advisory Council, at least in its capability to avoid major fights over legislation. This failure coincides with the emergence this year of a second claimant lawyer group that is clearly competing with the original WCCL. Georgia employers may be entering a new era where battles over workers' compensation legislation are annual events.

## **Understanding Bill Status:**

- **FIRST READING**
  - Is the Introduction of the Bill and Bill is assigned to a standing committee.
- **SECOND READING**
  - In the House only, on next legislative day
  - In Senate, second reading comes after bill is reported favorably from committee.
- **COMMITTEE ACTION**
  - Recommend Bill or Resolution Do Pass; or
  - Recommend Do NOT Pass; or
  - Recommend Do Pass with changes (amendments or substitutes); or
  - Hold Bill.
- **THIRD READING AND PASSAGE**
  - House Clerk or Senate Secretary prepares a General Calendar of bills favorably reported from committee, one of the following happens:
- Legislation which was second read the day before is placed on a calendar in numeric order for floor action prior to the Rules Committee meeting to choose bills for consideration.
- After a certain point, set by rule, the Rules Committee meets and prepares a Rules Calendar for the next day's floor consideration from bills on General Calendar.
- The presiding officer calls up bills from the Rules Calendar for floor action in order as they appear on this calendar.
  - Once presiding officer calls bill up from Rules Calendar, Clerk or Secretary reads bill's title (third reading). Bill is now ready for floor debate, amendments, and voting. After debate, main question is called and members vote. If bill is approved by majority of total membership of that house, it is sent to the other house.
- **TRANSMITTAL TO OTHER CHAMBER** Bill is passed if:
  - If second chamber passes bill, it is returned to chamber where bill was introduced.
  - If first chamber rejects changes and second chamber insists, a conference committee may be appointed. Committee report is accepted by both chambers.
- Bill is enrolled and sent to the Governor (if requested). Otherwise, all enrolled bills sent to Governor following adjournment sine die.
- **GOVERNOR'S SIGNATURE/VETO** Governor may sign bill or do nothing, and bill becomes law. Governor may veto bill, which requires two-thirds of members of each house to override.
- **ACT:** Act and other laws enacted at the session are printed in the Georgia Laws series. Also, act is incorporated into the Official Code of Georgia Annotated. Act becomes effective the following July 1, unless a different effective date is provided in act.