

Specialty Contractors Coalition Legislative Update

Week Number 7

The activity last week at the Capitol was not slowed due to the inclement weather. Many new bills were introduced, particularly House Bill 445, which begins a large tax policy conversation. The House and Senate have set a schedule that has the legislature in Monday-Thursday next week ending at Legislative Day 27 on Thursday. “Crossover Day” Day 30 is set for March 13th with the current schedule set to “sine Die” Day 40 on April 2nd.

The FY16 Big Budget

The House finalized their changes to the FY16 Big Budget on Thursday, January 26th, and it now goes to the Senate for continued scrutiny. The \$44.6 billion 2016 fiscal year state budget would close previous cuts to public education spending, slash funding for low-interest student loans and ask local school districts to make \$103 million more in employer contributions to keep state insurance coverage for some part-time school employees.



Bills of Interest:

Transportation:

[HB 123: Trailer Safety Chain](#) – Rep. John Yates – This bill would require that any vehicle towing a trailer utilize a safety chain, cable, or similar device to ensure the trailer remains attached and in tow should it become detached from the hitch.

Bill Status: House Withdrawn, Recommitted

[HB 170 - Transportation Funding Act of 2015](#) – Rep. Jay Roberts – This bill offers a preview of changes that are set to occur this week in the House Transportation committee to the legislation before it goes to the House floor. Changes to the current version are expected to include:

- Extension to July 1, 2016 for collection of taxes on motor fuel for LOST, ELOST, and HOST taxes (from July 1, 2015 in current version)
- MOST will stay at the proposed 1.25% but will not be collected on motor fuel
- Allowance of collection of taxes on diesel fuel
- Transportation projects will not be considered Level 1 projects

Bill Status: House Withdrawn, Recommitted

[SB 4 - Surface Transportation Projects in Urban Redevelopment Areas](#) – Sen. Steve Gooch – This bill would allow for surface transportation projects in Urban Redevelopment Areas. It also expands the projects that fall under the urban redevelopment provisions to include transit facilities and improvements, sidewalks, streetscapes, trails and bicycle facilities.

Bill Status: Senate Passed/Adopted by Substitute; House Second Readers

Taxes:

[HB 415 - Sales Tax Exemption for Research and Development Equipment](#) – Rep. Ben Harbin – This bill relates to sales and use taxes, so as to provide that machinery and equipment used in research and development is exempt from sales and use taxes.

Bill Status: House Second Readers

[HB 445 - More Take Home Pay Act of 2015](#) – Rep. John Carson – The “More Take Home Pay Act” would create a single income tax rate of 4%, down from the current 6%, increase the state sales tax from 4% to 5%, and eliminate from the tax code of a number of current exemptions and would bring back the grocery tax over a three year phase in period, while eliminating certain tax credits. The 81 page bill seeks to reform Georgia’s tax system, allowing taxpayers to keep more of their income and preserving Georgia’s status as the number one state to do business. Under the proposed bill, families could keep more of their income by lowering the personal and business tax rate. Middle-class Georgia households making \$29,500 or more will see an increase in take home pay. Further, tiered income tax brackets and certain tax loopholes will be eliminated, whereas income tax deductions and exemptions will remain unaffected.



Highlights of the Bill include:

- Households making \$29,500 or more will see an increase in take home pay
- Households bringing in \$48,000 (the median GA household income) will keep \$400 extra annually
- Reduces income tax rate to 4% over a period of 3 years (2016: 4.5%, 2017: 4.25%, 2018: 4.0%)
- Keeps itemized deductions and personal tax exemptions
- Raises general state sales tax by 1% on January 1, 2017, which will raise the current tax of 4% to 5%
- Phases in grocery state sales tax over a 4 year period (2016: 0%, 2017: 3%, 2018: 4%, 2019: 5%) with each 1% contributing \$130 million to the state budget
- Food stamp purchases will be exempt from the grocery tax
- Implements a flat communications service tax beginning on January 1, 2016
- Increase the current cigarette excise tax over 3 years (2017: \$0.45, 2018: \$0.55, 2019: \$0.65)

Bill Status: House Second Readers

Business:

[HB 341 - Building Officials' Association of GA Qualified Inspectors](#) – Rep. Howard Maxwell – This bill relates to definitions and requirements regarding state building, plumbing, and electrical codes, so as to provide that certain qualified inspectors may be certified by the Building Officials' Association of Georgia.

Bill Status: House Second Readers

[SB 59 - "Partnership for Public Facilities and Infrastructure Act"](#) – Sen. Hunter Hill – This bill would amend Georgia law to allow for public agencies to engage with private-sector parties in public-private partnerships to meet current and future needs for government facilities and infrastructure. This would allow private firms to submit unsolicited proposals for projects that have been identified as a public needs.

Bill Status: Senate Read Second Time

[SB 142 - Permits for Infrastructure](#) – Sen. Brandon Beach – This bill would regulate procedures governing applications for zoning and permits for critical infrastructure projects. This addresses local governments and specifically states that “no local government shall provide for a moratorium with respect to any critical infrastructure projects” defined as:

- Electrical power transmissions lines;
- Electrical power substations;
- Water and sewage treatment facilities;
- Water reservoirs, water storage facilities, and sewer lines;
- Cellular telephone towers and emergency 911 system facilities;



- Natural gas transmission pipelines and power stations; or
- In-ground fiber optics systems

Bill Status: Senate Read and Referred

Human Resources:

[HB 63 - GA Employer GED Tax Credit Act of 2015](#) - Rep. Kevin Tanner – This bill would include the following:

- Allows an employer to provide or sponsor an approved adult basic education program.
- The program shall comply with standards as designated by the Technical College System of Georgia, Office of Adult Education.
- The employer may not require employees to make any payment either directly or indirectly
- Employees must be residents of the state, are employed for at least 24 hours per week, and have been continuously employed for a minimum of 16 consecutive weeks
- Employer shall be eligible for an income tax credit in the amount of \$400.00 for each employee who passes the basic skills education test which was paid for by the employer or \$1200.00 for each employee who successfully completes an approved adult basic skills education program consisting of at least 40 hours of training while the employee is being compensated at his or her normal rate of pay and passes the basic skills education test which was paid for the employer.
- The income tax credit granted to any employer shall not exceed that employer’s income tax liability for the taxable year.
- The aggregate amount of state income tax credits granted shall not exceed \$2 million per calendar year.



Bill Status: House Passed/Adopted by Substitute; Senate Read and Referred

[HB 412 - Workers' Compensation; change certain provisions](#) – Rep. Mark Hamilton – This bill relates to workers' compensation, so as to change certain provisions relating to workers' compensation.

Bill Status: House Committee Favorably Reported by Substitute

[SB 88 - Payment of Wages by Payroll Card](#) – Sen. Burt Jones – Georgia law currently does not allow for paying employees through a payroll debit card program for most businesses. SB88 would allow that. We have been working with a coalition of several other business interests to provide the option to use debit cards for payroll for all Georgia businesses. This option is available in most other states and could certainly prove beneficial to employers and employees. The bill would allow an employer to enroll employees in a payroll debit card program if, after giving the option to choose direct deposit, the employee does not select direct deposit as his/her preference.

Bill Status: Senate Passed/Adopted by Substitute



Other:

[SB 2: Competencies and Core Curriculum in Elementary and Secondary Education](#) – Sen. Lindsey Tippins – This bill would provide that a student who completes certain requirements relating to postsecondary coursework may be awarded a high school diploma.

Bill Status: Senate Passed/Adopted by Substitute; House Second Readers



In Other News:

Last week, I organized a dinner for the House & Senate Agriculture Committees along with the House Game & Fish Committee and had over 45 Legislators in attendance. Opportunities for strong friendships to develop arise when you are breaking bread.



Senate Ag Chairman John Wilkinson,
Senate Secretary Paula Foil,
& Lee Lemke



Representative Sam Watson
& Lee Lemke



Congressman Rick Allen
& Lee Lemke



Representative Amy Carter &
House Ag Chairman Tom McCall

Understanding

- **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.