

Capitol Forestry Report

February 13, 2009

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Georgia's State Constitution allows a maximum of 40 days per year for the regular session of the Georgia General Assembly. Eighteen days are now in the books for the 2009 session, and lawmakers last week adopted a legislative schedule to accommodate the possibility of receiving stimulus dollars from Washington to plug deep holes in the state's budget.

Lawmakers plan to meet Tuesday – Thursday until March 25, which would be the 35th session day. They would then recess until June 22 when they would return to Atlanta to complete budget work. The legislature must pass, and the Governor must approve, a 'balanced' budget before the beginning of fiscal 2010 on July 1. Deep cuts are also planned across all state agencies to restore balance to the current year budget which anticipates close to a \$2.5 billion shortfall.

Of particular interest to the forestry community are the budget reductions facing the Georgia Forestry Commission. The agency, like most others faced a 14.5% reduction before January's historically low year-to-year revenue collections were announced last week. Now GFC will probably be forced to make even deeper cuts.

Relatively speaking, while there is a high level of activity at the Capitol, few real substantive issues – apart from budget, transportation and property tax relief – have surfaced. Nevertheless, GFA continues to monitor the introduction of all bills and resolutions and to follow the committee activity that bears upon the major areas of concern for the forestry community.

Below are listed brief descriptions of some of the more than 1200 measures introduced as of Thursday, February 12, along with brief summaries of key regulatory issues in which GFA is engaged.

House Resolution 1 (HR 1) by Rep. Ed Lindsey (R-Atlanta) would require property values to be set by sales prices on all types of property and would place a 3% cap on how much assessments could rise in any one year. The measure, which would require a Constitutional Amendment be placed on the ballot in 2010, failed to get the required Constitutional majority of 120 votes on February 12 and is scheduled to be reconsidered by the House on Tuesday, February 17.

Representative Lindsey also has introduced, and the House has passed, **House Bill 233** to essentially freeze property tax increases for the next two years awaiting the outcome of the Constitutional Amendment created by HR 1 should it receive legislative approval. HB 233 now moves to the Senate.

House Resolution 10 by Rep. Billy Mitchell (D-Stone Mountain) would create a joint legislative study committee on the development of clean energy strategies. The resolution calls for Georgia to develop a climate action plan and to identify the most cost effective means of reducing greenhouse gases. The resolution has not made it to the floor for a vote.

House Bill 17 (HB 17) by Rep. Tim Bearden (R-Villa Rica) would abolish the state income tax for corporations after tax year 2010.

House Bill 18 by **Rep. Tim Bearden** proposes a Constitutional Amendment which, if approved by voters in 2010, would eliminate the property tax on inventories paid by Georgia businesses. No movement.

House Bill 75 by **Rep. Gerald Greene** (D-Cuthbert) would amend Georgia's existing Conservation Use Assessment Valuation (CUVA) statute to ease enrollment restrictions for family limited partnerships. Not likely to advance.

House Bill 96 by **Rep. Austin Scott** (R-Tifton) would create the "Georgia Free Enterprise and Antitrust Act of 2009" the purpose of which is stated to be "to maintain and promote economic competition in trade and commerce". No movement.

Senate Bill 39/Senate Resolution 44 by **Senate Transportation Chairman Jeff Mullis** (R-Chickamauga) would allow local governments to determine their transportation priorities and seek voter approval of a 1 percent local option sales tax (SPLOST) to fund them. SB 39 is the enabling legislation detailing how the tax would work. SR 44 is a Constitutional Amendment that would need statewide voter approval in 2010 before the SPLOST could be put into effect. Both measures passed the Senate on February 3rd.

Meanwhile, a competing measure has been introduced in the House by **House Transportation Committee Chairman Vance Smith** (R-Pine Mountain) which would levy a statewide penny sales tax for transportation projects determined on a statewide basis rather than the Senate's regional approach. If Smith's initiative, entitled the 'Georgia 20/20 Statewide Transportation Act' (HR 206 and HB 277), is passed by the General Assembly, Georgians will vote in November 2010 to approve a ten year one percent statewide transportation sales tax that will expire at the end of year 2020.

Georgia's manufacturing community would benefit from passage of a measure to phase out the sales tax on energy used in the manufacturing process. **House Bill 271** by **State Representative Allen Peake** (R-Macon) had a hearing on Tuesday before the Sales Tax Subcommittee of the House Ways & Means Committee and appeared to be favorably received by subcommittee members, though no vote was taken. It remains to be seen, however, how far any sales tax exemption will go given the revenue declines the state is experiencing.

GFA managed to amend **Senate Bill 55** by **Senator Chip Pearson** (R-Dawsonville) to require that tax assessors include among the criteria for establishing fair market value the limitations and restrictions of property encumbered by a conservation easement. The hope is that this will help remove one of the potential obstacles to landowners considering placing their farms or forestland in a conservation easement. The bill passed the Senate Finance Committee unanimously and awaits action by the full Senate.

House Bill 348 by State Representative **Tom Graves** (R-Ranger) would provide that no ad valorem tax shall be charged on any heavy-duty equipment motor vehicle except during the taxable year in which it is purchased.

Senate Bill 128 by **Senator David Shafer** (R-Duluth) would appear to be helpful to the logging community by creating the option of obtaining a permanent registration and tag for 'leased or rented trailers' used in the commercial logging business that would be good for as long as the operator has an interest in the trailer.

The following regulatory developments are also occupying GFA's time and attention:

Property Taxes – GFA continues to press the GA Department of Revenue to complete the rulemaking process to develop the administrative rule necessary to implement Amendment 1. Earlier this week, the department finally released to local tax assessors an enrollment form that will allow large landowners to sign up for the new forest land conservation use program. Once the final rule is promulgated, landowners will have an opportunity to modify the application to take into account any requirements and conditions that might be included in the rule. Interested landowners should check with their local tax assessors about the form and report to GFA any problems or unusual responses from your local tax offices.

Green Building Standards – On February 10, GFA participated in the fourth meeting of the Energy Efficiency and Sustainable Construction (EESC) Task Force established under the GA Department of Community Affairs following the passage last year of Senate Bill 130. SB 130 calls for the development of standards for energy efficient and ‘green’ construction for state buildings, but insists that such standards “increase the demand for construction materials and furnishings produced in Georgia”.

Forestry representatives participating in the meetings believe that progress is being made in raising the profile of wood and its value in building design and have been assured that the task force’s final guidelines will not emphasize only one rating system. “Leadership in Energy and Environmental Design” (LEED) standards developed by the U. S. Green Buildings Council have drawn criticism from GFA and others because they favor Forest Stewardship Council (FSC) certified wood over SFI and Tree Farm certified wood common in Georgia. The LEED standards have gained prominence in state construction over the past few years and the EESC Task Force has provided the opportunity for Georgia to adopt policies and procedures that are unique to Georgia and not discriminatory to Georgia products in any way.

Statewide Water Planning – On February 11, Governor Perdue’s office released the names of the appointees to Georgia’s thirteen new Regional Water Councils. Twenty-five nominees from the forestry community were appointed to these Councils, and only one Council appears not to include anyone who is directly tied to forestry. The Water Councils will provide critical input into the regional plans for water management that will ultimately be considered by the Georgia Water council, a group of state agency heads established by the statewide water plan adopted by the legislature in 2008. To review the statewide water management implementation plan and for details on the regional water planning process, log on to www.georgiawaterplanning.org . To review the regional water council appointments, log on to www.gov.georgia.gov and click on the February 11 press release.

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The focus of this legislative report is not to cover those issues that you are reading about in the general press, but rather to update you on legislation of particular interest to the forestry community.

For more information on the Georgia General Assembly, including contact information for your Representative and Senator, visit the Georgia Forestry Association website at www.gfagrow.org and click on Georgia General Assembly under the Links tab, or under the Government Affairs tab you may go to Contact Your Legislator, a particularly helpful resource if you are uncertain of the members in your local legislative delegation.

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