

Capitol Forestry Report

April 9, 2009

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House Speaker Glenn Richardson (r) confers with Democratic Caucus Chair Calvin Smyre during a floor debate.

Almost before the confetti had hit the chamber floor around midnight on April 3, calls for a special session to address the ‘shortcomings’ of the 2009 legislature, along with sharp criticism for opportunities lost and promises not kept, were reverberating through the media. Veteran lawmakers have rarely known a more difficult legislative session when the needs were so pronounced and the economy so anemic. Our elected officials had many extremely difficult decisions to make this year and were forced by the economy (and some partisan disputes) to leave many worthwhile initiatives on the table. The job is not an easy one for our ‘citizen legislators’.

Adding insult to injury, it doesn’t appear that 2010 will be much different. March revenue collections were down 14% over the previous year and no one can predict when the bleeding will stop.

Despite the outcome for high profile issues like budget and transportation that disappointed many, there were a number of measures passed that should benefit the forestry community. This bulletin attempts to summarize those bills and resolutions and to point to the source for obtaining copies of the legislation of interest to GFA members. Further analysis of certain measures will be necessary in the days ahead. GFA will report new information, including Governor Perdue’s action on these bills, as appropriate.

Below is a brief summary of bills and resolutions which contain provisions of particular interest to the forestry community. GFA is grateful to member Wheeler Bryan for his contributions to this report.

Taxes



Senate Bill 55 (*Senator Chip Pearson, R-Dawsonville*) requires tax assessors to include as criteria which must be considered in establishing fair market value - (1) any decrease in value of the property as a result of its being under a conservation easement (a GFA amendment), and (2) the impact of foreclosure and bank sales on the property value. GFA amended the bill to extend the filing deadline for the new Forest Land Protection Act to June 1. GFA has asked Governor Perdue to expedite the signing of SB 55. The Association appreciates Senator Pearson’s allowing its amendments to ‘ride’ on his bill.

Senate Bill 240 (*Senator Chip Rogers, R-Woodstock*) adds a third option for a taxpayer who appeals a tax assessment notice setting the value of real property for property tax purposes. Currently taxpayers can appeal and have a hearing before the county board of equalization or go to non-binding arbitration. SB 240 provides for ‘binding’ arbitration much like baseball arbitration. The taxpayer



presents a professional appraisal to the county board of tax assessors. If it is accepted, the appeal is over and that valuation is final. If the tax assessors do not accept the taxpayer's appraisal, then the appeal goes before a single arbitrator. The taxpayer presents a valuation and the tax assessors present a valuation. The single arbitrator must select either the taxpayer's valuation or the tax assessors' valuation. The valuation selected is the final valuation and neither the taxpayer nor the tax assessors can appeal to the local superior court. The losing party pays for the arbitrator, a provision which is intended to force each party to produce the most accurate appraisal possible.

House Bill 233 (*Representative Ed Lindsey, R-Atlanta*) places a moratorium on any increases in assessed values for the next two years on all types of property subject to ad valorem property taxes. Check the bill to learn about certain exceptions to the moratorium.



House Bill 481 (*Representative Tom Graves, R-Ranger*), known together with HB 482 as the JOBS Act of 2009, will benefit many Georgia businesses by (1) eliminating the state inventory tax, (2) creating tax credits for employees hired, (3) temporarily suspending the filing fees for new businesses, and (4) reducing the capital gains tax by 50%. Whether the bill will be signed by Governor Perdue depends largely on his staff's analysis of the revenue impact, even if temporary, during a period of severe revenue shortfalls.

House Bill 482 (*Rep. Graves*) provides for a referendum in November, 2010 whereby all tangible personal property constituting the inventory of a business will be exempt for state ad valorem taxation. If approved by the Georgia voters, this will exempt business inventory from the state property tax of one quarter mill which is \$.25 for each \$1000 in assessed fair market value. Although a small amount of taxes, Georgia businesses hope that in the future such business inventory will be exempted from all county, municipal and school property taxes.

House Bill 318 (*Representative Tom McCall, R-Elberton*) will allow motor vehicles to be registered in the county where the vehicle is used 'in connection with an established business', or on a farm operation if that farm is in another county, rather than in the county where the vehicle owner resides. The bill was amended in the Senate to provide that for the tax year 2010 heavy-duty, self-propelled equipment designed primarily for construction, industrial, maritime or mining purposes shall be exempt from ad valorem taxation up to a maximum of \$100,000 for all heavy-duty vehicles combined. HB 318 is another bill that the Governor is expected to scrutinize carefully for its revenue implications.



Bioenergy



House Resolution 622 (*Representative Jim Cole, R-Forsyth*) urges Congress to act to change the restrictive definition of 'renewable biomass' that is contained in the Energy Independence and Security Act of 2007. The EISA definition would reduce by almost two-thirds Georgia's forest biomass available to be credited toward satisfying the renewable fuels standards (RFS) set by Congress. Instead the resolution calls for a far less restrictive definition, more like that contained in the 2008 Farm Bill. HR 622 was easily approved by the

House. Senator Ross Tolleson, R-Perry, successfully sponsored an identical measure in the Senate – SR 589. (*Rep. Cole (r) pictured here with GFA Government Affairs Team Chairman Benjie Tarbutton*)

Senate Resolution 579 (*Senator Ross Tolleson, R-Perry*) creates the Senate Biomass/Bio-energy Study Committee which will undertake a study of the conditions, needs, issues and problems associated with emerging bio-energy industries in Georgia.

Liability

House Bill 529 (*Representative Tom McCall, R-Elberton*) has two components aimed at protecting the rights of farmers and property owners. The first prohibits local governments from passing laws regulating practices on the farm. Local governments are protected by specific wording which states that zoning ordinances and zoning decisions are not superseded by the measure. HB 529 also contains language to make it clear that **HB 529** does not overrule a local government's efforts "regulating land application of human waste."

The second provision, originally introduced as Senate Bill 75 by State Senator Bill Heath, R-Bremen, for the Governor, deals with limiting the liability of property owners who charge admission for persons 18 years of age or older to participate in agritourism or hunting & fishing activities. Farmers and other landowners often have expressed concern that they might face liability if paying customers are harmed as a result of inherent risks associated with the activity for which they are charged. In order to qualify for the limited liability provided by the legislation, landowners must not be found negligent. They also are required to post signs with language clearly spelled out in the legislation. Visitors must sign a waiver that contains the same language. Protection under **HB 529** is voluntary - also no new liabilities are created as a result of the property owners decision not to participate.

Other Measures



Senate Resolution 667 (*Senator Ross Tolleson, R-Perry*) creates the Senate Retrofit of Diesel Engines Study Committee that will (1) study the air quality benefits to be derived from the retrofit of diesel engines, with emphasis on the reduction of particulate matter; (2) evaluate various incentives that will encourage diesel engine owners to retrofit their engines and investigate the availability of funding for grants and other funding sources that might be made available to diesel engine owners for this purpose; (3) investigate the potential need for other approaches to reduce diesel exhaust; and (4) after providing notice, a hearing and the opportunity for comment from the public, including interested citizens, air quality experts, diesel powered vehicle and equipment owners, and industry specialists, recommend any administrative action or legislation that the committee deems necessary or appropriate to encourage retrofitting and upgrading of in-use diesel engines.

Senate Bill 128 (*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.

Pending

The following measures were introduced though not acted upon in 2009. They remain alive for consideration in 2010.

House Bill 271 (*Representative Allen Peake, R-Macon*) would phase out over five years the sales tax charged on energy used in manufacturing. The legislation had a favorable hearing before the Sales Tax Subcommittee of the House Ways & Means Committee; however, no action was taken this year.



House Bill 768 (*Rep. Peake*) was introduced at GFA's request. HB 768 would create a state income tax credit for normal reforestation expenses and a more generous income tax credit for reforestation that occurs within two years after timber loss due to natural disasters.

Politically Speaking

The 2010 political races continue to attract new players. Already two State Senators, **David Shafer** and **Eric Johnson**, have announced that they will leave the State Senate to run for Lt. Governor. Senators **Seth Harp** (tree farmer and GFA member) and **Preston Smith** are believed to be seriously contemplating the State Attorney General race. Senator **Kasim Reed** will attempt to become the next Mayor of Atlanta. Will **Ralph Hudgens** try to follow John Oxendine as Georgia's next Commissioner of Insurance? Who else will leave the Upper Chamber for a run at a statewide office next year?

In the House, Representative **Austin Scott** from Tifton has indicated that he will jump into the Governor's race. House Democratic Leader **DuBose Porter** is already in. Representative **Bobby Parham** is leaving the House for the DOT Board. Will there be others who feel they have done all they can in the House and now want to move up the ladder of elective office?

This significant turnover in the legislature offers GFA members the opportunity to identify, encourage and support candidates who are from the forestry community or who are close enough to forestry to understand its unique challenges and support its issues when they are debated in the legislature. Forestry should take this opportunity seriously and start now to look for the best candidates available for legislative service. Many 2010 campaigns are well underway. Let's not be left out!

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04/09/2009



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.

Annual Meeting Note

The Georgia Forestry Association's Annual Meeting will take place July 18-20 at the Westin Savannah Harbor Resort Hotel, a location that has proven to be quite popular with Association members. Save the date on your calendar and plan to join your friends and colleagues for this signature forestry event. Details soon.

Confirmed speakers for this year's event include the following 'All-Star' list:

- ➔ *State Fiscal Economist Dr. Kenneth Heaghey*
- ➔ *Institute of Paper Science and Technology Director Dr. Ronald Rousseau*
- ➔ *Wildlife Specialist and Warnell Associate Professor Michael Mengak*
- ➔ *Price Companies President Dick Carmical*
- ➔ *Georgia Farm Bureau President Zippy Duval*
- ➔ *Past Chair of the American Tree Farm Operating Committee Clint Bentz*