



## 2004 State Legislative Agenda

### **Top Issue - Support a One-Cent Sales Tax for the City of Atlanta to fund water/sewer upgrades**

Both the House and Senate passed HB 709, a compromise bill which allows a sales tax referendum for the City of Atlanta to help fund water and sewer improvements. The Senate vote was 40-8 and the House vote was 127-34.

The compromise is favorable to the City and includes the following key provisions:

1. Requires that the City first request a referendum from Fulton County. If the County disapproves it or takes no action within 10 business days, the City can then hold its own citywide referendum.
2. Allows the sales tax revenues to be used for capital projects as well as maintenance and operating costs. This flexibility in how the revenues can be expended will help maximize the amount rates can be rolled back.
3. Provides for a quick timeline for implementation – the referendum could be on the ballot for voters to approve as early as July 20, 2004 with the sales tax beginning Oct 1, 2004 in order to capture holiday sales.
4. Authorizes the referendum for 4 years, with two 4-year renewal options.

### **Top Issue - Support Congressional balancing changes to State transportation funding formula**

A compromise could not be reached regarding congressional balancing. At issue was a section of the bill that dedicated one cent of the sales tax collected on gasoline to transportation projects under the Local Assistance Road Program (LARP) beginning July 1, 2005. Currently, three of the pennies are dedicated to the Georgia Department of Transportation and the fourth penny, which generates approximately \$70 million a year, goes to the general operating budget. The Governor and several Senate Republicans were concerned about this amendment's impact on the general operating budget.

SB 425, the final bill in play at the end, would have exempted interstate highway funds from the formula used to distribute transportation funds in Georgia. It would have also used 13 congressional districts, rather than 11, for calculating the formula used to allocate transportation dollars in the state. Current state law requires the Georgia Department of Transportation to allocate or "balance" 85 percent of their funds evenly to all congressional districts. Interstate projects currently included in the formula can consume an entire district's allocation leaving little money for other road or transit projects.

### **Additional issues - Economic Development**

*Biotech facilities fund* - HB 1507 passed. This bill expands the State's seed capital fund, originally targeted to grow biotech firms, to a facilities fund to assist existing biotech firms in building the appropriate facilities needed. This expansion to a facilities fund is critical in keeping biotech firms from relocating to other states.

*Biotech tax credits* - HB 567 did not receive any action this year. HB 567 would have exempted the sales tax on research and development equipment for biotech companies. We hope that next year will bring a better environment for economic development bills in the Georgia General Assembly.

*Living Wage* - HB 1258 passed. This bill preempts any city or county in Georgia from imposing a living wage requirement for any company doing business with that city or county. Since HB 1258 passed, the ordinance the City of Atlanta was considering that would have required a living wage cannot be made law.

*Property tax assessment freezes* - The Metro Atlanta Chamber of Commerce opposes property tax freezes since the tax burden then shifts to businesses and new property owners. SB 610 passed which will create a property tax assessment freeze for the residents of Fulton County. This legislation, however, is not as onerous as it could have been since it does allow for some annual increases in property assessments based on the Consumer Price Index. Also, three other bills, SB 611, SB 612 and SB 613, would have frozen assessments for the City of Atlanta, Fulton County Schools and City of Atlanta schools. These bills did not pass.

### **Additional issues - Transportation**

*Passenger Rail and Multi-modal station* - The first phase of the passenger rail and multi-modal station project is the Atlanta-Lovejoy line. At this time, the budget includes \$1 million for this project. We hope this funding remains intact during the special session.

### **Additional issues – Education**

*Atlanta Public School Charter Changes* - No legislation was offered up to modify the charter changes we passed last year. Key parts of last year's legislation included changing the reporting structure so that the chief financial officer and chief legal counsel reported to the superintendent instead of the board. Opponents of these changes had approached several Senators to change the reporting structure back to the board. These bills never materialized.

*Whistleblower legislation* - Another issue we opposed last year, SB 254, did not make it out of committee this year. SB 254 would have enabled any employee of a school system to bypass existing grievance procedures and litigate any adverse employment action against the school system. This meant that it would be virtually impossible to terminate any employee without fear of a lawsuit. This legislation was given a hearing in the House education committee but did not come to a vote.

### **Additional issues – Environmental**

*Metropolitan North Georgia Water Planning District* - HB 1615 was tabled in the Senate. HB 1615 would put restrictions on interbasin and intrabasin water transfers while exempting the Metropolitan North Georgia Water Planning District (MNGWPD) from these restrictions since it could use water only within its boundaries. The Atlanta Chamber supported this exemption because interbasin transfers are an important tool in managing water resources in the narrow basins of the metropolitan area. However, several amendments were under consideration that would have removed the exemption provided for the MNGWPD. Since the bill did not come to a vote, the amendments that threatened the MNGWPD were no longer an issue.

### **Additional issues – Gay Marriage Ban**

SR 595, the Defense of Marriage Act, passed. The Metro Atlanta Chamber of Commerce took a position opposing the part b section of SR 595. This resolution provides a referendum for a constitutional amendment and consists of two parts: a) defines marriage as between a man and a woman and b) makes it unconstitutional to give same sex couples the same legal rights afforded married couples. The Chamber was concerned about the precedent the second part of this resolution places on businesses' rights to negotiate benefits with its employees.