

## **Plumbing and Mechanical Association of Georgia**

### *Legislative Report*

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February 22, 2008

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*The General Assembly recessed today after passing the halfway mark of the 40-day session Wednesday. The lawmakers will reconvene on Tuesday, the 23<sup>rd</sup> legislative day, to continue a session that could yield the biggest tax increases in memory.*

#### **Committee approves Speaker's tax plan.**

The House Ways & Means Committee yesterday passed three measures that now constitute Speaker Richardson's GREAT plan. All three involve Constitutional amendments. Now in the House Rules Committee, the two resolutions and one bill will likely go to the House floor as soon as the Speaker thinks he has the necessary two-thirds majority.

HB 979 is the implementing legislation for HR 1246, the Resolution proposing a Constitutional amendment. The bill still exempts homesteads from the school portion of the ad valorem tax, and applies the statewide sales tax to almost all services at the retail level. The new tax will not apply to business-to-business services.

The Speaker also asked the Ways & Means Committee to amend SR 796 and include it in his package. This Resolution, introduced by Senator Chip Rogers on behalf of Lt. Governor Casey Cagle, would cap increases in property assessments at 2% per year for residential property and 3% for non-residential property. These caps could be waived and the property reassessed at fair market value if the property is sold, or if additions or improvements are made.

The Speaker's amendment to SR 796 provides that millage rates cannot be increased without a local act of the General Assembly.

#### **Costly workers comp bill due up in subcommittee.**

A House Insurance subcommittee will take up legislation on Tuesday that would sharply increase Workers Compensation costs for Georgia employers. HB 661 provides that Workers Compensation insurers and self insured employers "...shall make direct reimbursements to health insurers when the health insurer can reasonably demonstrate that it has paid medical claims for a work-related injury."

While some claims that should have been filed under Workers Compensation may be misfiled with group health plans, the opposite is almost certainly a greater problem. Claimants have no incentive to misfile a health claim, but they have a great deal of incentive file a Workers Compensation claim that should have been filed with their health plan. Under Workers Compensation, the claimant pays has no deductible and no co-pay.

Moreover, the claimant is entitled to income benefits under Workers Compensation when lost-time is involved.

**Other Bills of interest:**

HB 901: Bruce of the 64<sup>th</sup> to require employers to provide *leave for employees* to attend school conferences and medical appointments. Includes provisions diminishing employment-at-will and creating causes of action against all employers. *Industrial Relations subcommittee*

HB 1022: Porter of the 143<sup>rd</sup> would *codify the State-wide Comprehensive Water Plan* and make water planning regions correspond to river basins. *House Natural Resources*

HB 1210 Channell of the 116<sup>th</sup> to provide an income tax deduction for certain employers who provide high deductible insurance plans for employees. *Ways & Means*.

HB 1226 Coan 101<sup>st</sup> amend Chapter 5 of Title 12, relating to water resources, so as to extensively revise certain provisions relating to water supply; to provide for a Water Supply Division of the Department of Natural Resources; to change certain provisions relating to rules and regulations relative to water conservation plans; to amend Article 2 of Chapter 7 of Title 48., relating to income tax imposition, rate, computation, and exemptions, so as to provide for tax credits for certain qualified equipment that reduces business or domestic water usage; to amend Chapter 23 of Title 50., relating to the Georgia Environmental Facilities Authority and the Division of Energy Resources. *House Natural Resources*

SB 403: Henson of the 41<sup>st</sup> to provide for *prompt payment of wages* to an employee upon termination or discharge. The link to view the substitute version: [http://www.legis.ga.gov/legis/2007\\_08/fulltext/sb403.htm](http://www.legis.ga.gov/legis/2007_08/fulltext/sb403.htm) *Passed Senate Insurance & Labor*

SB 463: Pearson 51<sup>st</sup> amend Chapter 3 of Title 31, relating to county boards of health, so as to provide certain conditions for use of residential gray water systems. *Passed Senate Natural Resources*

SR 687: Seabaugh of the 28<sup>th</sup> proposing an amendment to the Constitution authorizing a local taxing jurisdiction to wholly or partially *replace ad valorem taxation with a one percent sales and use tax*. Amended to exempt from the sales tax energy and fuel used in manufacturing. *Passed Senate Finance*.