

## Plumbing and Mechanical Association of Georgia

# *Legislative Report*

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March 7, 2008

*The General Assembly recessed yesterday and will reconvene on Tuesday, March 11 for the 30<sup>th</sup> legislative day. That day marks the crossover deadline for all bills to pass their House of origin. House and Senate leaders have scheduled the legislature to meet Tuesday, Wednesday, and Thursday in each of the next three weeks. That schedule indicates that final adjournment of the 2008 session will come during the first week of April.*

### **Retrofit tax credit passes House.**

The full House of Representatives on Tuesday passed legislation providing an income tax credit of up to \$2000 for the installation of water conservation equipment in new construction or retrofits. HB 1226 by Rep. Mike Coan is aimed primarily at facilitating the development of water reservoirs around the state.

The bill is now in the Senate Natural Resources Committee. It appears that there is less support in the Senate for the tax incentive on water conservation equipment. PMA members are encouraged to contact their Senators and the Lt. Governor's office in support of the tax incentive provision. It is especially important that members of the Senate Natural Resources Committee hear from PMA members. Those Senators are:

- Ross Tolleson of Perry, Chairman, 121 State Capitol
- John Bulloch of Ochlocknee, Vice Chairman, 110 State Capitol
- Ralph Hudgens of Hull, 110 State Capitol
- Jeff Chapman of Brunswick, 110 State Capitol
- Steve Henson of Tucker, 121 State Capitol
- Jack Hill of Reidsville, 234 State Capitol
- George Hooks of Americus, 431 State Capitol
- Bill Jackson of Appling, 319 Coverdell Legislative Office Building
- Eric Johnson of Savannah, 321 State Capitol
- Michael Meyer Von Bremen of Albany, 121 State Capitol
- J. B. Powell of Blythe, 320 Coverdell Legislative Office Building
- Daniel Weber of Dunwoody, 301 Coverdell Legislative Office Building

Correspondence can be sent to the addresses noted above, Atlanta, 30334. Letters should be sent as soon as possible, as the Senate Natural Resources Committee may consider the bill next week. Section 2-1 in Part II of the bill provides that:

*Any taxpayer who is the ultimate purchaser of an item of qualified equipment for installation as part of new construction or for retrofit in this state shall be allowed a single credit against the tax imposed under this article in the taxable year in which such qualified equipment has been placed in service. Such credit shall have a*

*maximum carry forward of ten years. The amount of the credit allowed under this Code Section shall be a percentage of the cost of the qualified equipment to be fixed for each classification or category of such equipment by rules and regulations promulgated by the Georgia Environmental Facilities Authority in consultation with the department, not to exceed the lesser of 25 percent of the cost thereof or \$2000.00.*

The bill defines “qualified equipment” as all machinery and equipment certified pursuant to rules and regulations promulgated by the director of the Water Supply Division of the Georgia Environmental Facilities Authority, including “low flow water appliances and toilets.”

As introduced, HB 1226 would have created a new Water Supply Division within the Department of Natural Resources, with a director reporting to the DNR Board. The substitute version passed by the House puts the new Water Supply Division under the Georgia Environmental Facilities Authority. This change indicates that lawmakers do not see the new Division as a regulatory body, but as a facilitator in the siting, financing, and construction of water supply reservoirs around the state.

### **Speaker’s tax measures fail.**

All but five House Democrats voted against Speaker Glenn Richardson’s property tax proposal on Wednesday, leaving the measure 10 votes short of the two-thirds majority required for passage. The proposed Constitutional Amendment, SR 796, was actually a Senate resolution modified by the Speaker as part of his tax plan. After failure of this resolution, the implementing legislation, HB 979, was withdrawn from the calendar.

The Speaker’s tax plan had been revised several times during the session, and in its last iteration included no new taxes – only caps on real property assessments and elimination of the personal property tax on automobiles. Gone was the proposal for applying the statewide sales tax to services.

While the Speaker is the apparent loser, the removal of the new sales taxes on services actually put the Speaker and House Republicans in a no-lose political situation. Had the bills passed, they would have been credited with reducing taxes for Georgia citizens. But, with the failure on the House floor, Democrats will almost certainly be blamed for killing the tax cut.

### **Transportation funding bills still alive.**

A compromise bill on funding new transportation infrastructure appears likely to pass this session. The Senate has already passed a proposed Constitutional amendment, and a House measure has been re-written and is poised for consideration by the full House.

- SR 845 proposes a Constitutional amendment that would allow counties, with the approval of the voters, to impose an additional one cent sales tax to fund transportation projects. This bill has passed the Senate and is now in the House Ways & Means Committee.
- HB 1139 is implementing legislation for HR 1226, a resolution proposing a Constitutional amendment to allow the imposition of an additional one-cent sales

tax statewide to fund transportation projects. This bill has been re-written to allow regional transportation projects funded by local one-cent sales taxes. Both House and Senate versions now require approval by citizens in a referendum.

### **Costly workers comp bill now on life support.**

A House Insurance subcommittee last week postponed action on legislation that would sharply increase Workers Compensation costs for Georgia employers. It now appears unlikely that HB 661 can pass the House before the crossover deadline on Tuesday. However, proponents of the measure may attempt to attach its provisions to some other bill in the closing days of the session.

Introduced by Speaker Pro Tempore Mark Burkhalter, 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." The bill would require the State Board of Workers Compensation to establish a data base which a private company could "mine" and then sell claims information to health plans. Creation and management of the data base would be expensive, and Georgia employers would bear that expense because the State Board is funded entirely by assessments on insurers and self insured employers.

Georgia law already allows health insurers to intervene when a claim is misfiled, but HB 661 would shift loss control costs from health insurers to employers.

### **Other bills of interest.**

HB 901: Bruce of Atlanta – would require employers to provide leave for employees to attend school conferences and for medical appointments of children or parents. A third hearing on this bill was cancelled, and the bill now appears to be dead for this year.

HB 947: Drenner of Atlanta – to provide a tax credit of up to \$100 for replacement of inefficient toilets with toilets having a flush volume of 1.28 gallons. Remains in House Ways & Means Committee.

HB 1107: Manning of Marietta – to provide for an income tax credit of up to \$100 for replacement of inefficient toilets with toilets having a flush volume of no more than 1.6 gallons. Still in Ways & Means Committee.

HB 1141: May of Monroe – to provide for an income tax credit of up to \$500 for replacement of inefficient toilets with toilets meeting U.S. EPA efficiency requirements. Still in Ways & Means Committee.

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