

# BOMA Legislative Update

## Week 2 / 2010 Legislative Session

January 29, 2010

The Georgia General Assembly returned Monday for the 5<sup>th</sup> legislative day after a full week of budget hearings. The pace quickened this week as the legislature met Monday through Thursday and began ushering bills through committees in both chambers. They adjourned Thursday and will return Monday for the 9<sup>th</sup> legislative day.

The harsh reality of the budget shortfall continues to be the focus of state leaders. As state employees have been forced to take furlough days, House Speaker David Ralston and Lieutenant Governor Casey Cagle pledged to lead by example and announced that lawmakers will also take additional furlough days between now and the end of June, totaling 11 for the fiscal year.

In other events this week, Representative Tom Graves of Ranger, GA introduced his Jobs, Opportunity, and Business Success or “J.O.B.S Act” of 2010, which will incentivize job creation and provide a number of tax credits for small businesses as well as cut the capital gains tax in half. Graves sponsored similar legislation last session that passed both chambers, but it was later vetoed by the Governor. The bills will be first read in session on Monday as HB 1023 and HB 1024.

Casey Cagle announced this week that property tax reform legislation is in the works. He indicated that the suggested changes will ensure “fairness and equity” and will entail “structural changes” in the calculation of fair market value.

Senate Majority Leader Chip Rogers (R-Woodstock) has released a list of proposed changes to the property tax system. These proposals were compiled from a number of senate study committee hearings Rogers conducted over the past several weeks.

### Property Tax Appeals and Assessments

Although the prospect of a constitutional amendment to eliminate equalization and other controversial policies appears unlikely, there are several property tax reform initiatives currently under way.

A 56 page bill related to Property Tax *Appeals and Assessments* will be introduced in the immediate future. A summary of the legislation details nearly 43 different changes to current law and a draft of the legislation has been circulated. Included in the changes included in the bill are:

- Allow willing counties to join together and form “Regional BOE’s”
- Establish sales price of an “arms-length” transaction as the maximum assessed value for a period of 1-year following the transaction. This shall include all sales made on or after January 1, 2010

- Revenue generation shall be considered when determining assessed value of commercially zoned property
- Current use of property at current zoning – not highest and best use, shall be used to determine current assessed value
- Every notice of assessment shall include notice of availability of qualified comparable sales data used to establish valuation
- Any county whose digest includes assessed commercial value in excess of \$100,000 shall make available to the taxpayer a licensed appraiser who will act in place of the BOE to determine value of any parcel which is zoned commercial
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#### Water Contingency Task Force Recommendations and other Water Legislation

The Governor's water contingency task force released recommendations for the 2010 legislative session. The Governor is expected to present a water conservation package in the very near future. Conservation mandates and incentives are expected to apply to all property types and will certainly require input from the industry. The full report can be found here: [Gov's Contingency Task Force](#) . Some of the areas below are also supported by the GCTF.

*Retrofitting* – the contingency plan envisions mandates or meaningful incentives for owners to replace older toilets, fixtures and washing machines and to install submetering equipment.

*Tax Credits for retrofitting toilets, faucets and showerheads* – HB 405 would provide tax credits for residential properties that retrofit water efficient fixtures in existing homes. There is discussion of extending the credit to commercial properties as well.

*Tiered Pricing* - pricing impacts water consumption. A popular water conservation measure expected to surface this session will codify tiered pricing for water usage. A conservation pricing structure increases the price per gallon as consumption reaches a predetermined threshold.

*Leak Detection*: we anticipate some type of leak detection measures – incentive or otherwise. It is unclear whether this will focus solely on public systems or if property owners will be impacted.

*Submetering* – HB 158 new multifamily buildings (after Jan 1, 2011) must have equipment to measure water usage of each tenant unit and building shall charge tenants for water service based on actual use per unit. Terms of the charges must be disclosed prior

to contractual agreements.

## Legislative Tracking

\*Indicates new legislation

Type	Number	Title	Sponsor	Details	Status	Committee
SB	184	<a href="#">Contractor; service of notice of commencement</a>	Weber, Dan of Dunwoody	Pertains to service of notice of commencement to a contractor, including certain requirements regarding service to a contractor.	House Second Readers	House Judiciary
HB	169	<a href="#">Proposed new or revised flood elevations</a>	Carter, Earl	This bill would require the Department of Natural Resources to notify affected property owners and local governments whenever the Federal Emergency Management Agency provides legal notice under the federal National Flood Insurance Program of any new flood elevations in this state.	Senate Natural Resources Committee	Senate Natural Resources Committee
HB	247	<a href="#">New Home Access Act</a>	Thomas, Brian of Lilburn	"New Home Access Act". General provisions and standards for construction of single family construction.	House Second Readers	House Ways and Means
HB	263	<a href="#">In-home services; employees; criminal background investigation</a>	Peake, Allen of Macon	Any person that is offering in-home services shall conduct a criminal background investigation of each employee, and that any person who fails these background checks shall not be employed.	House Second Readers	Agriculture and Consumer Affairs
HB	579	<a href="#">Contractors; eligibility for licensure</a>	Maxwell, Howard of Dallas	This bill relates to eligibility for licensure without examination and burden upon the applicant relative to residential and general contractors.	Senate Recommended	Senate Rules
HB	231	<a href="#">Practice of Architecture</a>	Jerguson, Sean of Canton	Would clarify the types of construction projects for which documents are prepared, certified, and submitted for building permits by a Georgia registered interior	Senate recommended.	Senate Regulated Industries

				designer.		
HB	545	<a href="#">Commencement and Service of Civil Actions</a>	Willard, Wendell of Atlanta	Establishes a statewide appointment system for private process servers. The bill also mandates that property owners grant process servers access to a gated community for a reasonable time to serve process. Property owners often hire private process servicers during dispossessory cases, finding the option to have many benefits.	Senate recommitted.	Senate Public Safety
HB	885	<a href="#">Magistrate Courts</a>	Levitas, Kevin of Atlanta	Relating to civil proceedings in magistrate courts, so as to provide for applicability of the "Georgia Civil Practice Act" under certain circumstances; to change provisions relating to service of process.	House Second Readers	House Judiciary
*HB	951	<a href="#">Sales and use tax exemption; certain school supplies; energy efficient products; provide</a>	Smith, Lynn of Newnan	Exemptions from state sales and use tax for certain school supplies, clothing, footwear, computers, and computer related accessories July 29-Aug 1, 2010. And would provide an exemption from sales and use tax for certain energy efficient products or water efficient products Oct 7-10, 2010.	House Second Readers	House Ways and Means
*HB	953	<a href="#">Sales and use tax exemption; certain energy or water efficient products; provide</a>	Smith, Lynn of Newnan	Would provide an exemption from sales and use tax for purchase of energy efficient products or water efficient products with a sales price of \$1,500.00 or less per product purchased for noncommercial home or personal use October 7-10, 2010.	House Second Readers	House Ways and Means
*HB	973	<a href="#">Magistrate courts; jurisdictional limit in civil claims</a>	Jacobs, Mike of Atlanta	Would increase magistrate courts jurisdictional limit in civil claims to cases of \$25,000 , currently \$15,000	House Second Readers	House Judiciary

*HB	1015	<a href="#">Street gang terrorism and prevention</a>	Golick, Rich of Smyrna	Would amend Georgia code as it applies to street gang activity	House First Readers	House Judiciary Non Civil
SB	308	<a href="#">Firearms; carrying and possession</a>	Seabaugh, Mitch of Sharpsburg	Change provisions regarding the carrying and possession of firearms, so as to permit persons with a weapons license to carry certain weapons in parks, historic sites, or recreational areas and while hunting during archery or primitive hunting season.	Senate Read and Referred	Senate Judiciary
SB	311	<a href="#">Water Savings and Conservation Act</a>	Shafer, David of Duluth	Would require the Department of Natural Resources to inspect certain infrastructure relating to removing surface water; to provide certain alternatives to governmental entities required to repair or replace certain inadequate infrastructure.	Senate Read and Referred	Senate Natural Resources