



## Economic Development ADVISORY ■

**MAY 29, 2014**

### UPDATE – Georgia Legislative Report 2014: Energy, Infrastructure and Economic Development

During the 2014 portion of the 2013–2014 legislative sessions, the Georgia General Assembly passed several bills with provisions aimed at having a positive impact on energy, infrastructure and economic development in the state. Certain of these bills have been signed into law by the governor. Below are some highlights of these bills.

#### ***HB 128 Downtown Renaissance Fund***

HB 128 creates the Georgia Downtown Renaissance Fund within the Department of Community Affairs (DCA). The fund will be a revolving loan fund originating low-interest loans for the stated purpose of assisting local governments, downtown development authorities, urban redevelopment authorities, special districts and nonprofit organizations with financing and technical assistance to encourage economic and small business development, historic preservation, private investment, public improvements, leadership development, training, design assistance and financing in the effort of improving downtown districts. The commissioner of community affairs will serve as the director of the fund. The bill caps the state's initial investment in the fund on an annual basis of \$5 million per year for up to four years, not to exceed \$20 million. Any municipal corporation in Georgia may apply to the DCA for assistance in downtown district development. The bill provides that a "major criteria" to be used in determining the amount of any financial assistance granted from the fund may be the local commitment to the redevelopment of the downtown district.

HB 128 was signed into law by the governor on April 16.

#### ***HB 176 Wireless Broadband***

HB 176 addresses collocation and modification of wireless broadband infrastructure. This bill will allow mobile broadband carriers to modify existing wireless facilities without being subject to additional zoning requirements, so long as the modified facility remains the same height and within the same boundaries as initially approved.

Additionally, HB 176 will streamline the process for the development of new wireless support structures, requiring the local governing authority to make a final decision to approve or disapprove any application for a new wireless structure within 150 days from the submission of an application, as well as limiting the zoning or permitting fee to less than \$500.

HB 176 was signed into law by the governor on April 21.

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***HB 257 Low-Emission Vehicle Tax Credit***

The original version of this bill would have repealed the existing income tax credit available for any new low- or zero-emission vehicle, effective for any vehicle purchased after April 1, 2014. The existing credit is available for the purchase of low-emission vehicles at the greater of 10 percent of the cost or \$2,500, and for the purchase of zero-emission vehicles at the greater of 20 percent of the cost of \$5,000.

However, a substituted version of HB 257 was passed by the Senate. The substituted version preserves the credit, but caps the aggregate amount of allowable credit at \$10 million in each fiscal year.

The House then passed a version of the Senate amended version, which kept the Senate amended version but lowered the tax credit to \$2,500 on zero-emission vehicles and added in provisions to include plug-in hybrid electric vehicles (PHEV). The Senate took no action on the House amended versions and as a result, HB257 died without passage.

***HB 348 Alternative Fuel Heavy-Duty Vehicle Tax Credit***

HB 348 creates an income tax credit for the amount expended on or after July 1, 2015, and before June 30, 2017, to purchase an alternative fuel heavy-duty vehicle not to exceed \$20,000 per vehicle. There would also be a \$12,000-per-vehicle credit for the purchase of an alternative fuel medium-duty vehicle. The total amount of tax credit in a year is capped at \$250,000. There is no carry-forward provision for unused credits. A taxpayer must apply for preapproval by submitting an application after it has purchased the vehicle in question. Such application, among other things, requires the taxpayer to certify that the vehicle will accumulate at least 75 percent of its mileage in Georgia in each year for a five-year period, and is registered in Georgia and shall remain registered in Georgia for no less than five years.

“Alternative fuel heavy-duty vehicle” is defined as a new commercial vehicle, with a gross vehicle weight ratio equal to or more than 26,001 pounds, that is primarily fueled by an alternative fuel. “Primarily fueled by an alternative fuel” means a vehicle that is produced by an original equipment manufacturer and operates on 90 percent or more alternative fuel and on 10 percent or less gasoline or diesel fuel. “Alternative fuel medium-duty vehicle” is defined as a new commercial vehicle, with a gross vehicle weight ratio equal to 8,500 pounds or more and less than 26,001 pounds, that is solely fueled by an alternative fuel and produced by an original equipment manufacturer.

HB 348 was signed into law by the governor on April 4.

***HB 791 Jobs Tax Credit***

Currently, Georgia provides an income tax credit to businesses for creating new eligible full-time jobs in areas designated by the commissioner of community affairs as “less developed areas.” Such credit is in the amount of \$3,500 annually per job for five years beginning with the first taxable year in which the new job is created and for the four immediately succeeding taxable years. The commissioner is currently authorized to include in the designation of “less developed areas” any area “composed of one or more census tracts adjacent to a federal military installation where pervasive poverty is evidenced by a 15 percent poverty rate or greater as reflected in the most recent decennial census.”

HB 791 amends the statute by specifying that “the subsequent redrawing or alteration of census tracts in a manner which results in an area no longer being in a census tract adjacent to a federal military installation shall not disqualify an area which has previously qualified under this paragraph if the area continues to have pervasive poverty as described in this paragraph.” In other words, the fact that an area is no longer adjacent to a federal military installation would not by itself preclude the area from still being considered a less developed area.

HB 791 was signed into law by the governor on April 15.

***SB 117 Excavation and Blasting Near Utility Lines***

SB 117 addresses excavation and blasting near utility lines by revising Chapter 9 of Title 25 to add definitions and add certain timeframes for responses to utility locate requests. With respect to the markings, SB 117 expressly requires that the person making the utility markings comply with the rules and regulations of the Department of Transportation so as not to “obstruct signs, pavement markings, pavement or other safety devices.”

Additionally, SB 117 provides that the Public Service Commission shall promulgate the rules governing large projects. SB 117 also removes strict liability for any person engaged in blasting or excavating within the curb lines of a public road that causes damage to a utility facility located within the roadway hard surface or the graded aggregate base, so long as the person has complied with the requirements of the statute and there is no indication that the utility facility is in conflict with the proposed excavation.

SB 117 was signed into law by the governor on April 24.

***SB 255 Public-Private Partnerships***

The Georgia House failed to pass a bill that would create additional opportunities for Public-Private Partnerships (P3). The P3 enabling legislation would have created a standard set of requirements to establish a P3 project in Georgia, similar to an existing law that allows the Georgia Department of Transportation to develop transportation projects. The proposed legislation would have created a committee to promulgate suggested guidelines that could be utilized by local governments to develop projects. This alternate P3 process is intended to supplement and not amend existing local government powers.

Although the legislation passed the Senate but failed to pass the House, it received favorable readings in both the House and Senate. It appears likely that the legislation (or a similar substitute) will be reintroduced given the favorable results and the general statewide goal of encouraging more P3 development.

***SR 1027 SPLOST Reform Joint Study Committee***

SR 1027 calls for the creation of a SPLOST Reform Joint Study Committee, which is mandated to recommend legislation for revising the SPLOST laws in order to enhance the flexibility of the SPLOST program. Such flexibility would be designed to give local governments and school systems more options in structuring existing local option sales taxes to better meet local needs. The committee will be composed of 17 members, and is required to hold at least three public hearings and at least one meeting to discuss and finalize findings. The committee must make a report of its findings and recommendations to the president of the Senate, the speaker of the House and the governor, with suggestions for proposed legislation, on or before December 1, 2014. The committee will be abolished as of December 1, 2014.

SR 1027 was passed by the Senate and was favorably reported by the House Ways & Means Committee.

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