

SIRC May 28th TRUE PERSPECTIVE - STATE of the STATE

The second True Perspectives Seminar of the year was held on May 28 at the Plantation Ballroom. State Senator Dr. Ben Watson and State Representative Jesse Petrea reviewed the high points of the 2015 Georgia legislative session (which ran from January 12 to April 2).

Dr. Watson just served his first term in the Senate after three years as a House member. He replaced Buddy Carter who ran successfully for the U.S. House of Representatives from the 1st District. Ben serves as Vice Chairman of the Economic Development and Tourism Committee. He is also a member of the following committees:

- . Health and Human Services

- Public Safety

- Ethics

- State Institutions and Property

Mr. Petrea served his first term in the house taking over Dr. Watson's old seat. He serves on the following Committees:

- Health and Human Services

- Public Safety and Homeland Security

- Human Relations and Aging

They provided a condensed overview of the session emphasizing the balanced budget, the new transportation funding bill and changes in the evaluation of school performance. The 2015 legislature introduced more than 1000 pieces of legislation and produced 312 bills.

Georgia has a balanced budget clause in the state constitution. This has allowed Georgia to retain a AAA bond rating and avoid many of the debt issues other states are facing.

Georgia's total budget in 2008 was about \$22 billion. This dropped to a low point of \$17 billion during the economic downturn, and is now back to \$22 billion in 2015. However, the current budget covers 500,000 more people than it did in 2008.

Of note is that most of the budget is mandated by existing laws and programs where there is little flexibility to make significant changes. Education is the major component and commands 53% of the total budget.

Transportation

One of the major new laws is HR 170 - the Transportation Funding Act. This will devote \$1 billion in funds to roads, bridges and other transportation projects.

While an absolute need, it is also a huge challenge to fund major new road projects within Georgia's balanced budget constrictions and existing tax structure. A slowed economy, tax credits for alternative fuel vehicles and better gas mileage have resulted in less revenue from gasoline taxes. Other technical provisions of trucking tax laws have also contributed to the problem.

A million dollars in 1970 funded 64 miles of road construction. Today it funds only seven miles. The crux of the legislation is the elimination of all state *sales tax* on motor fuel. Replacing it is an *excise tax* of 26 cents per gallon for gas and 29 cents per gallon for diesel.

It also establishes new fees for alternative fuel and heavy vehicles and eliminates tax credits for electric car and jet fuel purchases. All local option taxes will be untouched. In addition a \$5 per day hotel fee was added to the bill at the last minute. This was a controversial provision which both Watson and Petrea expect to be changed in a future session.

Education

HB 133 Opportunity School Districts was supported by Governor Nathan Deal. The bill provides for the state to take over schools if they demonstrate a failing record for three straight years. It must be ratified by voters in the next general election for it to take effect. Both Watson and Petrea voted for the bill, but voiced concern over the State's ability to achieve success if local efforts have failed.

Other Bills

HB 1 Haleigh's Hope Act - established the legal possession of medical cannabis oil for eight specific medical conditions.

SB 101 Establishment of Marsh Buffers, sponsored by Dr. Watson.

Tax Legislation Deferred

A hot tax topic was discussed but not acted on during the session. This involved the repeal of Georgia's income tax and replacing it with an increased state sales tax.

Contacts for Ben Watson and Jesse Petrea

Senator Ben Watson

1326 Eisenhower Drive #2 Savannah, GA 31406 Phone: (912) 527-5100

Email: benwatson@senate.ga.gov

Representative Jesse Petrea

108 Loyer Lane

Savannah, GA 31411

Phone: (912) 354-3680

Email: jessepetea@house.ga.gov

