

BOMA

LEGISLATIVE UPDATE

January 15, 2010

Week One

On Monday, the House began the 2010 legislative session by electing new leadership after the resignation of Speaker Glenn Richardson. As expected, the House elected republican nominee David Ralston of Blue Ridge as the new Speaker of the House with a majority vote of 116 to 58. Additionally, Jan Jones of Alpharetta was elected as the new Speaker Pro Tempore, becoming the highest ranking woman in the history of the Georgia House.

The budget continues to be the main focus of state leaders. Lt. Governor Casey Cagle announced a Senate budget task force made up of state business leaders that will make recommendations to the senate regarding "short and long-term budget solutions." Speaker David Ralston indicated that he sees an "opportunity" amidst the budget crisis to cut back on the scale of state government. In a joint session of the General Assembly on Wednesday, Governor Sonny Perdue delivered his final State of the State address. In his speech, the governor recounted hard times from our nation's history and also announced that his budget recommendations will be released this Friday.

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.

Otherwise, Governor Perdue has openly discussed the possibility of a special session to address the tri-state water issues. Perdue says he is determined to work out a solution to water rights dispute between Georgia, Florida and Alabama. He is hopeful it can be resolved in the next 36 legislative days, but with many other issues at the forefront a special legislative session may be called.

We also expect legislation to be introduced in the coming days to improve the assessment and appeal process. In all, more than twenty different changes will be proposed and debated during the session. Again, industry input is critical.

Both chambers have agreed on a schedule for the next several weeks of the session. The General Assembly will be in adjournment Friday and next week for budget hearings. They will then reconvene Monday, January 25 and meet through Thursday. The following week of February 1, they will be in session for the duration of the week.

PROPERTY TAX REFORM

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. It is critical that we have input from owners who buy & hold as well as those who develop properties or are transactional entities to ensure that we are in position to advance beneficial policy.

Appeals and Assessments – Senate action is certain on several fronts related to the assessment and appeals process. Specifically, language that would prohibit appraisals for assessment purposes to exceed the price paid for the property. A number of other proposals will be considered as well.

Automatic Roll Back – in addition to continued changes in the assessment and appeals process, an idea has been floated to establish a mandatory “roll back” on appraised values for the next several years. In theory, local government would be required to roll back the existing appraised value of *all properties* by a given percentage each year for a specific number of years. The roll back would be automatic but would not limit an owners’ right to pursue appeals on the value of a given property. The owner would then either accept the new reduced value or challenge the appraised valuation as currently permitted.

VARIOUS PENDING ISSUES – there are a variety of bills which remain active from the 2009 session.

Sherriff’s Fees – increase in cost of service.

Transportation Funding – efforts to create new funding mechanism for transportation will again be contemplated.

Jobs – the Governor vetoed 2009 legislation which would have provided a variety of tax credits for job creation. There will be similar efforts by the legislature again in 2010 to pass tax legislation geared toward incentivizing job creation.

NEW LEGISLATION

Type	Number	Title	Sponsor	Details	Status
HB	885	Magistrate Courts	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 First Readers
SB	308	Firearms; carrying and possession	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
SB	311	Water Savings and Conservation Act	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