

## SENATE FINANCE COMMITTEE ROSTER

### 2011-2012 Legislative Sessions

**Senator Bill Heath**

**Chairman**

District 31  
2225 Cashtown Road  
Bremen, GA 30110

**Senator Mitch Seabaugh**

**Vice-Chairman**

District 28  
P.O. Box 504  
Sharpsburg, GA 30277

**Senator Lindsey Tippins**

**Secretary**

District 37  
139 Midway Road  
Marietta, GA 30064

**Senator Ronnie Chance**

District 16  
130 Regal Oak  
Tyrone, GA 30290

**Senator Hardie Davis**

District 22  
P.O. Box 6389  
Augusta, GA 30916

**Senator Tim Golden**

District 8  
110 Beacon Hill  
Valdosta, GA 31602

**Senator Chip Rogers**

District 21  
PO Box 813  
Woodstock, GA 30188

**Senator David Shafer**

District 48  
P.O. Box 880  
Duluth, GA 30096

**Senator Cecil Staton**

District 18  
P.O. Box 26427  
Macon, GA 31221

**Senator Steve Thompson**

District 33  
1170 Longwood Drive  
Marietta, GA 30008

**Senator Jack Hill**

**Ex-Officio**  
District 4  
P.O. Box 486  
Reidsville, GA 30453

## **RULES**

### **Senate Finance Committee**

#### **2011-2012 Legislative Sessions**

1. Quorum of the Committee shall be six (6) members.
2. The Chairman shall determine which bills and resolutions are to be considered and the order in which said measures are considered.
3. The Chairman shall have the authority to refer bills and resolutions to subcommittee for study. Such subcommittees, in turn, shall have the authority to make recommendations on such measures to the full committee.
4. The Committee shall convene, recess, put all questions and adjourn upon order of the Chairman.
5. Any member or members of the committee who disagree with the majority report of the committee shall be privileged to file a minority report if they so desire.
6. These rules may be amended upon a motion duly made and subsequently approved by two-thirds of the members of the committee.
7. A bill, resolution or other matter will be considered only after the presentation by its principal author or a legislator whom he or she designates to do so. In the event more than one member of the General Assembly has signed a measure, the principal author shall be the one whose name appears first in the list of authors.
8. Members may not abstain from voting unless the member or any member of the Senator's immediate family has a direct pecuniary interest in the result of such vote which interest is distinct, unique or peculiar to the Senator or the Senator's immediate family.
9. Unless approved by the Chairman, all amendments or substitute bills must be submitted to the chairman at least 24 hours before adoption by the committee.
10. Where these rules are silent on a specific issue, the Rules of the Senate, as adopted, shall govern.

**Minutes**  
**Senate Finance Committee**  
**Monday, August 22, 2011**  
**Room 310 – CLOB**

Chairman Heath called the meeting to order at 11:09 a.m., announcing that a quorum was present. The following members were in attendance:

Senator Bill Heath, 31<sup>st</sup>, Chairman  
Senator Lindsey Tippins, 37<sup>th</sup>, Secretary

Senator Ronnie Chance, 16<sup>th</sup>  
Senator Hardie Davis, 22<sup>nd</sup>  
Senator David Shafer, 48<sup>th</sup>  
Senator Cecil Staton, 18<sup>th</sup>  
Senator Jack Hill, 4<sup>th</sup>, Ex-Officio

This was the first meeting of the Senate Finance Committee of the 2011 Special Session. Chairman Heath welcomed committee members and guests and asked Senator Davis to precede the meeting with prayer. The following legislation was discussed:

**HB 2EX (Collins, 27<sup>th</sup>) - Revenue and tax; motor fuel and aviation gasoline sales; Governor suspend tax collection; ratify** – presented by Representative Doug Collins. Representative Collins explained that this is the ratification or endorsement of the Governor's suspension of the gas sales tax for July 1. He stated that, as they well know, from January 1-July 1, the gas tax is looked at from a statutory perspective; if there is a four week running average spike of a certain percentage, then the gas tax automatically increases. According to Representative Collins, in May the price of gas spiked, triggering the automatic increase. Representative Collins stated that when July 1 (less than four weeks later) came around, the gas prices were coming down so when the governor looked long-term, he said in reasoning that when the price had kicked in during May, the gas was at a certain level and was already starting to come down. Representative Collins noted that the more appropriate level would be to keep it at the price that had kicked in during May and not add another .16% or 1 cent on to it. Representative Collins explained that this is what he did. Representative Collins then stated that their purpose was not to ratify what Governor Deal did but to take off the \$40 million liability which will result in \$40 million savings to the state of Georgia.

Chairman Heath asked for clarification on Representative Collins' statement about ratifying this bill. Representative Collins said the committee was there to confirm the suspension and the implication of that is the \$40 million in savings. Chairman Heath then commented on the four-week average, stating that he was always under the impression that this was a six-week average. Chairman Heath asked if that is in the code. Representative Collins responded that his understanding of the adjustment in July was based on the weighted average of the four weeks that concluded the last week in May. Representative Collins stated that this particular adjustment was made by the automatic

adjustment that occurred when there was an average increase of 25% or more during the previous four weeks; you're using the same four-week time frame that would have bumped two separate increases in the gas tax. Chairman Heath stated that his understanding was that we do this twice a year based on a one month average. Representative Collins agreed. Chairman Heath asked if the Department of Revenue had a computer that did this or if they computed it on a spreadsheet with a calculator. Representative Collins responded by saying that he was unsure.

Senator Judson Hill asked if the \$40 million in liability would have gone to the Department of Transportation or would it have gone to the state? Representative Collins stated that it was the motor fuel tax and would have gone to the Department of Transportation. Senator Davis asked if that \$40 million was projected. Representative Collins replied that this amount, which would be from July 1- December 31, was projected and uncollected.

A motion of "do pass" was made by Senator Ronnie Chance, seconded by Senator Hardie Davis. **Motion passed unanimously. [HB 2EX Do Pass.](#)**

Senator Ronnie Chance of the 16<sup>th</sup> will carry this legislation in the Senate.

There being no further business, Chairman Heath adjourned the meeting at 11:13 a.m.

Respectfully Submitted,

/s/ Senator Lindsey Tippins, 37<sup>th</sup>  
Secretary  
Senate Finance Committee

/s/ Allison Beasley  
Recording Secretary

**Minutes**  
**Senate Finance Committee**  
**Tuesday, August 23, 2011**  
**Room 310 – CLOB**

Chairman Heath called the hearing to order at 2:13 p.m., announcing that a quorum was present. The following members were in attendance:

Senator Bill Heath, 31<sup>st</sup>, Chairman  
Senator Lindsey Tippins, 37<sup>th</sup>, Secretary

Senator Hardie Davis, 22<sup>nd</sup>  
Senator Tim Golden, 8<sup>th</sup>  
Senator Chip Rogers, 21<sup>st</sup>  
Senator David Shafer, 48<sup>th</sup>  
Senator Cecil Staton, 18<sup>th</sup>  
Senator Jack Hill, 4<sup>th</sup>, Ex-Officio

Chairman Heath welcomed committee members and guests and asked Senator Rogers to precede the hearing with prayer. The following legislation was discussed:

**SB 244 (McKoon, 29<sup>th</sup>) - Taxation; provide sales/use taxes shall not apply to amounts paid by transients to travel agents/intermediaries** – Presented by Senator Josh McKoon. Senator McKoon stated that this legislation is intended to increase tourism. Senator McKoon explained how the current policy is confusing and hostile for businesses. Tracy Sayers of Columbus' Pezold Management enforced Senator McKoon's position by stating that after the hotels in Columbus were delisted, occupancy rates decreased by around 50%. Sayers told the city that his company was willing to pay the tax because the online travel companies (OTC's) sell the rooms they can't sell. Sayers explained that there must be a way to remedy this for the whole state. Sayers explained that each person's stay impacts the local economy by bringing in more than \$300 per person, per day.

Senator Shafer asked for clarification on the process. Sayers explained that the contracts are with the chains. Sayers outlined an example by stating that if a guest pays \$100 for a room, the occupancy and sales tax is on the \$90 that the hotel sold the room to the OTC for; the remaining \$10 is not taxed. Chairman Heath asked if Sayers had looked at Phoenix City to see if they're benefiting. Sayers responded by saying that Phoenix City was benefiting. Chairman Heath then noted that he was able to find Columbus hotels through an Internet search. Sayers answered that Columbus hotels are listed with Orbitz. Senator Tippins asked if Internet providers were making revenue off of unsold rooms. Sayers explained that the OTC's were just shifting business across the river.

Peter Bowden, the President and CEO of the Columbus Convention and Visitors Bureau, testified against the bill stating that SB 244 could interfere with tourism and economic development in the city. He explained that if you interfere with the revenue stream, you interfere with OTC's ability to do their jobs. Senator Shafer asked Bowden where the funding for the Convention and Visitors Bureau comes from. Bowden answered that the funding comes from the hotel and motel tax.

Ron Fennel, Executive Director of the Georgia Hotel and Lodging Association, also testified against the bill. Fennel explained that each month the hotels pay tax fairly and on time. He explained that when the city of Columbus chose to sue the OTC's, the hotels were put in the middle of a difficult situation. Fennel explained that he is simply asking that all who are involved have the ability and right to pay taxes fairly. Senator Shafer asked Fennel if the previous speaker was in Fennel's association. Fennel answered no. Fennel pointed to the folders he distributed to the senators and stated that we shouldn't be involved in allowing a small group to not pay taxes.

Fred Schwartz, President of the Asian American Hotel Owners Association, testified against the bill stating that this bill would provide an unjust tax advantage to online travel agencies. He stated that members of his association honor their obligation to pay taxes and they expect companies to do the same. Gregory Pierce, executive vice-president of the Atlanta Convention & Visitors Bureau, explained that he was involved with the group of Atlanta hotels that wrote the original hotel tax. Pierce testified against the bill stating that it's an issue of fairness to the consumer. Chairman Heath asked who customers pay when they book a room online. Pierce responded that they usually pay the OTC and many times, the hotel does not know what the customer actually paid.

Michael McGlammery, an attorney representing cities suing the online companies, testified together with Clint Mueller, legislative director of the Association of County Commissioners of Georgia. Mueller stated that we all want to see Columbus taken off of the list and the way to accomplish this is by enforcing current policy regarding hotel and motel tax as well as state and local taxes in place. He explained that this will limit the distortion in the market place and level the playing field. He explained that if the OTC's start paying what is owed to the whole state, they will not delist the whole state. McGlammery added that he wanted to clear up that this is not really about the city of Columbus; it is a Georgia issue. He stated that where OTC's are involved, you are getting less than the tax that is deserved. He explained that the OTC's delisted Columbus to intimidate the judge in Columbus as well as the city which is enforcing the law.

Senator Shafer asked if the committee's role is to decide whether the current law makes sense; he stated that the question they are asking is if the tax is on what the hotel gets for the room or what the consumer pays to the OTC. Chairman Heath stated that the debate is about whether the tax is determined by the retail or wholesale value of the room.

With no further questions or comments, Chairman Heath thanked everyone for being at the hearing and adjourned the meeting at 2:55 p.m.

Respectfully Submitted,

/s/ Senator Lindsey Tippins, 37<sup>th</sup>  
Secretary  
Senate Finance Committee

/s/ Allison Beasley  
Recording Secretary