

SENATE FINANCE COMMITTEE ROSTER

2012 Legislative Session

Senator Bill Heath

Chairman

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Senator John Albers

Vice-Chairman

District 56
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Senator Lindsey Tippins

Secretary

District 37
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Senator Ronnie Chance

District 16
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Senator Mike Crane

District 28
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Senator Hardie Davis

District 22
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Senator Tim Golden

District 8
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Senator Chip Rogers

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Senator David Shafer

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Senator Cecil Staton

District 18
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Senator Steve Thompson

District 33
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Senator Jack Hill

Ex-Officio

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RULES

Senate Finance Committee

2012 Legislative Session

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 the 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 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 of 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, February 6th, 2012
Room 307 – CLOB

Chairman Heath called the meeting to order at 2:30 p.m., announcing that a quorum was present. The following members were in attendance:

Senator Bill Heath, 31st, Chairman
Senator John Albers, 56th, Vice-Chairman
Senator Lindsey Tippins, 37th, Secretary (arrived at 3:00 p.m.)
Senator Ronnie Chance, 16th (arrived at 2:37 p.m.)
Senator Mike Crane, 28th
Senator Hardie Davis, 22nd
Senator Tim Golden, 8th
Senator Cecil Staton, 18th
Senator Steve Thompson, 33rd

This was the first meeting of the Senate Finance Committee of the 2012 Legislative Session. Chairman Heath introduced himself and welcomed committee members, staff, and guests. Chairman Heath introduced the Pastor of the Day, Tony Samples, to open the meeting with prayer.

The following legislation was discussed:

HB 48 (Powell, 171st) - **Ad valorem tax; freeport exemptions; revise and change certain provisions** - presented by Representative Powell of the 171st. Powell of the 171st explained that this bill passed out of the Senate Finance Committee last year and was recommitted for the 2012 Legislative Session. Powell of the 171st explained this legislation would authorize local ad valorem freeport exemptions for inventory upon voter approval. Chairman Heath added that this bill is being introduced in the exact same form as last year.

Thompson of the 33rd asked if this legislation is being asked for by local governments. Powell of the 171st responded by noting that the bill gives local governments control and has the power to create jobs. Powell of the 171st noted that the Georgia Chamber and the Georgia Department of Economic Development are in favor of the bill. Rep. Powell concluded by saying that the bill is pro-business and pro-jobs.

The Georgia School Boards Association and Sally Fitzgerald from the Georgia PTA spoke in opposition to the bill. Elmer Stancil from the Georgia Department of Economic Development spoke in support of the bill, noting that this bill is something that the Governor supports and would help the Department in attracting jobs to the state.

A motion of “do pass” was made by Staton of the 18th, seconded by Albers of the 56th. The motion passed unanimously (LC 18 9526).

SB 332 (Ligon, 3rd)- County Sales/Use Tax; expand the matters included in annual reporting of the expenditure of certain special purpose local option sales tax proceeds - presented by Ligon of the 3rd. Ligon of the 3rd explained that the bill clarifies the public reporting of surplus SPLOST funds by municipal and county governments and requires M & O estimated costs to be disclosed.

Chance of the 16th inquired whether it would be beneficial to elaborate on Line 34 to talk about publishing online through an online edition of the local newspaper. Chairman Heath commented that he believes legal ads are already published online so this may not be necessary. Thompson of the 33rd noted that the bill is giving them a choice of how to disclose this and explained that he thinks it would be better to not leave it up to the county. Ligon of the 3rd added that if it's on the website, it can be viewed at any time so it would not be just a one day thing. Davis of the 22nd asked if this bill would require that the actual dollar amount of surplus funds be reported. Ligon of the 3rd answered that yes, you would have to publish the actual cost as well as the actual dollars left over. Crane of the 28th added that if you back up to Lines 35-36, the way the language is written it ties together projects with unexpected costs and suggests that it might be good to look at changing the verbiage to fix that.

Chairman Heath suspended the meeting at 2:56 p.m. to work out changes. The committee reconvened at 3:02 p.m. Albers of the 56th proposed an amendment to line 35 to change the verbiage to say that it must be located on the SPLOST's sponsoring government's website and when possible, the newspaper. Thompson of the 33rd explained that if you say "when possible," you are giving too much leeway; he suggested requiring it in the newspaper as well in order to cover both. Staton of the 18th noted that one of the benefits of this bill that was mentioned was the ability to save money for the counties. Staton of the 18th explained that if you make it optional for them to put it in the paper and require it on the website, then you're accomplishing the purpose you're hoping for. Albers of the 56th clarified that his amendment would say "optionally in the paper." Davis of the 22nd suggested passing the bill in the current form, not making any changes.

A motion of "do pass by substitute" was made by Davis of the 22nd, seconded by Staton of the 18th. **The motion passed 8-1 (LC 33 4552S)**, with Thompson of the 33rd voting "no."

There being no further business, Chairman Heath adjourned the meeting at 3:09 p.m.

Respectfully Submitted,

/s/ Senator Lindsey Tippins, 37th
Secretary

/s/ Allison Beasley
Recording Secretary

Minutes
Senate Finance Committee
Thursday, February 9th, 2012
Room 310 – CLOB

Chairman Heath called the meeting to order at 2:06 p.m., announcing that a quorum was present. The following members were in attendance:

Senator Bill Heath, 31st, Chairman
Senator John Albers, 56th, Vice-Chairman
Senator Lindsey Tippins, 37th, Secretary
Senator Ronnie Chance, 16th (arrived at 2:08 p.m.)
Senator Mike Crane, 28th
Senator Hardie Davis, 22nd
Senator Tim Golden, 8th
Senator Chip Rogers, 21st
Senator Cecil Staton, 18th (arrived at 2:15 p.m.)

Chairman Heath welcomed guests and invited audience members to sign up to speak on agenda items. Chairman Heath asked Davis of the 22nd to open the meeting with prayer. The following legislation was discussed:

SR 28 (Hill, 32nd) - **Senate State Fair Tax Study Committee; create** - presented by Hill of the 32nd. Hill of the 32nd began by explaining that this resolution, which calls for the creation of the Senate State Fair Tax Study Committee, passed out of the Senate Finance Committee last year. Rogers of the 21st explained that on Line 12, after the word “of,” he would like to amend it by crossing out “the Committee on Assignments shall designate one of the members to serve as chairperson of the committee” and inserting “the Chair of the Senate Finance Committee and four members of the Senate to be appointed by the President of the Senate.” Additionally, Rogers of the 21st suggested amending lines 13 and 14 by replacing “The Committee on Assignments shall designate one of the members to serve as chairperson of the committee” with “the Chairperson of the Senate Finance Committee shall serve as chairperson of the committee.” Rogers of the 21st motioned to amend the substitute, seconded by Albers of the 56th. The motion passed unanimously.

Chance of the 16th motioned “do pass by substitute,” seconded by Rogers of the 21st. **The motion passed unanimously (LC 34 3313S).**

SB 395 (Heath, 31st) - Sales and Use Tax; allow certain taxes to be imposed at a rate of less than 1 percent - presented by Heath of the 31st. Chairman Heath explained that this legislation authorizes the collection of SPLOST revenues to be fractionally collected up to a full one percent. The statutorily prescribed referendum question is amended to allow for a fraction of the percent to be requested. Chairman Heath noted that he had spoken with ACCG and though they supported the measure they wanted to offer a substitute to clarify that if the county wants to go out for something less than half a percent, they can do that, but it would not exceed 1%. Discussion followed regarding the maximum term of SPLOST which Clint Mueller of ACCG explained is six years.

Chance of the 16th motioned “do pass by substitute, seconded by Tippins of the 37th. **The motion passed unanimously (LC 34 3314S).**

There being no further business, Chairman Heath adjourned the meeting at 2:19 p.m.

Respectfully Submitted,

/s/ Senator Lindsey Tippins, 37th
Secretary

/s/ Allison Beasley
Recording Secretary

Minutes
Senate Finance Committee
Thursday, February 16th, 2012
Room 606 – CLOB

Chairman Heath called the meeting to order at 2:13 p.m. The following members were in attendance:

Senator Bill Heath, 31st, Chairman
Senator Lindsey Tippins, 37th, Secretary
Senator Mike Crane, 28th
Senator Hardie Davis, 22nd
Senator Tim Golden, 8th
Senator Chip Rogers, 21st
Senator Cecil Staton, 18th
Senator Steve Thompson, 33rd

Chairman Heath explained that the purpose of the meeting was to hear a presentation by Jonathan Williams (American Legislative Exchange Council) entitled “Rich States, Poor States.”

At the conclusion of the presentation, Chairman Heath asked if there was any other business to be brought before the committee. There being no further business or comment, Chairman Heath adjourned the meeting at 3:00 p.m.

Respectfully Submitted,

/s/ Senator Lindsey Tippins
Secretary

/s/ Allison Beasley
Recording Secretary

Minutes
Senate Finance Committee
Thursday, February 23rd, 2012
Room 310 – CLOB

Chairman Heath called the meeting to order at 3:16 p.m. Although a quorum was not present, Senator Heath announced that the committee would proceed with the meeting since no vote would be taken on the first piece of legislation on the agenda. The following members were in attendance:

Senator Bill Heath, 31st, Chairman
Senator John Albers, 56th, Vice-Chairman (arrived at 3:43 p.m.)
Senator Mike Crane, 28th (arrived at 3:36 p.m.)
Senator Hardie Davis, 22nd
Senator Tim Golden, 8th
Senator Chip Rogers, 21st (arrived at 3:23 p.m., left at 3:43 p.m.)
Senator Cecil Staton, 18th
Senator Jack Hill, 4th (arrived at 3:30 p.m., left at 3:43 p.m.)

Chairman Heath welcomed guests and invited audience members to sign up to speak on agenda items. Chairman Heath asked Staton of the 18th to open the meeting with prayer. The following legislation was discussed:

SB 284 (Golden, 8th) - Georgia Land Bank Act; governing creation/operation of land banks; provisions - presented by Golden of the 8th. Golden of the 8th explained that this is an update to a 1991 law that was originally introduced last session. Golden of the 8th noted that the purpose of land banks is to support investment and productive use of vacant, abandoned and tax delinquent property. Golden of the 8th discussed how he envisioned a public-private partnership with private involvement. Golden of the 8th explained how he wanted to establish a self-financing mechanism for the land banks and clarified that he worked with the banks and the private sector to accommodate the different parties.

Chairman Heath recognized Lewis Massey to introduce guests who came in to speak on the bill. Representatives from the Georgia Association of Land Bank Authorities, Fulton County-Atlanta Land Bank, Valdosta-Lowndes County Land Bank, Macon-Bibb County Land Bank and Augusta Land Bank all spoke in support of the bill. Chairman Heath asked the committee to suspend discussion on the bill and continue with other legislation on the agenda.

SB 293 (Heath, 31st) - License Plates; require the nation's motto, "In God We Trust" printed on license plates; county name decal - presented by Heath of the 31st. Chairman Heath began by explaining the connection between this bill and a bill that was passed in 2011 approving the "In God We Trust" license plate sticker. Chairman Heath pointed out that Lines 28 and 29 allow the Georgia DOR to charge no more than the cost to produce these stickers, however the DOR decided to charge \$1.00 per label when the

stickers should cost around \$.10. Chairman Heath explained that the Legislature was trying to be fair and didn't want to cost the tax payers anything. Chairman Heath noted that when he inquired about this amount with the DOR, they pointed out the actual cost added to the overhead to produce these rounded to around \$1.00. Chairman Heath explained that these stickers were overwhelmingly popular and the state sold over 200,000.

Chairman Heath explained the changes to the bill, noting that the new version strikes the section which outlines the charge for the labels; he explained that the rest addresses how to put these labels on other tags including prestige tags. Hill of the 4th asked if those who choose to continue with the county will have to pay. Chairman Heath answered that the county stickers would not have an additional charge.

Davis of the 22nd motioned "do pass by substitute", seconded by Crane of the 28th. **The motion passed unanimously (LC 34 3374S).**

HB 729 (Knight, 126th) - Revenue and taxation; Internal Revenue and Internal Revenue Code of 1986; define terms - presented by Balfour of the 9th. Balfour of the 9th explained that this legislation updates the Georgia Code to reflect and adopt annual changes in the Federal Revenue Service Code. Balfour of the 9th explained that the reference to Georgia's quarter mil ad valorem tax is deleted because the quarter mil is being phased out by 2016 pursuant to HB 1055 passed in 2010. Additionally, Balfour of the 9th pointed out that the definition for "lease or rental" under the sales tax exemption code is modified to reflect the amount of consideration necessary to effectuate the sale. Balfour of the 9th then explained that when the amendment was passed last year, the Legislature said that prescription drugs are tax free but insulin was being taxed; the intention was to tax aspirin, not insulin. Balfour of the 9th noted that this bill includes insulin in the sales tax exemption for prescriptions.

Balfour of the 9th proposed an amendment to the bill but was told by Chairman Heath that the Finance Committee abides by rules which do not permit a late-arriving substitute or amendment. Discussion on the bill ended without a vote.

SB 284 (Golden, 8th) - Georgia Land Bank Act; governing creation/operation of land banks; provisions - presented by Golden of the 8th. Discussion of SB 284 continued with Davis of the 22nd asking for clarification on what happens to the abated tax dollars tied to the properties. After no more questions were raised, Senator Heath explained that this bill would likely be discussed at a future meeting.

There being no further business or comment, Chairman Heath adjourned the meeting at 3:55 p.m.

Respectfully Submitted,

/s /Senator Bill Heath, 31st
Chairman

/s /Allison Beasley
Recording Secretary

Minutes
Senate Finance Committee
Monday, February 27th, 2012
Room 307 – CLOB

Chairman Heath called the meeting to order at 1:15 p.m., announcing that a quorum was present. The following members were in attendance:

Senator Bill Heath, 31st, Chairman
Senator John Albers, 56th, Vice-Chairman
Senator Lindsey Tippins, 37th, Secretary
Senator Mike Crane, 28th
Senator Tim Golden, 8th
Senator David Shafer, 48th (arrived at 1:23 p.m.)
Senator Cecil Staton, 18th

Chairman Heath welcomed guests and invited audience members to sign up to speak on agenda items. Chairman Heath asked Crane of the 28th to open the meeting with prayer. The following legislation was discussed:

[HB 729](#) (Knight, 126th) - Revenue and taxation; Internal Revenue and Internal Revenue Code of 1986; define terms - presented by Balfour of the 9th. Balfour of the 9th explained that HB 729 is a bill that brings the state of Georgia in conformity with the GA IRS tax code. Balfour of the 9th noted that this bill includes insulin in the sales tax exemption for prescriptions.

Chairman Heath asked if there were any remaining questions regarding this bill. Hearing none, Tippins of the 37th motioned “do pass by substitute”, seconded by Golden of the 8th. **The motion passed unanimously (LC 34 3382S).**

[SB 284](#) (Golden, 8th) - Georgia Land Bank Act; governing creation/operation of land banks; provisions - presented by Golden of the 8th. Golden of the 8th explained that this bill updates the land bank bill passed in 1991 and asked for the committee’s favorable report.

Staton of the 18th motioned “do pass by substitute”, seconded by Tippins of the 37th. **The motion passed unanimously (LC 21 1734ERS).**

There being no further business or comment, Chairman Heath adjourned the meeting at 1:23 p.m.

Respectfully Submitted,

/s/ Senator Lindsey Tippins, 37th
Secretary

/s/ Allison Beasley
Recording Secretary

Minutes
Senate Finance Committee
Monday, February 29th, 2012
Room 307 – CLOB

Chairman Heath called the meeting to order at 8:13 a.m., announcing that a quorum was present. The following members were in attendance:

Senator Bill Heath, 31st, Chairman
Senator John Albers, 56th, Vice-Chairman
Senator Lindsey Tippins, 37th, Secretary
Senator Ronnie Chance, 16th
Senator Mike Crane, 28th
Senator Hardie Davis, 22nd
Senator Chip Rogers, 21st
Senator Jack Hill, 4th (arrived at 8:16 a.m.)

Chairman Heath welcomed guests and invited audience members to sign up to speak on agenda items. Chairman Heath asked Albers of the 56th to open the meeting with prayer. The following legislation was discussed:

HB 48 (Powell, 171st) - Ad valorem tax; freeport exemptions; revise and change certain provisions - presented by Powell of the 171st. Powell of the 171st explained that this legislation creates Level 2 Freeport Exemptions and provides a new definition for inventory in storage on docks. Elmer Stancil represented the Georgia Department of Economic Development and voiced the Department's support for the bill; he assisted Powell of the 171st in explaining the bill to the committee.

Davis of the 22nd inquired whether the exemption applies to automobiles on docks. Powell of the 171st answered that yes, it applies to anything on the dock in foreign transit. Rogers of the 21st commented on the legislation saying it is a great bill. Rogers of the 21st noted that only 11 counties in Georgia don't have it and explained that it could be beneficial for the state overall to enact this as a state provision. Powell of the 171st agreed that it is a good question to consider adding that the whole idea is to get a majority of the counties in the state to adopt this so that it will be more palatable and the change won't be so strong.

With no further questions, Davis of the 22nd motioned "do pass by substitute," seconded by Albers of the 56th. **The motion passed unanimously (LC 34 3369S).**

Chairman Heath adjourned the meeting at 8:18 a.m.

Respectfully Submitted,

/s/ Senator Lindsey Tippins, 37th
Secretary

/s/ Allison Beasley
Recording Secretary

Minutes
Senate Finance Committee
Wednesday, March 14th, 2012
Room 310 – CLOB

Chairman Heath called the meeting to order at 2:39 p.m., announcing that a quorum was present. The following members were in attendance:

Senator Bill Heath, 31st, Chairman
Senator John Albers, 56th, Vice-Chairman
Senator Lindsey Tippins, 37th, Secretary
Senator Ronnie Chance, 16th
Senator Mike Crane, 28th (arrived at 2:41 p.m.)
Senator Hardie Davis, 22nd (left at 2:59 p.m.)
Senator Cecil Staton, 18th

Chairman Heath welcomed guests and invited audience members to sign up to speak on agenda items. Chairman Heath asked Tippins of the 37th to open the meeting with prayer. The following legislation was discussed:

HB 916 (Knight, 126th) - Bona fide conservation use property; covenants; change certain qualifications and restrictions - presented by Knight of the 126th. Knight of the 126th explained that this legislation amends existing CUVA requirements by striking the 25 minimum acreage that was adopted under HB 1081 (2008), and requiring the property owner of less than 25 acres seeking qualification to submit additional proof. Additionally, Knight of the 126th explained that a tax assessor must conduct a visual onsite visit of the property seeking qualification. Knight of the 126th noted that we didn't take any original criteria out of the bill, we're just adding in this relevant section.

Chairman Heath asked the Committee if there were any questions of the members. Staton of the 18th asked to clarify on page 5, Lines 136-142 and 154, that they're not excluding the 10-25 acres, but instead adding a provision that says the Tax Assessor can't ask for more information. Knight of the 126th responded that he was correct, but it's for 25 acres and under. Knight of the 126th continued by noting that according to Lines 136-142, you can no longer exclude property but now if it's 25 acres or below, the Tax Assessor can ask for additional relevant information to make sure it's a relevant use of the property.

Staton of the 18th asked if there is some problem with tracts under 25 acres and why the bill is making it harder for someone who owns 15 acres instead of 75. Knight of the 126th replied that someone may have a chicken farm which is a legitimate agricultural use. Knight of the 126th added that sometimes significant amounts of income are generated from small acreage. Chairman Heath added that if you have the items in Lines 159 and 160, that's all you need, but if you don't have that and can prove it another way, you are eligible.

Crane of the 28th asked what would happen in the case of a 20 acre timber land tract to see if it would fall under CUVA. Knight of the 126th clarified that the original criteria is still there; all of the criteria that is provided was all the original criteria that was set up to determine eligibility. Knight of the 126th added that in this case, that land owner should have relevant information and data to prove it.

Crane of the 28th asked what the purpose of Lines 154-164 are. Knight of the 126th stated that the Tax Assessors in some districts were ignoring us here; this section was added to give some proof to determine that this was a legitimate use. Chairman Heath added that Lines 154-164 are for the benefit of the taxpayer.

Chance of the 16th motioned “do pass,” seconded by Albers of the 56th. **The motion passed unanimously (LC 34 3393S).**

Chairman Heath adjourned the meeting at 3:01 p.m.

Respectfully Submitted,

/s/ Senator Lindsey Tippins, 37th
Secretary

/s/ Allison Beasley
Recording Secretary

Minutes
Senate Finance Committee
Monday, March 19th, 2012
Room 310 – CLOB

Chairman Heath called the meeting to order at 4:16 p.m., announcing that a quorum was present. The following members were in attendance:

Senator Bill Heath, 31st, Chairman
Senator John Albers, 56th, Vice-Chairman
Senator Lindsey Tippins, 37th, Secretary
Senator Mike Crane, 28th
Senator Hardie Davis, 22nd, (left at 4:36 p.m.)
Senator David Shafer, 48th, (left at 4:36 p.m.)
Senator Cecil Staton, 18th, (arrived at 4:17 p.m., left at 4:53 p.m.)

Chairman Heath welcomed guests and invited audience members to sign up to speak on agenda items. Chairman Heath asked Albers of the 56th to open the meeting with prayer. The following legislation was discussed:

HB 1071 (Houston, 170th) - Excise tax; certain tobacco products; change certain provisions - presented by Houston of the 170th. Houston of the 170th noted that the bill clarifies the definition of a little cigar and does away with a lifetime license to be a retailer of cigarettes. Additionally, Houston of the 170th pointed out that the bill adds a \$10.00 fee to sell cigarettes. Houston of the 170th noted that the state is having an issue with cigarettes being sold on the black market with very nominal penalties; the bill increases the penalties to level the playing field. Chairman Heath suspended discussion on the bill momentarily.

HB 932 (Williams, 4th) - Taxation; nonresident subcontractor withholding payments; change required percentage - presented by Williams of the 4th. Williams of the 4th explained that this bill lowers the rate of withholding for sales and use tax taken from the contract of a nonresident contractor from four to two percent.

Davis of the 22nd motioned “do pass,” seconded by Albers of the 56th. **The motion passed unanimously (LC 36 2046).**

HB 634 (Sheldon, 105th) - Ad valorem tax; population brackets and census; change provisions - presented by Sheldon of the 105th. Sheldon of the 105th explained that the bill is a population bill which impacts Gwinnett County and maintains the status quo. Sheldon of the 105th explained that the bill deals with ad valorem interest on late taxes, and without it, the interest rate would not maintain the current level. Chairman Heath noted that the new version of this bill includes language from HB 407 and HB 289.

Albers of the 56th motioned “do pass by substitute,” seconded by Tippins of the 37th. **The motion passed unanimously (LC 34 3469S).**

HB 1165 (Clark, 98th) - **Taxation; unreturned property; eliminate population provisions; provide penalties** - presented by Clark of the 98th. Chairman Heath noted that the bill includes language from HB 1209. Clark of the 98th explained that currently, a county board of tax assessors adds a ten-percent penalty on all outstanding taxes on properties whose values have not been returned by their owners. Clark of the 98th explained that this provision is deleted with the bill. Additionally, Clark of the 98th pointed out that the portion of current code that specifies that this provision applies only to counties with a population of 600,000 or greater according to the 1970 US Census which would be struck as well.

Albers of the 56th motioned “do pass by substitute,” seconded by Shafer of the 48th. **The motion passed unanimously (LC 34 3468S).**

HB 1071 (Houston, 170th) - **Excise tax; certain tobacco products; change certain provisions** - The committee took up HB 1071 again and continued discussion. Staton of the 18th asked how many businesses this will impact. Mack Chandler from the Georgia Department of Revenue (DOR) responded that it will be around 23,000 businesses. Chandler went on to explain that currently, there is no expiration date on a license to sell tobacco products. Chandler noted that by knowing the licensed dealers and utilizing the tax integration system, the DOR will be able to track people better and know how to better prioritize their audits. Chandler clarified that the \$250.00 fee is for the manufacturer solely; the licensed retailers will pay the \$10.00 fee which will allow for improved tracking.

Staton of the 18th asked if the DOR will need additional employees to process these fees. Chandler responded that because of the new integrated tax system and the enhanced efficiency, this will not be the problem that it would have been in the past. Chandler added that most of the people that sell tobacco products also sell alcohol so the DOR can easily use the same form. Chandler explained that the new system will allow the retailers to enter information in electronically and not just manually which will help people who are trying to abide by the law. Chairman Heath added that currently, Florida does not tax cigars. Chairman Heath explained that people would buy the cigars in Florida and carry them into Georgia and fraud the state out of millions of dollars. Chairman Heath added that this new law may help us from going down the path of stamping individual cigars.

Staton of the 18th added that he still has some concern for small businesses that will now have more regulations.

Shafer of the 48th motioned “do pass by substitute,” seconded by Davis of the 22nd. **The motion passed 5-1 (LC 34 3464S),** with Staton of the 18th voting “no.”

HB 1027 (Stephens, 164th) - Revenue and taxation; tax credit for film or video production in Georgia; change certain provisions - presented by Stephens of the 164th. Stephens of the 164th explained that this legislation revises the existing tax credits for Georgia film production by contracting it to de-qualify an interactive entertainment production company and authorizing the Department of Economic Development to negotiate incentives other than the Georgia logo placement. Additionally, Stephens of the 164th explained that the bill caps credits for interactive gaming at \$25 million (which automatically expires when this threshold is hit) and amends language regarding affiliates for the MEGA JOBS tax credit. Stephens of the 164th added that the goal of this bill is to bring the filming industry to the state. Stephens of the 164th explained that the business in Georgia has gone from \$100 million in 2008 to \$2.5 billion today.

Angela Miele, Vice President of State Tax Policy at the Motion Picture Association of America, Inc., spoke in support of the bill and the changes which allow negotiation with the Department of Economic Development.

Steve Weizenecker, an Atlanta entertainment attorney, explained that there are companies that are based in Georgia that do all of their production in Los Angeles. Weizenecker explained that the state wants to bring them back home and this law is important in doing that. Weizenecker added that the growth of the film industry in Georgia is unprecedented but there is still big competition with other states and countries. Weizenecker stated his support for the bill and the efforts by the Department of Economic Development to create a workable system and to get the logo right.

Crane of the 28th asked why the bill caps the size of the company at \$100 million. Stephens of the 164th explained that the size of the company only applies to Internet gaming companies who are also eligible for other job credits of which the film industry is not. Stephens of the 164th noted that the goal is to level the playing field. Chairman Heath asked which department is behind the bill. Stephens of the 164th answered that the bill is supported by the Department of Economic Development and the Governor's Office.

Kris Bagwell, Executive Vice President of EUE/Screen Gems, outlined his support for the bill and the amendments suggested by the MPAA. Bagwell explained that his company signed a 50 year lease with Atlanta in 2010. Bagwell noted that his company is a family owned company that has invested \$15 million in this industry, recently opening their 6th sound stage. Bagwell explained that the company is the bricks and mortar here and the credit has been incredibly important to the industry. Bagwell explained his support for allowing other options in lieu of the logo, noting that there are situations where the logo won't work creatively; sometimes there is a contractual agreement that controls the credits and other times it's a creative issue. Chairman Heath asked if the state gets income tax from the earned income of those that come here and work in a support role. Bagwell replied that if you pass the bill, the state would get income tax from them. Bagwell added that actors need to pay taxes in Georgia, but this was not necessarily happening before. Chairman Heath explained that he would like to see the other ways of earning the tax credit listed out. Bagwell stated that in terms of the logo, it

would be very difficult to change the placement during the credits. No motion was made on this bill.

With no further questions, Chairman Heath adjourned the meeting at 4:57 p.m.

Respectfully Submitted,

/s/ Senator Lindsey Tippins, 37th
Secretary

/s/ Allison Beasley
Recording Secretary

Minutes
Senate Finance Committee
Monday, March 22nd, 2012
Room 310 – CLOB

Chairman Heath called the meeting to order at 5:46 p.m., announcing that a quorum was present. The following members were in attendance:

Senator Bill Heath, 31st, Chairman
Senator John Albers, 56th, Vice-Chairman
Senator Lindsey Tippins, 37th, Secretary
Senator Ronnie Chance, 16th
Senator Mike Crane, 28th
Senator Tim Golden, 8th (arrived at 5:47 p.m.)
Senator Chip Rogers, 21st (arrived at 5:45 p.m., left at 6:58 p.m.)
Senator David Shafer, 48th (arrived at 6:20 p.m., left at 6:58 p.m.)
Senator Cecil Staton, 18th
Senator Steve Thompson, 33rd (arrived at 6:11 p.m.)

Chairman Heath welcomed guests and invited audience members to sign up to speak on agenda items. Chairman Heath asked Staton of the 18th to open the meeting with prayer. Chairman Heath opened the meeting by stating a new rule that the Finance Committee is adopting from here on out- if you feel compelled to move on a bill without a sponsor, you are now the sponsor. The following legislation was discussed:

HB 318 (Stephens, 164th) **Sales and use tax exemptions; donated food for hunger relief; extend** - presented by Stephens of the 164th. Stephens of the 164th explained that this legislation renews an existing exemption on food that is donated to a qualified nonprofit agency and used for hunger relief. Chairman Heath noted that HB 318 now includes language from HB 334 which renews the sales tax exemption for “food and food ingredients to a qualified food bank.” Stephens of the 164th pointed out that the bill also clarifies durable medical equipment to specifically include kidney dialysis. Albers of the 56th asked whether or not someone who makes a donation of food to a food bank is held liable if there is a problem with the food. Stephens of the 164th responded that they are not.

Albers of the 56th motioned “do pass by substitute,” seconded by Golden of the 8th. **The motion passed unanimously (LC 34 3513S).**

HB 743 (Rice, 51st) **Motor fuel tax; expiration date for exemption for certain public transit and public campus transportation systems; extend** - presented by Rice of the 51st. Rice of the 51st explained that this legislation extends an existing exemption from the motor fuel tax for public and campus transportation systems which has been in place since 2005. Rice of the 51st clarified that the money comes from the motor fuel tax so the effect is net zero from a budget standpoint.

Tippins of the 37th inquired if this is a complete exemption on jet fuel. Chairman Heath responded that this has to do with local sales tax, not the state portion. Crane of the 28th asked if this language exempts fuel at Hartsfield. Chairman Heath explained that now the exemption applies to all airlines equally and clarified that this is the local portion, exclusively at Hartsfield.

Albers of the 56th motioned “do pass by substitute,” seconded by Chance of the 16th. **The motion passed unanimously (LC 34 3515S).**

HB 851 (Rice, 51st) Taxation of intangibles; rates charged by collecting officers; change certain requirements - presented by Rice of the 51st. Rice of the 51st explained that this legislation sets a uniform rate of 6% for all counties which is used to calculate the commissions of officers collecting taxes. Rice of the 51st clarified that this change allows everyone to be treated equally.

Chairman Heath inquired if this legislation is doing what was intended when the new Constitution was created. Rice of the 51st said that it is. Representatives from Fulton County and DeKalb County spoke in support of the bill.

Albers of the 56th motioned “do pass by substitute,” seconded by Rogers of the 21st. **The motion passed unanimously (LC 34 3494S).**

HB 846 (Knight, 126th) Revenue, Department of; various administrative and procedural requirements; change - presented by Knight of the 126th. Knight of the 126th explained that this legislation authorizes the DOR Commissioner to draft regulations regarding rulings; rulings will hold no precedential value except for the applicable party involved in that said ruling. Knight of the 126th explained that the bill is taxpayer friendly and tax collector friendly and a good clean-up package for DOR.

Chance of the 16th motioned “do pass,” seconded by Staton of the 18th. **The motion passed unanimously (LC 34 3367S).**

HB 965 (Knight, 126th) Income tax; allow certain fiduciaries an exception to the requirement of paying estimated taxes - presented by Knight of the 126th. Knight of the 126th explained that this legislation would delay the filing of an estimated return by fiduciaries for two years after the death of the deceased. Knight of the 126th clarified that language from HB 967 is included and removes a provision that requires that businesses pay taxes for nonresident withholding in the calendar month after the month that the withholding takes place. Don Cook with the Georgia Society of CPAs voiced his support for the combined bill.

Thompson of the 33rd motioned “do pass by substitute,” seconded by Chance of the 16th. **The motion passed unanimously (LC 34 3492S).**

HB 1027 (Stephens, 164th) Revenue and taxation; tax credit for film or video production in Georgia; change certain provisions - presented by Stephens of the 164th. Stephens of the 164th explained that this bill allows for provisions to make sure that all income generated from this industry is appropriately taxed. Stephens of the 164th explained that there are three major changes in the substitute: 1) alternative marketing opportunities; 2) reporting requirements by the Department of Economic Development about the effectiveness of the bill; 3) change to the MEGA JOBS tax credit.

Rogers of the 21st inquired about the portion of the bill addressing interactive gaming. Stephens of the 164th explained that this was something the Department of Economic Development asked for, and once the cap is reached, the credit goes away. Stephens of the 164th clarified that this only applies for interactive gaming companies.

Chairman Heath suspended discussion on the bill at 6:25 p.m.

HB 934 (Parsons, 42nd) State agencies; guaranteed energy savings performance contracts; change certain provisions - presented by Parsons of the 42nd. Parsons of the 42nd explained that this legislation redefines public works construction projects to exclude energy-savings improvements and installations. Mark Woodall from the Association of General Contractors spoke in support of the bill.

Albers of the 56th motioned “do pass by substitute,” seconded by Tippins of the 37th. **The motion passed unanimously (LC 34 3516S).**

HB 1027 (Stephens, 164th) Revenue and taxation; tax credit for film or video production in Georgia; change certain provisions - Rogers of the 21st motioned “do pass by substitute,” seconded by Staton of the 18th. **The motion passed unanimously (LC 34 3512S).**

HB 1056 (Battles, 15th) Ad valorem taxation; motor vehicles; clarify application to be consistent with federal provisions - presented by Battles of the 15th. Battles of the 15th explained that currently, OCGA § 48-5-2 provides an ad valorem tax exemption on vehicles purchased by nonresident members of the military; this legislation adds the requirement that exemption is for only “private passenger” vehicles and the vehicle must be operated within the state. Battles of the 15th added that this is a DOR bill that takes care of the ad valorem provision and makes it consistent with the federal government. Additionally, Battles of the 15th pointed out that if the b-day tax comes up when they’re out of the country, this legislation gives them an opportunity to take care of it when they get back.

Albers of the 56th motioned “do pass,” seconded by Rogers of 21st. **The motion passed unanimously (LC 35 2560).**

HB 334 (Stephens, 164th) Sales and use tax exemptions; food and beverages to food bank; extend - presented by Rogers of the 21st. Rogers stated that some changes were needed for the substitute and this bill would be brought up at the next meeting.

HB 450 (Sims, 169th) **Setoff debt collection; debts owed to public housing authorities; authorize** - presented by Sims of the 169th. Sims of the 169th explained that this is a simple bill that allows the housing authorities to seek a fee or claim against someone's income tax return if they owe it to the housing authority. Sims of the 169th explained that the bill outlines the process of going through an authorized clearing house and also includes everything for due process and administrative hearings.

Chairman Heath asked for clarification on this process. Sims of the 169th explained that if there is a dispute, there is an administrative law judge that works to settle the dispute. Chairman Heath asked how that process would differ from another housing provider. Sims of the 169th replied that he thought they would have to go through the magistrate process. Crane of the 28th asked if this just deals with housing authorities. Sims of the 169th replied that it does.

Mark Watson, Jessup Housing Authority Chairman, spoke in support of the bill. Watson explained that currently, there is about \$16.6 million dollars outstanding; once they're gone, it's hard to catch them. He clarified that they are asking for the amount that is outstanding. Watson explained that the Housing Authorities are working with the DOR on this and have included in the bill a \$25 fee for each collection that is made. Chairman Heath asked where the Housing Authorities, which are created under state code, get funding. Watson replied that they get grants from the federal government and other funding comes from rent which the federal government mandates cannot increase.

Chairman Heath asked how much the Housing Authorities would collect if this bill were passed and the governor signed it. Watson explained that he believes the \$16.6 million estimate from the survey is a low number, noting that lower income folks tend to get a big portion of the income tax return. Chairman Heath asked for clarification on the administrative appeal process and specifically the magistrate court. Watson explained that when someone moves out, we'll send them a moving letter that accompanies a refund letter or notice of how much they owe us. The Housing Authority will appoint a hearing officer who handles appeals for evictions before they get to the magistrate; the hearing officer makes a decision based on that process. Watson explained that the Housing Authority gets its ruling from the magistrate court (magistrate court is for getting them out or paying damage when they still live there). Watson described how the administrative process is involved with money owed and the administrative hearing process that takes place at the local Housing Authority after they move out; while the magistrate gives a judgment for the amount owed, they don't collect it. Chairman Heath noted that when you go to the collection agency, anything collected is on a 60/40 basis.

No motion was made on the bill.

And as a final note, Staton of the 18th stated that he wanted to speak for a goodwill association in his district and be an advocate for HB 331.

With no further business or questions, Chairman Heath adjourned the meeting at 7:11 p.m.

Respectfully Submitted,

/s/ Senator Lindsey Tippins, 37th
Secretary

/s/ Allison Beasley
Recording Secretary

Minutes
Senate Finance Committee
Monday, March 26th, 2012
Room 307 – CLOB

Chairman Heath called the meeting to order at 11:23 a.m., announcing that a quorum was present. The following members were in attendance:

Senator Bill Heath, 31st, Chairman
Senator John Albers, 56th, Vice-Chairman
Senator Lindsey Tippins, 37th, Secretary
Senator Ronnie Chance, 16th (arrived at 11:27 a.m.)
Senator Tim Golden, 8th
Senator Chip Rogers, 21st (arrived at 12:10 p.m.)
Senator David Shafer, 48th (left at 11:59 a.m.)
Senator Jack Hill, 4th, Ex-Officio

Chairman Heath welcomed guests and invited audience members to sign up to speak on agenda items. Chairman Heath asked Tippins of the 37th to open the meeting with prayer. Chairman Heath opened the meeting by re-stating the new rule that the Finance Committee is adopting which states that if you feel compelled to move on a bill without a sponsor, you are now the sponsor. The following legislation was discussed:

HB 808 (Yates, 73rd) Taxation; exclusion to certain income of certain disabled veterans; provide - presented by Albers of the 56th. Albers of the 56th explained that this legislation authorizes disability income received from the VA to be excluded from Georgia income tax liability.

Albers of the 56th motioned “do pass,” seconded by Tippins of the 37th. **The motion passed unanimously (LC 34 3241).**

HB 818 (Parsons, 42nd) Income tax credit; certain commercial geothermal heat pumps; include - presented by Parsons of the 42nd and Tolleson of the 20th. Parsons of the 42nd explained that the legislation adds certain heat pump systems to items defined as “clean energy property” so they qualify for income tax credits, and adds certain natural gas trucks, busses and taxis to the credit which sunsets in 2017. Tolleson of the 20th noted that that this bill has been a work in progress; at the end of the day, we lessen our dependence on foreign oil and provide a benefit to the state and the country as a whole. Tolleson of the 20th noted that they will sunset it in four years.

Tippins of the 37th noted that one of the provisions is that at least 75% of the mileage must be generated in the state, so trucks who engage in primarily interstate commerce will not qualify. Tolleson of the 20th noted that we’re trying to help out Georgia-based businesses.

Mike Britt from UPS and Jac Capp from Georgia EPD spoke in support of the bill while Rudy Underwood from the Georgia Chemistry Council opposed the bill due to distortions it would cause in the market.

Albers of the 56th motioned “do pass by substitute,” seconded by Golden of the 8th. **The motion passed unanimously (LC 34 3519S).**

HB 450 (Sims, 169th) Setoff debt collection; debts owed to public housing authorities; authorize - presented by Sims of the 169th. Chairman Heath asked if the Housing Authorities get their judgments through the magistrate process. Sims of the 169th responded that magistrates do recommend judgment but they don’t require payment. Chairman Heath asked if they utilize the magistrate court when there is no eviction. Sims of the 169th clarified that the magistrate issues the eviction and also issues a notice and an amount is set with what they owe and then they allow the Housing Authority to place a lien against them; at that point in time they track the social security number to the tax return and that’s where this comes in to get whatever money is owed to them. Sims of the 169th added that now the Housing Authority would have the authority to issue the lien against them. Chairman Heath asked if it all starts in the magistrate court. Sims of the 169th said that it does and explained that the administrative process is tied to the repeal process.

Russell Nast from the Public Housing Authority in Tallapoosa, Georgia spoke in support of the bill. Chairman Heath asked Nast for clarification on the magistrate process. Nast responded that to get to the magistrate court, we need writ of possession. Nast clarified that if a tenant moves away, they go to magistrate court and file for what the particular issue is; he clarified that Housing Authorities apply to magistrate courts to get money owed to them. Sims of the 169th added that you have the right to go before an administrative process for appeal in this bill and in the present system.

Chairman Heath asked if the administrative law judge is at the federal or state level. Nast replied that they do everything locally. Chairman Heath asked the Department of Revenue to speak on the bill. Mack Chandler, Deputy Commissioner with the DOR, explained that each year the DOR has some legislative initiatives to help them be more efficient and user-friendly to people paying taxes; other than that, the DOR analyzes tax-related legislation and looks to see how it matches up with current law, etc. Chandler clarified that the DOR is not for or against something; they just deal with the facts. Chandler noted that the folks with the Housing Authorities have talked with the DOR and tried to help them understand what happens in this process. Chandler explained that there are 8 other agencies that already participate in this process, however each of these entities owe money to the state or federal government. Chandler noted that the Housing Authority proposal is unique in that it is not state funds that are owed; there is no way to know how many set-offs there would be. Chandler explained that the DOR would need time and money to get this in place. Chandler stated that the DOR had been advised by Governor Deal’s office that if this legislation passes, the Governor would veto it.

Tippins of the 37th asked if this bill allows for outside debt collection. Chandler stated that currently, the collection agency used by the Housing Authority keeps 60% and the Housing Authority keeps 40%. Chandler explained that this is more of a service that we'd be providing than a way of getting money for the state. Tippins of the 37th asked if the DOR believes that this bill as it stands is a wise mechanism for collecting these funds. Chandler stated that there are a lot of unknowns and the tax reform bill will require a lot of time and resources so it will be a challenge.

Chairman Heath asked what the pleasure of the committee was. No motion on the bill was made.

HB 334 (Stephens, 164th) Sales and use tax exemptions; food and beverages to food bank; extend - presented by Rogers of the 21st. Rogers of the 21st explained that this bill now includes language from SB 496 authorizing Alternative Homestead Option Sales Tax (AHOST) for counties for the purpose of replacing lost local revenue due to ongoing homestead exemptions.

Albers of the 56th motioned “do pass by substitute,” seconded by Tippins of the 37th. **The motion passed unanimously (LC 34 3518S).**

SR 1188 (Shafer, 48th) Senate Technology in Tax Collection Study Committee; create Chairman Heath explained that the bill sought to create a study committee on an issue related to tax on cigars; HB 1071 addresses this issue but the author wanted to make sure it's still being worked on. Chairman Heath assigned a subcommittee to discuss this issue which will be made up of Shafer of the 48th, Crane of the 28th, and Davis of the 22nd.

HB 450 (Sims, 169th) Setoff debt collection; debts owed to public housing authorities; authorize - Chairman Heath assigned a subcommittee to discuss the issues surrounding this bill which will be made up of Albers of the 56th, Rogers of the 21st, and Heath of the 31st.

Chairman Heath explained that both subcommittees will be authorized one day each to work on these issues. Chairman Heath suspended the committee meeting at 12:15 p.m. The committee reconvened at 12:40 p.m.

HR 1150 (Coleman, 97th) Sales and use tax; educational purposes; only distributed on basis of full-time equivalent student counts – CA – presented by Coleman of the 97th. Coleman of the 97th explained that currently, OCGA § 48-8-3(2) provides for the distribution of sales tax proceeds for educational purposes, according to the distribution formula required by Article VIII, Section VI, Paragraph IV (g) of the Georgia Constitution; however, the statute also permits alternate distribution formulas enacted by “local Acts” to supersede the state formula. Coleman of the 97th noted that this bill would strike language that permits local legislation to be used in place of state law unless the independent school system has less than 3000 FTE students. Coleman of the 97th pointed out that the enabling legislation for this bill is HB 896.

Tippins of the 37th moved “do pass by substitute,” seconded by Hill of the 4th. **The motion passed unanimously (LC 34 3523S).**

HB 896 (Coleman, 97th) **Sales tax; distribution for educational purposes; change certain provisions** - presented by Coleman of the 97th. Coleman of the 97th explained that this is the enabling legislation for HR 1150.

Tippins of the 37th moved “do pass by substitute,” seconded by Hill of the 4th. **The motion passed unanimously (LC 34 3524S).**

HB 450 (Sims, 169th) **Setoff debt collection; debts owed to public housing authorities; authorize.** Hill of the 4th motioned to amend the bill so that the definition of delinquent debt does not include debt from income differential. Rogers of the 21st seconded the motion which passed unanimously.

Hill of the 4th motioned “do pass by substitute,” seconded by Golden of the 8th. **The motion passed unanimously (LC 34 3525S).**

With no further business or questions, Chairman Heath adjourned the meeting at 12:55 p.m.

Respectfully Submitted,

/s/ Senator Lindsey Tippins, 37th
Secretary

/s/ Allison Beasley
Recording Secretary

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The State Senate
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Science and Technology

Retirement, Ex Officio

CHAIRMAN, SENATE FINANCE

June 1, 2012

Office of the Secretary of the Senate

353 State Capitol
Atlanta, Georgia 30334

I am returning the following bills assigned to the Senate Finance Committee for the 2012 Legislative Session of the Georgia General Assembly.

No action was taken on the following legislation:

[SB 1](#)

[SB 103](#)

[SB 130](#)

[SB 244](#)

[SB 261](#)

[SB 281](#)

[SB 349](#)

[SB 440](#)

[SB 475](#)

[SB 496](#)

[SR 140](#)

[SR 1188](#)

[HB 164](#)

[HB 228](#)

[HB 289](#)

[HB 407](#)

[HB 462](#)

[HB 967](#)

[HB 994](#)

Respectfully Submitted,

/s/ Allison Beasley
Recording Secretary
Senate Finance Committee