

Monthly Report – 3/24/2008

By Rusty Paul

The Legislature is in hiatus for a few days to allow the Senate to work on its version of the budget. The House passed its version of the budget late last week after the Senate and House reached a compromise on the 2008 Supplemental Budget.

The Supplemental Budget makes mid-year adjustments in the budget passed this time last year. The Governor reduced his revenue estimate by approximately \$300 million – about \$60 million from this fiscal year and just over \$240 million in the next fiscal year.

There was some thought that the Atlanta tornado's damage to the World Congress Center and other government owned facilities downtown would also necessitate a change in the budget, but most of the damage is covered by insurance.

Contractors hired to work on these projects should be prepared to work rapidly because the state wants to avoid losing any exhibits or shows scheduled for the facility.

Senate bills pending in the legislature of interest to the industry include: SB 374 by Sen. Mitch Seabaugh that makes adjustments to the state lien law. ABC worked closely with him on the language and it has passed the Senate. It is currently in the House Judiciary Committee with passage very likely.

SB 407, also introduced by Sen. Seabaugh dealing with utility contractor licensing died in the Senate. Other key construction related bills that failed to pass either House on the critical crossover day were SB 452 and SB 464. SB 452 allowed a Georgia contractor who holds a general contractor's license in one state to automatically be licensed in Georgia. SB 464 allowed contractors that have operated in the same location for five years even though the name may have changed to meet the five year qualifying rule for a general contractor license.

While these bills technically died since neither house passed them on the 30th legislative day as required by legislative rules, they can still come back as amendments to other pending bills. So the use of the legislative term "died" is similar to its theological use at Easter. There can be a resurrection of any of these bills before the legislature adjourns on the 40th day if its author can find a "germane" or relevant bill that can be used as a "vehicle" for an amendment.

House bills of interest to the construction industry that are pending Senate action include HB 851, which gives state income tax credits for historic homes or buildings that are renovated. This along with federal tax credits are designed to encourage renovation and appropriate modernization for Georgia's existing historic buildings.

The legislature reconvenes Thursday, March 27 for legislative day 35. There will be five legislative days remaining with adjournment tentatively planned for the first week in April.