



2012

Legislative Policies



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LEGISLATIVE POLICIES

As Modified by the GMA Legislative Policy Council at the 2012 Mayors' Day Conference

January 2012

GMA Legislative Policy Council

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Support *Your* Hometown

Legislative Principles

Tools to Build

GMA supports the growth and development of strong and accountable municipalities that serve as vibrant centers of commerce, provide safe hometowns and reflect local values.

Authority to Lead

GMA supports the authority of municipalities to respond to local needs and circumstances as well as its role in promoting local leadership and local accountability.

Partnerships to Succeed

GMA supports active and informed municipal government participation in the complex local-state-federal intergovernmental system that is based on trust and accountability.

GMA Community Development Policy Committee

Policies within this chapter are listed in priority order.

POLICY RECOMMENDATIONS

1. Regulatory Authority over Residential Housing

GMA supports municipal powers that ensure adequate living conditions for all residents through consistent and responsible enforcement of local health, public safety and safety codes. The current real estate crisis has had adverse effect on neighborhoods throughout Georgia. GMA supports local initiatives and programs that assist local governments in determining ownership of vacant and foreclosed property.

Explanation: Municipal governments should work with private property owners, investors and residents to ensure that living quarters for all citizens are maintained to safe, healthy and aesthetic minimums. Health and safety codes were designed to provide residents with certain basic minimum protections. Municipalities must be able to enforce these codes to protect all citizens.

2. Impact Fees

GMA opposes any efforts to amend the Georgia Development Impact Fee Act to give counties the authority to impose impact fees within municipal limits for countywide services. GMA also opposes any effort to artificially limit the amount of the impact fee that may be levied and any effort to further limit the geographic area in which impact fees may be expended.

Explanation: Georgia's Development Impact Fee Act is a balanced and equitable tool to help pay for new growth and development. While some question the appropriate service area for the expenditure of impact fee revenues, the questions often result from a natural confusion between the definition of "project improvements", which are not included in the impact fee, and "system improvements", which are subject to impact fees. GMA supports the ability of municipal leaders to establish impact fees for projects within municipal boundaries.

Counties should only have authority to establish impact fees for projects in the unincorporated area. Existing law already provides a mechanism for municipalities and counties to work together on impact fees through intergovernmental contracts. Allowing the unilateral imposition of impact fees by county commissioners would upset and override existing Service Delivery Strategy Act and Special Purpose Local Option Sales Tax Act agreements. GMA believes that municipal and county officials, as well as school officials, should communicate more rather than less with respect to land use and development and work cooperatively to ensure sound growth patterns and prosperous municipal centers.

3. Funding for Mental Health, Addictive Diseases and Developmental Disabilities

GMA supports funding for a robust system of care for behavioral health and developmental disabilities. Planned state hospital closures should use an open, engaged process in cooperation with the impacted cities and hospital staff.

Explanation: GMA recognizes the need for a robust system of care that supports recovery and independence for people living with mental illness, addictive disorders and developmental disabilities. Locally provided state services to individuals living with disabilities are critical to providing an appropriate safety net and an alternative to incarceration. These services also help people meaningfully contribute to and participate in the life of our communities. In the event that closure of a state hospital is anticipated, the state should discuss the planned closure with the affected city to ensure adequate planning for residents and employees.

4. Sidewalk and Street Improvements

GMA supports streamlining existing processes that authorize cities to make sidewalk and other street improvements through the use of assessments.

Explanation: The enabling language that authorizes cities to make sidewalk and street improvements through assessments has not been updated since 1927 and is extremely convoluted. Given the difficult fiscal situation of cities and of the State of Georgia, assessments could be a useful tool if the language is updated, modernized and simplified.

5. Hotel/Motel Tax

GMA supports streamlining the existing hotel/motel tax provisions. The hotel/motel tax should provide flexibility to cities to expend funds collected for economic development and tourism promotion. Additionally, taxes should be collected and remitted for the full sales price of all hotel rooms sold, including rooms sold online.

Explanation: The Georgia hotel/motel tax statutes are extremely complicated and cause confusion for cities and the tourism industry. All affected parties should collaborate to implement a streamlined approach to hotel/motel tax. The revenues generated from the tax are an important funding source for cities, and any changes to the statute should ensure maximum flexibility to the city to spend the funds for tourism promotion and economic development. Attempts have been made in Georgia by the online travel booking companies to circumvent the full payment of hotel-related taxes, and GMA strongly believes that taxes should be remitted based on the full sales price of a room.

6. Redevelopment

GMA supports efforts to streamline existing tax allocation district provisions and update language contained in the Urban Redevelopment Law. Redevelopment provisions should provide elected officials and affected citizens with a better understanding of the impact of projects and protect taxpayers from excessive legal costs associated with public/private redevelopment projects.

Explanation: Georgia's laws on urban redevelopment and tax increment financing provide critical tools for encouraging

development and financing redevelopment. These laws need to be updated. Administrative and legal costs for implementing redevelopment projects should be kept as low as possible to ensure that taxpayers receive maximum value for the projects.

7. Land Banks

GMA supports the enactment of legislation that improves and modernizes the powers that may be given to local land banks so they can effectively return tax delinquent property to the real estate market. Cities and counties should be empowered to form land banks so they can share resources, minimize costs and address regional problems. Legislation should also improve the ability of land banks to acquire tax executions and property sold at tax sales so productive re-use of land is encouraged and rewarded.

Explanation: Tax delinquent properties impose significant costs on neighborhoods and communities by lowering property values, increase fire and police protection costs, decrease tax revenues to pay for services and undermine community cohesion. The scale of the problem has increased due to the recession, the collapse of the real estate market and the lack of access to credit. Tighter local government budgets mean fewer resources to support non-revenue producing properties and prevent nuisance properties from harming revenue-generating property. A land bank is a public authority created locally to efficiently acquire, hold, manage, rehabilitate and develop tax-delinquent and other abandoned property. Land banks convey the properties to adjacent owners, developers, community development organizations or others for productive use. There are currently twelve land bank authorities in Georgia. The current state law limits the ability of land banks to effectively respond to spreading tax delinquencies and a stagnant real estate market. Legislation is needed which allows cities and counties to provide local land banks with the tools necessary to address these problems.

8. Planning requirements

GMA supports a comprehensive review of the Georgia Planning Act, including rules and regulations related to comprehensive plans, development of regional impacts, and regionally important resources.

Explanation: State laws governing planning requirements for local governments must be reviewed to insure that they promote appropriate levels of planning for all cities and counties.

FEDERAL ISSUES

1. Community Development Block Grant (CDBG)

GMA joins local and state governments across the nation in supporting continued, full funding of the CDBG program for municipal and county community and economic development programs and projects, and supports continued administration of the CDBG program at the state level.

Explanation: CDBG has served to create jobs, develop affordable housing, stabilize neighborhoods and provide necessary public services to non-entitlement local governments throughout Georgia. In 2010, non-entitlement municipalities and counties in Georgia received \$43 million to support improved quality of life projects. The amount of federal funding from the CDBG program is only 97 percent of our 2005 levels even though our needs and population have grown substantially.

The strength of the CDBG program lies in local determination of immediate need, flexibility in addressing problems, identifying eligible activities, and responsible administration of funds by state and local officials.

2. Funding for Infrastructure Improvements

GMA will seek national partners, such as, National League of Cities, National Association of Counties and the U.S. Conference of Mayors to secure Federal funding for local government water and sewer infrastructure needs.

Explanation: The majority of existing water and sewer systems have been in service for many decades. Funds for initial installation

were largely from state and federal resources. The aging of this infrastructure is of growing concern to local elected officials and local communities. It is an issue that impacts the health, safety and economic well-being of every urbanized area.

3. Flexible Municipal Financing

Due to further tightening of credit for cities, GMA supports the renewal of the access to credit provisions provided in the economic recovery legislation that expired on December 31, 2010.

Explanation: The credit market in Georgia is still tightening and Georgia's cities need more flexibility and access to bond financing that will allow them to pay for infrastructure improvements, including roads, transit, water systems, hospitals and bricks and mortar projects and create private-sector jobs. (e.g., Build America Bonds, Bank Qualified, Recovery Zone Bonds and the AMT exemption on private activity bonds.)

4. Census Count for Deployed Soldiers

GMA urges the U.S. Secretary of Commerce to change its existing policy for decennial Census counts to allow all US Army soldiers to be included in the count at their home installation, regardless of deployment status on the date of the Census.

Explanation: Since the Vietnam era, the U.S. Secretary of Commerce has counted deployed Army personnel at their "home of record" rather than at their home installation for Census population counts. Since the 1970's, significant changes have taken place in the U.S. Military – there is no longer a draft and the size of the Army is smaller. Cities and counties that are home to military bases provide services for soldiers and their families, regardless of the deployment status of a soldier at the time of the Census count. It is imperative to the local governments that serve military bases that soldiers be counted at their home base whether or not they are deployed on the date of the decennial Census. Federal and state funds and formulas for economic development, water

allocation, transportation, housing, health and human services, education, public safety, and other critical programs are all based on decennial census data. The rules governing census counts for Navy and Air Force service personnel count those individuals at their home installation and consistent policy should be used for Army soldiers so that the cities and counties with Army installations will have an accurate census count so they will qualify for the resources necessary to continue to provide a high quality of life for soldiers and their families.

GMA Environment & Natural Resources Policy Committee

Policies within this chapter are listed in priority order.

POLICY RECOMMENDATIONS

1. Water Resource Policy

GMA supports equitable access for all Georgians to a reliable supply of quality water while ensuring that the available resources protect public health and environmental quality and support economic development. To accomplish these objectives, the state's water policy should address the following needs:

- *The development of a comprehensive and articulated state water management decision-making process based on sound data;*
- *A refinement of the state water allocation process, to include the need to increase storage capacity;*
- *The improvement and enhancement of multi-jurisdictional water management perspective and capacity;*
- *Providing incentives to foster cooperation, such as the Georgia Water Supply Competitive Grant Program through the Georgia Environmental Facilities Authority for local government infrastructure costs which are consistent with a regional plan; and*
- *Coordinating water resource management and protection with land use planning and management.*

GMA discourages the use of interbasin transfers to achieve the objectives of this water resource policy, except to the extent that such transfers are supported by sound science and equitable access.

GMA supports the advancement of a statewide, comprehensive water management plan that is neutral, fully funded, and includes meaningful

municipal government involvement. GMA opposes water permit trading. Ensuring adequate funding for the next phases of the water planning effort should be a state priority and planning costs for the state water plan should not be in the form of additional permit conditions which equate to an unfunded mandate. GMA recommends that regional water planning councils become permanent bodies and existing members, where practical, should be retained to maximize consistency in future planning efforts.

GMA recommends that all legislation, study committees and administrative actions on water policy be coordinated with the work of the regional water planning councils in accordance with the statewide water plan. Regional water plans should be implemented, enforced and adhered to by the Environmental Protection Division.

Water conservation has tremendous potential as a water resource management tool and can significantly ease the burden on supply and wastewater treatment. To aid in achieving this benefit, GMA encourages the enhancement of conservation provisions of existing regulatory programs, and supports incentives and technical assistance for active local planning for the implementation of water conservation programs.

Explanation: Municipalities participated in the state's first ever-comprehensive statewide water management plan which will undoubtedly affect the way municipalities manage water resources. Since most of the water supply and water treatment systems across the state are owned and operated by municipalities, GMA – and more importantly, the municipalities that manage water – must be at the table as the comprehensive water plan is discussed and developed. Additionally, the effect of local land use decisions on water quality will be a major source of discussion within the planning process and has far-reaching implications in terms of

how governments may be required to manage water resources in the future. Future funding for the implementation of regional water plans should be explored, including the consideration of funding mechanisms such as per capita assessments or water withdrawal fees, and such revenue should remain in each region where it is generated.

GMA staff will continue to represent municipalities on water resources policy, but it is crucially important for municipal officials to become involved. Municipalities must be engaged in the local and regional planning process and should be prepared to help support these planning efforts financially. Only through active involvement in the local and state planning process will municipal officials be able to ensure that their citizens will have equitable access to a reliable supply of quality water while ensuring that the water plan protects public health, environmental quality and supports economic development.

2. Increased Technical and Practical Assistance by State Environmental Staff

GMA supports additional state funding to adequately staff positions within the Environmental Protection Division (EPD) that would enable EPD to provide increased technical and practical assistance to Georgia's municipal governments. GMA supports the creation of an office within the Department of Natural Resources dedicated to technical and practical assistance for local governments.

Explanation: There are a number of emerging environmental demands on both local and state governments, including air quality, nonpoint source water pollution, animal-feeding operations, environmental monitoring and agricultural water usage. Each of these activities requires additional staff. Rather than having the state occupy only a regulatory role, greater emphasis should be placed on providing technical assistance to municipal governments as they strive to fulfill environmental goals. GMA hopes that any increased technical staff at the state level would bring about a more efficient process for state permits. Provision by EPD of

basic guidelines, procedures and templates would result in more complete permit application submissions and a more timely, efficient review. A practicum considering geographic location and population density should be developed to recognize the diversity of Georgia's municipalities and the practical application of environmental stewardship by local governments and public utilities.

3. Expedited EPD Permitting Process

GMA recommends legislation to require EPD to pre-certify private engineering firms to do water and wastewater permit reviews for local governments, and to take action on these pre-certified permits within an expedited time period.

Explanation: As Georgia grows and infrastructure requirements change, municipal leaders make responsible investment decisions to accommodate these increased demands. The EPD must approve of new or modified permit applications prior to the groundbreaking of these public works projects, and municipal governments are often forced to wait more than a year for a response from EPD on a permit application. The anticipated costs of these infrastructure projects often rise exponentially between the time the permit is applied for and the response from EPD. Since an infusion of funds to allow EPD to increase the permit review time period is not anticipated, municipalities should have the ability to pay a pre-certified private engineering firm to do permit reviews in an expedited manner. EPD should then be required to take administrative action on these pre-certified permits within an expedited time period.

4. Greater Regulation of Solid Waste Transfer Facilities

GMA supports permitting of solid waste transfer station and supports the ability of local government officials to require that locating and permitting of new solid waste handling facilities, including transfer stations, be consistent with local solid waste management plans, other local ordinances and meet a demonstrated need for additional solid waste facilities. Additionally,

any solid waste transfer station should be subject to the same local host fee currently applied to solid waste disposal facilities.

Explanation: Private, for-profit solid waste companies are increasingly relying on solid waste transfer stations as a way of handling waste streams eventually bound for a landfill. Oftentimes, these solid waste transfer stations are located in areas zoned for industrial use. However, these stations do not require an EPD permit or consistency with local solid waste management plans as landfills do, nor do they require a demonstration of need to EPD prior to operating under a “permit-by-rule.” In addition, solid waste transfer stations do not get assessed a local host fee, yet there are local costs associated with hosting a solid waste transfer station, such as public education efforts for solid waste management, administration of the local solid waste management plan, and offsetting the impact of such a facility on a community.

5. Recreation and Conservation Funding

GMA supports the creation of a stable source of grant and loan funding to assist local governments in open space protection, acquisition and renovation, purchasing adequate buffers to protect water quality, the development of park areas and recreation facilities, flood control and regional stormwater retention facilities. Additionally, GMA supports adequate funding of the Georgia Recreation Assistance Grant Program and the implementation of the State Comprehensive Outdoor Recreation Program (SCORP) as administered by the Georgia Department of Natural Resources.

Explanation: Limited funding has hampered the ability of most municipalities and counties in Georgia to develop adequate open recreational space and public recreation facilities. Recent studies by the Georgia Department of Natural Resources and the Georgia Recreation and Park Association clearly document funding needs to support the state's growing population. The enactment of the Georgia Greenspace Program was a positive step towards assuring that funding is available to address these important

environmental and quality of life issues. While many municipalities have also taken progressive steps in funding their own greenspace programs through the issuance of general obligation bonds for this purpose, additional state funds are needed. Passage of the Georgia Land Conservation Act provides for state acquisition of strategic parcels of land, loans and grants to counties and municipalities for greenspace acquisition, and explicit encouragement of private conservation efforts. In addition to any of the state's greenspace initiatives, Georgia needs an ongoing and adequately funded incentive grant program to meet needed local recreation and parks priorities.

6. Stormwater Utilities

GMA supports cities' current authority to enact stormwater utilities to pay for the regulatory demands of managing stormwater run-off and non-point source water pollution.

Explanation: Non-point source pollution from unmanaged stormwater run-off is a major source of water pollution. Federal and state mandates have imposed various responsibilities on local governments for managing stormwater. In addition, the Georgia General Assembly adopted the State Water Plan which explicitly endorses and encourages the creation of local government stormwater utilities as a means of funding efforts to control stormwater run-off and non-point source pollution. As a result, many local governments have decided to create stormwater utilities to pay for the costs of managing stormwater to protect the state's precious water resources.

Local government stormwater utilities have been in place in Georgia since 1998 and stormwater utility fees have been recognized by the Georgia Supreme Court as a valid means of charging for the costs of managing run-off generated by impervious surfaces. Stormwater utilities should continue to be recognized as a viable option for local governments to use in being good stewards of the state's valuable water resources.

FEDERAL ISSUES

1. Reauthorization of Energy Efficiency Community Block Grant

GMA Recommends Continued Funding of Energy Efficiency Community Block Grants.

Explanation: In 2010, fifty-seven cities and counties were awarded competitive Energy Efficiency Community Block Grants (EECBG) totaling \$13.3 million from the American Reinvestment & Recovery Act Congressional appropriation. In addition to being a top priority for the National League of Cities, renewal of the EECBG program would allow continued investment in renewable energy and energy efficiency projects which in turn reduces dependence on fossil fuels, leads to job creation, produces cost and energy savings for municipalities, business and families and promotes healthier communities.

2. Federal Land & Water Conservation Funding

GMA Supports Full Funding of the Federal Land & Water Conservation Fund, which provides State and Local Matching Grants for Parks, Recreation and Conservation.

Explanation: With the assistance of the state Department of Natural Resources, the National Park Service estimates that in 2009 the unmet need for funding of parks and recreation facilities in Georgia totals \$123 million. With continuing annual appropriations, the Land & Water Conservation Fund will make a difference by funding needed parklands and recreational facilities in Georgia's cities.

BUDGET RECOMMENDATIONS

1. Georgia Environmental Finance Authority Funding

GMA supports a minimum funding level of \$50 million for the Georgia Environmental Finance Authority's water and sewer loan program. GEFA should provide funding for water reuse infrastructure, including innovative technologies such as gray water and desalination.

Explanation: The Georgia Environmental Finance Authority's (GEFA) water and sewer revolving loan program provides local governments with a source of low-cost financing for water and wastewater infrastructure improvements. Typical projects include storage tanks, water and sewer lines, treatment plants, pumping stations and reservoirs. Since the inception of the program, GEFA has loaned over \$3.2 billion for 1,521 projects to local governments. Loan repayments are used to make new loans to local governments. Since the inception of the program, no local government has ever defaulted on a GEFA loan.

2. Protection of Funds to Support Local Government Environmental Needs

GMA supports protecting the assets of the Georgia Environmental Finance Authority, the Hazardous Waste Trust Fund and the Solid Waste Trust Fund. GMA supports returning all fees, (including but not limited to NPDES fees, to the Environmental Protection Division) as stipulated in the Erosion and Sedimentation Act and other applicable statutes. These assets must be protected in order to ensure that local governments have a predictable and secure means of financing environmental projects that keep their communities safe. These funds also help local governments meet various mandated state and federal laws and regulations. GMA opposes efforts to transfer the assets of these dedicated sources of local government environmental financing.

Explanation: The Georgia Environmental Finance Authority's (GEFA) water and sewer revolving loan program provides local governments with a source of low-cost financing for water and wastewater infrastructure improvements. After the securitization of GEFA's Georgia Fund portfolio, it is imperative that the state leadership rebuild the asset base for low interest loans from the Georgia Fund in the coming years. Failure to rebuild a reliable source of loan funds would negatively impact the ability of communities to pay for water and wastewater infrastructure to meet the challenges of future economic development.

Due to recent state budget shortfalls, assets of the Solid Waste Trust Fund and Hazardous Waste Trust Fund were used to help meet the state's budget deficit. The Hazardous Waste Trust Fund was reduced to a level that will result in no new clean-up projects and leave reimbursements to local governments for clean-up projects unpaid. This trust fund is financed through fines for environmental violations, through fees on hazardous waste generators and handlers, and through a tipping fee on municipal solid waste. GMA has worked to ensure that at least half of the money expended for hazardous site clean ups is spent on local government projects.

The Solid Waste Trust Fund has also been reduced in recent budgets. This fund is generated by the fee on scrap tires and is used for direct scrap tire cleanup through the EPD and also for technical assistance and litter abatement programs such as Keep Georgia Beautiful affiliates, which are managed through DCA. Without money to clean up tires, Georgia residents will face health problems caused by the proliferation of mosquitoes in standing water, as well as other resulting pollution.

GMA Municipal Government Policy Committee

Policies within this chapter are listed in priority order.

POLICY RECOMMENDATIONS

1. Restriction on Municipal Powers

Protection of home rule powers and local control is of paramount importance to all municipalities. GMA strongly opposes any legislation that restricts the authority of municipalities to respond to and meet the needs of its citizens.

Explanation: Municipal government is the government closest and most responsive to the needs of municipal residents and businesses. Recent polling information indicates that the citizens want local control of taxing ability, quality of life issues and public safety. GMA is concerned with the continued erosion of home rule and any restrictions on the ability of municipalities to enact ordinances and enforce regulations to protect the health, safety and welfare of municipal residents.

2. Home Rule Land Use Regulatory Powers

GMA supports rational and responsive local land management and land regulation as a necessary and proper way to protect homeowners, neighborhoods and businesses from incompatible land uses and the effects of environmental degradation.

Explanation: State law works well to compensate property owners for actual “takings” of property without undermining legitimate local land use regulations that promote the health, safety and welfare of the community. Re-defining “takings” to require the use of local tax dollars to compensate property owners for any diminution in value resulting from stream buffers, tree ordinances, historic preservation districts and other local land regulations such as zoning would result in major tax increases or the virtual elimination of locally desired and supported land use regulations. Municipal officials would be placed in the awkward

position of not being able to prevent or at least limit incompatible land uses such as strip clubs, sex shops, liquor stores, landfills and big-box developments. This change would result in increased litigation and would have negative effects on local property values. GMA supports private property rights and property values and firmly believes that land ownership carries with it responsibilities as well as rights.

3. Service Delivery Strategy

GMA is supportive of the Service Delivery Strategy Act and most of the provisions included in that statute. However, GMA recognizes that problems exist with the implementation of the law. GMA further encourages changes to the statute that would enable local governments to avoid duplication and protect the taxpayer from unfair taxation. City residents should not be taxed by a county for services not delivered. Specifically GMA supports a Constitutional Amendment aimed at preventing counties from double taxing city residents. GMA supports baseball arbitration to resolve Service Delivery Strategy disputes after 12 months of negotiations. Furthermore, GMA supports statutory changes that would assure that any city not party to an SDS agreement must be allowed to provide services within their own city limits and any city that provides water and sewer service must be a signer of any applicable service delivery agreement. GMA should actively participate with the leadership of the General Assembly in the study of the service delivery strategy law.

Explanation: GMA supports changes to the dispute resolution process that explores all avenues for resolution, including “baseball arbitration” prior to state sanctions. GMA further believes that each municipality should have access to the dispute resolution process regardless of the size of the municipality. GMA contends that even though efforts have been

made to remove county level constitutional officers from SDS planning, tax funds supporting those positions are still negotiable between municipalities and the county in an effort to reach tax equity. GMA contends that eliminating the Service Delivery Strategy Act would negatively impact municipalities if done so without considering other related legislative actions that have been enacted since SDS was created. GMA supports a Constitutional Amendment that would level the playing field for municipal taxpayers at the beginning of service delivery negotiations. GMA also believes that smaller cities that can be shut out of a negotiation should not be deprived of the ability to provide services to their own residents. Furthermore, because of the unique nature of water and sewer services, any city providing such services should be a party to any applicable service delivery agreement.

4. Management of Public Rights-of-Way

The public should be compensated for the use of municipal rights-of-way. GMA opposes any legislation that weakens the authority of Georgia's municipalities to regulate the use of their public rights-of-way.

Explanation: Municipalities currently have the authority to regulate the use of public rights-of-way and contract with utility providers for their use. Relocation of utility services within the public right-of-way should be at the expense of the utility provider. Any changes to the use of public rights-of-way could hinder economic growth for municipalities.

5. Annexation

GMA supports existing annexation law which affords property owners the right to petition to the municipal governing authority for annexation.

Explanation: During each legislative session, bills are introduced that further limit the ability of the property owner to petition for annexation. The issues generally are about zoning changes, density, or service delivery demands and these are best addressed at the local level between the

property owner, the municipality and the county. Growth and development continues the need to create housing, jobs, and quality of life desired by the citizens across the state.

6. Deannexation

GMA supports existing deannexation law which affords property owners the right to petition the municipal governing authority for deannexation.

Explanation: Legislation was introduced in 2009 to allow deannexation at will that would place hardship on citizens and property owners remaining within the municipal boundaries. The right to petition should be available and the right to weigh the benefits and disadvantages that deannexation causes should be reserved to local municipal officials.

7. Sovereign Immunity

GMA supports the immunity right of each municipality for any losses resulting from the plan or design for construction of or improvement to highways, roads, streets, bridges, utilities or other public works where such plan or design is prepared in substantial compliance with generally accepted engineering or design standards in effect at the time of preparation of the plan or design.

Explanation: Municipalities act for the public good and respond to the public need and therefore must provide a broad range of services and perform a broad range of functions throughout their corporate boundaries regardless of how much exposure to liability may be involved. The exposure of municipal treasuries to tort liability must be limited. Municipalities deserve protection equal to that enjoyed by the state.

8. Municipal Incorporations

GMA supports citizen access to the heightened services and more responsive representation offered by municipal government. The incorporation of new municipalities should be limited to areas that would be fiscally feasible. Furthermore, new incorporations should be the most economical and effective means of

providing municipal services and should not interfere with the natural growth or operation of existing municipalities.

Explanation: Recently, Georgia has witnessed a surge of interest by various communities in the benefits of municipal government. As the level of government that is closest to the people, municipalities offer home rule that gives citizens greater influence in the character of their community and the nature of services that they wish to receive. As an entity that supports home rule and the benefits that municipalities offer, GMA is supportive of their aspirations.

New incorporations should be undertaken with careful attention to the practical challenges of effectively providing services. In order to thrive, municipalities need an adequate mix of residential and commercial property. New municipalities are most appropriate in areas that have adequate population and density to support the effective provision of municipal services.

Finally, care should be taken to ensure that new incorporations do not harm existing municipalities. A natural characteristic of municipalities is that they grow, and the most common way in which this is accomplished is through judiciously exercised annexation. Most existing municipalities have logical growth areas outside their existing limits, where the creation of a new municipality could lead to an inefficient duplication of service.

9. Immigration

GMA will seek to ensure that any state laws placing mandates on cities related to immigration enforcement are practical, unambiguous and reasonably administrable.

Explanation: Recent legislation has placed unnecessary mandates and burdensome administrative work upon city employees. The state laws creating these mandates are either so vague or so broad in critical areas as to make local compliance either extremely difficult or pointless. Any new law should be clear so that cities can implement reasonable efforts to curtail illegal immigration.

10. Open Meetings / Open Records

GMA supports rational and reasonable Open Meetings and Open Records laws that include all elected officials across the state.

Explanation: The open meetings and open records law has been pieced together over time and is undoubtedly one of the most confusing provisions in the Georgia code. Compliance with existing law has generated significant expense to city officials, staff and taxpayers, but the vast majority of cities are compliant with existing laws, in spite of the cost to cities. Throughout the legislative process that will overhaul the open meetings and open records law, local government officials, the press and legislators must be cognizant of the public's right to access public documents, while at the same time balancing city resources against frivolous, time consuming requests. City officials are supportive of the open meetings and open records law that balances these two interests.

GMA Public Safety Policy Committee

Policies within this chapter are listed in priority order.

POLICY RECOMMENDATIONS

1. Public Safety Collective Bargaining and Mandated Pay and Benefits

GMA strongly opposes legislation establishing collective bargaining for local government employees, placing costly restrictions and requirements on the relationship between municipalities and municipal employees or mandating pay and benefit levels.

Explanation: Due to its cost, inefficiency and detrimental effect on the provision of government services and because it violates the principle of home rule, GMA opposes legislation seeking to establish collective bargaining for local government employees. All local government employees are afforded adequate constitutional due process protection. GMA opposes legislation that would directly affect local law enforcement personnel policies, be an unnecessary and unwarranted intrusion into local matters and provide extraordinary rights for one class of municipal employee. GMA supports the adoption and implementation of appropriate personnel policies by local elected officials.

GMA also supports improved public safety pay and benefits as determined at the local government level and opposes the imposition of pay and benefit levels by state or federal mandate. GMA has and is committed to continuing to work with local governments on identifying pay and benefit improvement alternatives and methods of funding these improvements.

2. Funding for Local Law Enforcement Officer Training, Municipal Judge Training and Municipal Court Clerk Training.

GMA supports utilizing funds collected for local law enforcement, municipal court judge and municipal court clerk training solely for that

purpose. GMA supports adequate funding for local law enforcement officer, municipal court judge and municipal court clerk training.

Explanation: Article III, Section IX, Paragraph VI (d) of the Georgia Constitution authorizes the imposition of additional penalties to be used to provide training for law enforcement officers. Code Section 15-21-70 et. seq. provides that the fine monies collected be submitted to the state and placed in the general fund and spent on law enforcement officer training. While the bulk of the money is collected from cases brought to court by local police agencies, most of the appropriations for training have gone to state agencies and officers. According to the Peace Officer Standards and Training Council, municipal police officers comprise the majority of law enforcement officers in Georgia. Proper training of police officers is an essential part of any public safety effort. The state should therefore appropriate adequate funding to both the Georgia Public Safety Training Center and to regional academies to ensure that the majority of all the police officers patrolling the streets are adequately trained.

3. Municipal Courts

GMA will seek to have the payment of municipal fines take precedence over the remittance of revenue to fine add-on recipients in partial payment cases. GMA adamantly opposes any new additional fine add-ons collected on offenses adjudicated in municipal court.

Explanation: Municipal courts and municipal police departments are wholly funded by municipal tax payers. Cases brought to such municipal courts are typically made by municipal police or code enforcement personnel, are adjudicated by municipal judges and the administration is handled by municipal personnel. Municipalities pay to house municipal prisoners in county jails and must spend their own resources to provide for

indigent defense. In recent years, the creation of new fine add-ons and regulatory changes have placed fine add-on recipients above municipalities in the priority for receiving fine payment in cases where the entire fine is not immediately paid in full. The effect of these changes has been to force municipal courts to act as tax collections agencies for state government programs that rarely benefit municipalities.

The creation of new fine add-ons, given the current number of existing fine add-ons and the partial payment priority system currently in place, is overburdening defendants that are adjudicated in municipal court. Additional fine add-ons result in sending more defendants to probation and imposing more costs on the administration of municipal courts.

4. Funding Crime Labs

GMA believes that adequate funding of state crime labs is a responsibility of state government and opposes efforts to shift costs for their support from the state to local governments.

Explanation: State crime labs are a vital resource used by local law enforcement agencies seeking to prosecute state crimes on behalf of the State of Georgia. Efforts that seek to make local governments pay for their operation fail to recognize that cities already remit fine add-ons to the state to pay for this service and that shifting additional costs to local agencies merely increases the tax burden locally.

5. Local Law Enforcement Jurisdiction

GMA supports the ability of municipal law enforcement agencies to patrol and enforce the traffic laws on all state and local public roads in their jurisdiction.

Explanation: Numerous proposals aimed at making it more difficult for local law enforcement agencies to enforce traffic laws on Interstates and state highways have been recently circulated. These proposals incorrectly presume that traffic enforcement is designed to

generate revenue for local governments, when in fact such enforcement is critical to public safety. Georgia has fewer than 1,000 state patrol officers and relies heavily on local law enforcement to fill in the gaps of patrolling public highways. Not only do local traffic enforcement efforts save lives on our highways, they also result in numerous arrests of fugitives and felons that have otherwise escaped from the criminal justice system. Legal remedies including investigations by the state Department of Public Safety and the accountability of local elected officials at election time provide an adequate check on any abuses. Hampering the ability of local law enforcement to patrol the highways and Interstates will be devastating to public safety on the local and the state level.

6. Racial Profiling

GMA opposes the practice of racial profiling and encourages efforts by municipal police departments to train officers not to engage in racial profiling. GMA supports legislation that requires training, supervision and local policies designed to prevent bias based profiling, provided that any data collection mandates apply only to those agencies found to be engaged in such practices.

Explanation: Many municipal police departments already train their officers not to engage in racial profiling, a practice that undermines public confidence in law enforcement. Several recent state proposals, however, would have required that police officers collect additional data at every traffic stop. Given that municipalities already send a copy of every traffic citation issued to the state, containing identifying data, additional data collection seems unnecessary and duplicative. GMA will work to ensure that legislation that attempts to address the issue of racial profiling does not create administrative burdens that interfere with local public safety efforts.

7. Traffic Camera Enforcement Technology

GMA supports legislation that would authorize municipalities to use video technology to enforce traffic laws.

Explanation: Red-light video technology has been in use in municipalities across the state for several years now and has led to increased safety at many intersections. GMA feels that use of a similar technology to enforce speeding laws in clearly marked school zones, to enforce compliance with stop arms on school buses, or in other problem traffic enforcement areas will also lead to substantial safety improvements.

8. Volunteer Firefighter Incentives

GMA supports incentivizing the recruitment and retention of volunteer firefighters with a state income tax credit.

Explanation: Small and mid-sized municipalities in Georgia are dependent on volunteers to operate their fire departments. Attracting and retaining volunteers has become very difficult in many places. Offering those volunteers that have maintained their training and participation for at least three consecutive years an annual \$1,000 state income tax credit would help municipalities retain trained and experienced volunteers.

9. Firearms on Public Property

GMA is opposed to legislation that interferes with the ability of municipal officials to craft policies governing whether firearms may be brought into municipal buildings or into municipal governmental proceedings, judicial proceedings and public meetings.

Explanation: Many municipal officials are strong advocates for the right of gun ownership. However, GMA believes that those elected officials are the best qualified to craft local policies about when it is appropriate for firearms to be brought onto municipal public property.

10. Video Poker

GMA will seek local regulatory authority over the operation, location and use of video poker machines, internet sweepstakes cafes and other similar facilities.

Explanation: Legislation at the state level has preempted most local regulatory authority over the use of amusement machines, which can

become a public safety concern at some locations. Restoring the authority for some local regulation over gaming machine locations will assist in addressing those concerns.

11. Secondhand Dealers and Metal Recyclers

GMA opposes legislation which preempts or would preempt local law enforcement programs relating to secondhand dealers and similar establishments, including metal recyclers, to implement programs to facilitate the recovery of stolen goods.

Explanation: Legislation at the state level has preempted local regulatory authority over metal recyclers, generating a public safety concern by creating an avenue for theft of personal property. Restoring the authority for local regulation of metal recyclers will assist local law enforcement to reduce crime. Additionally, local law enforcement often utilizes programs that allow them to track inventory of pawnshops / secondhand dealer locations to reduce crime and facilitate the recovery and return of stolen property.

12. Banning Sales and Use of Novelty Lighters

GMA supports banning the sale and use of novelty lighters.

Explanation: Novelty lighters are defined as “lighters that have features that make them attractive to children under five,” including “lighters with features entertaining to children, such as visual effects like flashing lights, or sound effects like musical notes.” This includes but is not limited to, lighters that depict cartoon characters, toys, guns, watches, musical instruments, vehicles, toy animals, food or beverages. Because novelty lighters look like toys, children are tempted to play with them even if they have been taught that handling lighters is dangerous. Although the federal product safety code appears to prohibit such lighters, adequate enforcement has not been forthcoming from the U.S. Consumer Product Safety Commission. Fatal fires caused by novelty lighters have been documented in several states. City structures are often uniquely susceptible to the dangers of fire due to density and age.

GMA Revenue & Finance Policy Committee

Policies within this chapter are NOT listed in priority order.

POLICY RECOMMENDATIONS

General Taxation

1. Revenue Options

The state tax code should provide a wide variety of revenue options that would be available equally to all municipal governments, and should include flexibility for municipal officials to adapt revenue and revenue sources as necessary to respond to local growth, decline, recession, community desires and emergencies, should encourage community input and should ensure tax equity and the elimination of double taxation.

Explanation: A diversity of revenue sources is essential for municipal governments to meet the needs of their citizenry. The state should respect the right of Georgia taxpayers, through their municipal officials, to choose how and how much they are willing to pay in municipal taxes to receive the level of municipal services important to them. Additionally, any revision should provide for tax equity based on the economic input and value provided to the state by the citizens of individual local governments as well as the services provided by and demanded of individual local governments.

2. Tax Reform – Key Principles of Local Taxation

GMA recommends the formation of a blue ribbon task force to review the state tax code implications on local taxation. GMA supports tax reform that increases transparency, respects home rule and the need for municipal government officials to respond to the needs of their constituents. Any state tax cuts in municipal revenue should be revenue neutral to municipal governments with a guaranteed 100 percent reimbursement.

Explanation: During each legislative session, numerous changes are made to Georgia's tax code, often through individual bills. These tax cuts and tax shifts have resulted in an unbalanced tax code, which has in turn led to budget shortfalls at the state and local levels. Since many types of taxation (i.e., sales, income and property) work together to provide revenue for the state, and since several types of taxation in combination provide revenue for municipal governments, any change to one type of tax will necessarily affect the others. To ensure that Georgia has a balanced and equitable system of taxation, the state should take a comprehensive approach to taxes as a whole. However, any revision of the tax code should respect the needs of municipal governments and the important and often diverse services that municipalities provide to their residents and property owners.

Finally, any state tax cuts accomplished with local tax revenues should be accompanied by a constitutionally guaranteed 100 percent reimbursement to local governments. Such a provision would ensure that the state would keep local governments whole with respect to any revenues cut by the state.

3. Fiscal Notes - Analysis of New State Regulations on Local Governments

GMA supports a constitutional amendment requiring state agencies to analyze, consider and disclose the fiscal effect of new or amended state laws and regulations on local governments.

Explanation: State law requires that any legislation that would increase local government expenditures or decrease local revenues by \$5 million or more over a three year period must have a fiscal note attached. The Department of Community Affairs is responsible for the preparation of these local government fiscal

notes. Likewise, the law provides that no regulation, rule, order, or administrative law that would have a fiscal impact exceeding \$5 million on local governments is valid unless the agency or department submits a fiscal note to the General Assembly 30 days prior to adopting the new policy. Although the General Assembly and state agencies, boards and departments are required to determine the aggregate fiscal cost to local governments of new state laws or regulations, the process is not uniformly and consistently applied. In addition, state agencies, boards and departments are not required to consider the effect that a rule or regulation may have on each individual local government that is affected. This lack of understanding of the actual fiscal impact of state law or regulations on an individual local government leads to local revenue shortfalls, often resulting in tax increases, extended local debt, or further revenue loss due to fines for a failure to comply.

Sales Taxes

1. Full Collection of Sales Taxes; Provision of Data

GMA recommends that the state take necessary steps to ensure the full collection and timely remittance of all sales and use taxes due to the state and to local governments, whether such steps include additional funding for the Department of Revenue for audits and compliance purposes, privatizing sales tax collections or allowing local governments to collect and audit local sales taxes locally. GMA supports legislation requiring the Department of Revenue to collect, compile and share with municipal governments data necessary to determine the amount of sales generated by businesses located in each municipality and the amount of sales generated by businesses located in each municipality and the amount of sales generated by businesses located in the unincorporated area of each county. As a last resort, in the event that the Department of Revenue is unable to collect, compile and share with municipal governments this information, municipalities should be permitted to contract with private companies to collect the requested data.

Explanation: Representatives of the Georgia Department of Revenue have stated that the department is able to audit less than 1 percent of the businesses in each sector remitting state and local government sales taxes to the state. While most businesses comply with sales tax laws, untold dollars remain on the table, uncollected by the state, as a result of inadequate enforcement. While it is impossible to know how much sales tax revenue remains uncollected in Georgia, a voluntary system of compliance allows for shortfalls. In order to ensure full collections of sales tax revenues, the state should provide the Department of Revenue with more capacity for enforcement, including ample auditors, or should authorize the private collection of sales taxes or the collection of sales tax revenues by local governments.

For years, municipal officials have requested data detailing the situs of retail transactions. Municipal officials claim that this data will increase compliance by allowing municipal officials to compare gross sales reported municipality-wide to the state with the aggregate gross sales reported to municipal officials through the collection of occupation taxes or other proxies. Moreover, this data will indicate the health and vitality of the retail sector of the local economy and demonstrate whether economic development efforts focused on increasing retail activity are having the desired impact. Finally, anecdotal evidence in other states indicates that as more detailed sales tax data is reported, compliance increased.

GMA believes that the following six steps would substantially improve the reporting and accuracy of sales tax collection.

1. Require the Department of Revenue to collect data showing sales tax collections in cities;
2. Fully capture all data, whether electronically or manually filed;
3. Require the Department of Revenue to share sales tax data for collections within municipal boundaries;

4. To the extent required to protect taxpayers, support confidentiality and privacy of information shared with cities;

5. Support efforts to increase audits to ensure compliance; and

6. Allow for more timely remittance of sales tax dollars to local governments.

2. Municipal Option Sales Tax (MOST)

GMA supports legislation allowing each municipality to hold a referendum to enact a permanent municipal option sales tax (MOST) that would be used for property tax relief, infrastructure improvements, the provision of municipal services or any combination thereof.

Explanation: Cities in Georgia, not including the City of Atlanta, have over \$7 billion in capital needs. Over \$3 billion of this need is for water, sewer and stormwater projects, and another \$1.6 billion is needed for transportation purposes. The remainder of the capital needs relate to public safety, solid waste facilities, parks and greenspace and downtown development and historic properties. Add the City of Atlanta and the total need swells to \$14 billion. This need cannot be met through existing revenue sources alone.

Municipalities and counties compete for limited local sales taxes while struggling to provide services such as clean water, an efficient and safe transportation network, parks and recreation and public safety. This proposal would allow municipal voters to decide how to pay for services and prepare for the future while providing an alternative to property tax. In the event that municipal residents in a county with a HOST vote to enact their own municipal sales tax to help fund municipal property tax rollbacks and municipal operations, thus providing property tax relief to all property owners within the municipal limits, these municipalities should be able to opt out of the HOST as it benefits residents of unincorporated areas disproportionately.

3. Elimination of Homestead Option Sales Tax

GMA supports legislation eliminating the Homestead Option Sales Tax (HOST) as a revenue source for counties.

Explanation: The HOST should be eliminated as a revenue option for counties in which it is not currently levied. In most parts of the state the majority of sales tax is generated inside of the city limits. However, cities located inside a county that levies a Homestead Option Sales Tax (HOST) do not receive sales tax revenue to roll back property taxes. Therefore, cities must rely heavily on property taxes to fund the majority of its services. In order to level the playing field, the option for a county to levy a HOST should be removed.

4. Sales Tax Exemptions

GMA opposes the erosion of the sales tax base caused by the creation of sales tax exemptions.

Explanation: Like the property tax, the gradual erosion of the sales tax base due to exemptions for general and special interests has challenged municipalities' abilities to adequately fund services. Since 1989, the number of statewide sales tax exemptions in Georgia has increased significantly without overall consideration of the cumulative effect on the revenue base of local governments. This concern is significant in light of the limited revenue options available to local governments coupled with increasing levels of service responsibility and state and federal unfunded mandates. Ultimately, sales tax exemptions merely shift the tax burden from certain consumers to property owners.

Property Taxes

1. Assessment Limitations and Appeals

GMA supports reasonable reform of the approach to property assessments which minimizes undue hardship and confusion to property owners, ensures equity among comparable properties and taxpayers, provides for adjustment of values that mimics market conditions, and strikes a balance between the goals of providing more certainty to taxpayers

and retaining uniformity, flexibility and revenues necessary to provide services at the local level.

Explanation: Due to rising property values, increasing property assessments have become an issue across the nation. States have approached assessment reform in a variety of ways, but the most popular approach has placed assessment caps or freezes on some or all property. These caps or freezes have created hardship for local governments and for schools, for property owners – particularly new property owners – and on economic development. Property assessment restrictions force municipal governments to live off new growth or to increase millage rates. Meanwhile, the cost to provide services, much of which depends on the cost of materials and transportation costs, increases. The combination of stagnant revenue and increased costs compels local governments to either increase taxes or decrease services provided to the public. Moreover, uniformity is an issue. Property owners with identical properties receive identical services but may pay grossly different property taxes based simply on the date on which their respective property was purchased.

GMA is specifically concerned about capping assessment increases on non-homestead properties. Business property can be, and is often, placed in the ownership of an LLC or other company. When the ownership of the company is transferred, the property remains an asset of the company, although the ownership of the company has changed. As a result, the property itself is not transferred; without a transfer of property ownership, commercial property will not be reassessed at fair market value. Homestead property, however, is typically transferred from individual to individual, with each transfer constituting a transfer of property ownership, after which the property will be assessed at the current fair market value. The lack of reassessing non-homestead property combined with the reassessment of homestead property is likely to result in a shift in property tax burden onto homeowners. GMA is also concerned about the impact of assessment caps on local governments and school systems that are subject to millage

caps. The combination of millage caps and assessment limitations acts as a revenue cap and can result in a lack of sufficient funds to provide services. Finally, assessment caps should not apply for purposes of calculating the bond digest. Capping growth of the bond digest could have a negative impact on local governments' ability to issue debt; in an already limited bond market, further restrictions could lead to an inability to issue debt for necessary and voter-approved purposes.

2. Property Tax Exemptions

GMA opposes the erosion of the property tax base caused by the creation of property tax exemptions unless such exemptions are approved locally. In the event the General Assembly creates a property tax exemption, the State should fully reimburse local governments for the revenue loss.

Explanation: The gradual erosion of the property tax base due to the exemptions for general and special interests has challenged municipalities' abilities to adequately fund services. Since 1989, the number of statewide property tax exemptions has increased significantly without overall consideration of the cumulative effect on the revenue base of municipalities. This concern is significant in light of the limited revenue options available to municipalities coupled with increasing levels of service responsibility and state and federal unfunded mandates.

3. Continuation of Homeowner Tax Relief Grants

GMA supports the funding of the homeowner tax relief grants to municipalities, counties and school districts.

Explanation: Municipalities in Georgia receive significantly little revenue from the state to assist with the provision of services necessary to meet the day to day needs of Georgians. The homeowner tax relief grants provided to Georgia homeowners by the Governor and the State Legislature resulted in an important partnership between the state and Georgia's municipalities, counties and schools. GMA supports the re-institution of this partnership in the funding of local services.

Home Rule

1. Local Expenditure Caps

GMA opposes local government expenditure caps.

Explanation: Recent legislative attempts to place spending caps on local governments are based on a one-size-fits-all approach to Georgia's diverse and myriad municipalities, counties and school systems. Different communities have different needs and different resources. While most local officials work to keep expenses low, citizen demand, market forces, emergencies and court decisions at times force expenditure increases on local governments. Local elected officials are accountable to their electorate and are elected to make the tough budgetary decisions necessary to provide adequate police, fire, transportation, economic development, recreation and other services demanded by their particular electorate. Many necessary costs, such as health and liability insurance, motor fuels, asphalt and construction materials are beyond the control of local officials. Fast paced development, state and federal mandates, and age of infrastructure can create unanticipated water, sewer and transportation costs. Local elected officials must have the spending flexibility to pay these costs while still providing the general quality of life services expected by their citizens. Arbitrary caps on spending interfere with local decision-making, local accountability, and the ability to meet the needs of Georgians at the local level.

2. Tax Equity

GMA supports legislation that will ensure local government tax equity by prohibiting county governments from taxing municipal property owners for services that the municipal government provides or that the property owners do not otherwise receive from the county government.

Explanation: The Service Delivery Strategy Act, as well as the Local Option Sales Tax and other laws affecting local government revenue,

are intended to encourage and achieve tax equity at the local level. These laws are carefully designed around the premise that each local situation is different, and allow local governments to address tax equity issues at the local level. However, due to the complexity of issues included in service delivery and local option tax negotiations, combined with the negative consequences resulting from the failure to reach agreement, double taxation remains a reality for many municipalities and municipal taxpayers throughout the state. Municipal property owners and taxpayers continue to pay county taxes for county services that are not provided in the municipality or for county services that are jointly provided by the municipality. In effect, citizens in many municipalities are paying twice for the same service. The General Assembly should pass a constitutional amendment prohibiting this practice.

3. Local Legislation

Reserved

4. Unfunded Mandates

GMA opposes any legislation which creates unfunded mandates that impact cities.

Explanation: Unfunded mandates, typically laws or regulations created by the state or federal government which are imposed on local governments, impose costs or require local government expenditures without providing the funding to pay for those costs or expenditures. In order to pay for the mandates, local governments are often forced to raise taxes or to reduce services and costs in other areas. Any requirements imposed on local governments by the state or federal government should be accompanied by sufficient funding to pay for the cost of complying with the requirements.

Other Revenue Sources

1. Franchise Fees Governed by State Law

GMA supports state legislation that would require municipal franchise fees to be included in the system wide rate base or system wide charges of an electric, gas or

telecommunications utility. GMA opposes legislation that imposes limitations or restrictions on municipal franchise agreements or municipal franchise fees and opposes legislation that would convert the franchise fee into a tax.

Explanation: Franchise fees are typically implemented as part of an agreement between municipalities and a utility company, or other enterprises such as cable companies that utilize public rights-of-way. Franchise fees are essentially the “consideration” of these agreements. They compensate municipalities for the use of the public rights-of-way by a utility. To many municipalities in Georgia, franchise fees represent a significant amount of the revenue needed to provide vital services such as police, fire, transportation and economic development services. The loss of any or all of this revenue would be devastating to municipalities.

Within Georgia, municipalities have broader authority to collect franchise fees than do counties. Historically, franchise fees were intended to encourage economic development in municipalities; municipalities were compensated for permitting dense development and attracting businesses, thereby allowing electric providers to serve more customers in a small area. The cost to serve customers in rural areas is significantly higher than the cost to serve customers in urban areas. As a result, municipalities are authorized by state law to collect franchise fees from, telephone, gas and electric companies. However, a PSC decision resulting in a portion of the municipal electric franchise fee being charged only to municipal customers runs afoul of the historic policies supporting the one-bucket rate design and forces municipal customers to pay more than their fair share of the cost of providing electricity throughout the state.

Legislative attempts to further push the burden for the cost of electric utility service throughout Georgia disproportionately onto the backs of municipal customers would be devastating to Georgia municipalities and those who live and work therein. Unless all payments by utilities to local governments, such as property taxes, land

acquisition costs, occupancy fees and permit fees, are broken out of the rate base and charged only back to those who live and work in the local government to which those payments are made, franchise fees for use of the municipal right of way should remain in the rate base as a cost of doing business.

2. Debt Setoff

GMA supports legislation authorizing local governments to use the state’s debt setoff program to collect debt owed to local governments.

Explanation: A debt set-off program will allow debts on past-due utility accounts owed to local governments to be set off against a debtor’s individual state income tax refund. Governments would submit the debts owed to a central clearing house that would transmit the debts to the Department of Revenue’s Income Tax Division for set-off against state income tax returns. Persons listed as debtors to local governments would receive notice of their stated debts and would have the opportunity to appeal and/or pay the debt prior to any offset against income tax refunds. Similar programs have already been successfully implemented in North Carolina and South Carolina.

3. Protection of State Funds to Support Local Government Needs

GMA supports a constitutional amendment that would require state funds collected for a specific local government purpose to be used for that specific purpose.

Explanation: In years past, funds typically used to support local government projects, many of which are mandated by the state or federal government, were used or proposed to be used to help meet the state’s budget deficit. The reduction or elimination of state funding designed to assist local government compliance with state and federal requirements places a heavy burden on these local governments to access alternate sources through which to finance projects, and can be detrimental to the health, safety and welfare of all Georgians.

GMA Transportation Policy Committee

Policies within this chapter are listed in priority order.

POLICY RECOMMENDATIONS

1. Transportation Finance

GMA believes that all potential sources of revenue should continue to be explored to provide the state and municipal governments with additional transportation funds to initiate work on surface transportation initiatives, including local transit needs, bicycle paths, sidewalks, light rail, buses, etc., and assistance with maintenance of local roads.

The state legislature should index the gas tax on a percentage basis or raise the level of the current gas tax.

Furthermore, the state should maintain and protect motor fuel taxes and ensure that as dependence on traditional petroleum based products declines, the state explores alternative funding sources for state and local transportation projects.

While the option of a regional sales tax made available in the Transportation Investment Act is a step in the right direction, it is only one solution. City officials are working diligently with the GDOT Planning Director to refine project lists and promote approval of the tax in all regions, however, it is possible that voters may not support the regional transportation sales tax in every region. The state must work with local and federal leaders on a “Plan B” to explore additional financing alternatives for state and local transportation projects.

Explanation: Both state and local government officials are concerned that current motor fuel tax revenues are not sufficient to maintain the state’s road system and to adequately fund local government transportation needs. Without an adequate funding source, both state and local governments will find it increasingly difficult to properly maintain the current transportation infrastructure in addition to investing in passenger rail, commuter rail, pedestrian and

bicycle needs, and local transit. Georgia’s statewide motor fuel tax, essentially a user fee – at 7.5 cents per gallon and a 3% sales tax – is the main funding source for the state’s transportation system. However, this motor fuel tax level, which is one of the lowest in the country, is not generating sufficient revenues to meet Georgia’s transportation infrastructure needs. Many local transportation projects have been delayed due to inadequate funding. While bond packages and toll roads may begin to address project specific funding needs, they are not the sole solution. A combination of state and local funding sources will be required to meet ongoing transportation needs. GMA believes that in order to ensure that an adequate revenue stream is available for state and local transportation projects in the future, the state must increase current motor fuel tax rates, and must also consider methods of collecting revenues on alternative, non-petroleum based fuels.

2. Passenger Rail Service in Georgia

GMA supports the operation of commuter passenger rail service and encourages the accelerated development and implementation of the entire Georgia Rail Passenger Program. GMA opposes any attempts to restrict or hinder the implementation of passenger rail. Finally, GMA believes that in order to address the long-term funding needs for transit across the state, it is critical that funding for Georgia local mass rail transit systems, including the Metropolitan Atlanta Rapid Transit Authority (MARTA), come from statewide sources.

Explanation: As Georgia’s population increases, it is becoming more and more difficult to move people in an efficient and cost effective manner, especially in and between the state’s metropolitan areas. The development of viable commuter and passenger rail service is essential

to the economic well being of the state and its municipalities and counties.

Complete implementation of the state's rail program will allow real choice in modes of travel for the people of Georgia for years to come.

It is critical that funding for rail transit systems, including MARTA, come from a larger, statewide funding source. Currently, the burden for funding MARTA falls on only two counties – Fulton and DeKalb – who levy a 1 percent sales tax for the purpose of supporting MARTA's operating and construction costs. It should be noted that statewide funding for rail transit would not negatively impact the state's existing motor fuel tax, because funding would come from other state and federal appropriations.

3. Public Airports: Funding Source

GMA supports the creation of a funding source for public airports and urges the legislature to dedicate the sales tax on aviation fuels, services and equipment as a means of providing revenue for public airports. GMA also pledges to work with potential partners such as the Georgia Airports Association to accomplish this goal.

Explanation: The state's 103 general aviation and air carrier airports have a significant economic impact statewide as well as in the communities they serve. The Georgia Department of Transportation (GDOT) estimates that Georgia's commercial and general aviation airports generate over \$2 billion annually. Georgia DOT has historically received an average of \$2 million per year for airport programs from state general funds. The funding covers the state's 5 percent match on federal airport improvement projects as well as all of the state and local projects. A recent study completed by GDOT during the preparation of Georgia's Statewide Aviation System Plan identified the state's carrier and general aviation airport needs over the next 20 years and highlighted two primary concerns.

1. Developing Georgia's airports to accommodate the needs of today's operating business aviation fleet; and
2. Maintaining and preserving badly aging facilities.

Over the next 20 years, the Statewide Aviation System Plan identified \$2 billion in airport improvements needed for Georgia's airports. Only about one-half of this amount can be expected from current resources. If the sales tax on aviation fuels, services and equipment was earmarked for public airports, it would go a long way in helping meet these needs.

GMA pledges to work in partnership with commercial airlines and other stakeholders to educate them about the importance of funding for regional airports. The enhancement of the statewide aviation network is crucial to economic development in Georgia.

4. Foster an Improved Relationship between GDOT and Georgia's Municipalities.

GMA supports the creation of a stronger relationship between GDOT and municipalities that fosters better communication, local input, greater flexibility and an understanding of and sensitivity to the individual character of Georgia's communities in the design and implementation of transportation projects in municipalities. GMA also supports an enhanced, substantive role for cities in the evolving statewide planning and project prioritization process at the Georgia Department of Transportation.

Furthermore, GMA supports continued, sustained funding for local projects and priorities within this evolving process.

Explanation: Across the state, municipal officials have expressed increasing and often overwhelming frustration with a lack of responsiveness from DOT, which has resulted in an inability to get decisions made about local transportation and traffic problems. In some cases, projects have been shut down. Municipal officials complain that DOT is slow and inefficient in decision making and that municipalities do not have the flexibility to change speed limits on state roads that go

through municipalities or add safety devices on state roads in municipalities. These problems are in addition to the ongoing problem that DOT does not offer flexibility when working with municipalities to implement local design characteristics into DOT plans. Delays are impacting public-private investment in downtowns and economic development in municipalities, which ultimately provides benefits for the state as a whole.

5. Streamline Distribution of LMIG Funds

GMA urges the General Assembly to act immediately to streamline distribution of Local Government Maintenance (LMIG) funds using the formula and distribution procedures specified in the Transportation Investment Act.

Explanation: Currently, LMIG funds are allocated by a formula based on road miles and population and distributed based on local governments submitting project requests which must be reviewed and approved by GDOT. If applications are not approved, the LMIG funds remain with DOT. With the upcoming Transportation Investment Act and Regional Transportation Tax, the 25 percent local discretionary fund portion of the tax revenues (15 percent in ARC region) will be allocated to local governments by formula based on road miles and population and distributed directly to local governments without any required applications or GDOT approvals.

6. Complete Streets Design Philosophy

GMA supports the Complete Streets design philosophy and endorses a requirement that GDOT projects must incorporate this design philosophy which minimizes long-term project costs and enhances public safety.

Explanation: Complete streets are designed and operated to enable safe access for all users. Pedestrians, bicyclists, motorists and transit riders of all ages and abilities must be able to safely move along and across a complete street. Creating complete streets means GDOT must change its orientation toward building primarily for cars. Instituting a complete streets policy ensures that GDOT will routinely design and

operate the entire right of way to enable safe access for all users. The benefits of complete streets design include: improved safety, an increase in bicycle and pedestrian use, and improve air quality. Furthermore, project costs are minimized if the complete streets philosophy is incorporated up front, because integrating sidewalks, bike lanes, transit amenities, and safe crossings into the initial design of a project spares the expense of retrofits later.

GMA recommends that GDOT should adopt and implement the complete streets design philosophy for all phases of all types of transportation projects. The use of the complete streets philosophy will ensure that Georgia residents will have a safer, more efficient, more convenient, and more accessible transportation system, and this system will be executed in the most cost-effective manner possible.

7. Transit Governance

GMA supports the concept of allowing for the creation of regional transit systems among local governments which see the need to use transit as a means of furthering their economic vitality and transportation mobility. GMA encourages the Governor and the Transit Governance Study Commission to ask the General Assembly to pass legislation authorizing a transit governance mechanism that will maximize in the efficient delivery of transit services throughout the regions of the state as determined regionally by various local governments.

Explanation: Transit expansion and development has consistently emerged as a regional transportation priority, most notably in the Atlanta metro area, but regions throughout the state are considering transit components and projects as part of their regional project lists that will be presented to voters for the 2012 regional sales tax referendum. A locally developed and managed regional transit governance mechanism could create a framework through which communities that currently operate transit systems and those that may desire to do so in the future can coordinate their services, set common priorities and seek new funding.

8. Increased Truck Weights*

GMA opposes legislation to allow increased truck weight limits.

Explanation: State and federal legislative proposals to raise allowable truck weight limits will result in more rapid deterioration of state and local roadways and bridges. Heavy trucks traveling through cities already cause damage to historic buildings, residences, businesses, and municipal infrastructure such as sidewalks and streetscapes. Increasing the current allowable weight variance will only intensify the burden on the state's roadway system and result in added costs to taxpayers.

of Savannah's pre-eminent position among east coast ports. These federal funds are requisite to receiving Georgia's matching share of funds to complete the project.

*Adopted by GMA Legislative Policy Council at the Mayors' Day Conference on January 22, 2012

BUDGET RECOMMENDATIONS

1. State Transportation Funding Levels

GMA supports continued and sustained state funding levels for the Local Maintenance and Improvement Grant program.

Explanation: LARP and state aid programs have been eliminated and replaced with a new program for local transportation projects, the Local Maintenance and Improvement Grant Program. Increased and sustainable levels of funding for this program are essential to the economic vitality of local communities throughout Georgia, which are dependent upon a comprehensive, well-constructed, and adequately maintained state and local transportation network.

2. Savannah Harbor Expansion Project (SHEP)

GMA encourages full funding of the SHEP in the amount of \$119 million by the federal government, state government, or by any means necessary to ensure completion of this important project.

Explanation: Georgia's congressional delegation must aggressively seek approval of this funding request in order to achieve the improvement of the Savannah Harbor by the time the Panama Canal expansion is complete in 2014. This project is vital to maintain the Port