

2007-2008 GEDA State Legislative Policy Agenda

The need to be effective, when confronted with so many pressing policy issues, means that GEDA must focus its efforts. For the 2007-2008 year, GEDA emphasizes three key issues:

- Tax Reform.
- Water and the Environment.
- Preserving the governmental body role of development authorities.

GEDA also continues to support initiatives and programs that enhance transportation and education/workforce development.

Tax Reform

General Philosophy: Support a reform of Georgia's tax system if the tax reform plan provides-

- *Meaningful incentives that support recruitment of strategic or targeted business and industry, as well as the growth of existing business and industry; and*
- Local revenues under local control.

1) Provide Meaningful Incentives:

- a) Local control over property tax relief programs, that are used on a limited and selective basis when a community is competing for a new or expanding business or industry, is vital and should be maintained, notwithstanding any form of tax reform.
- b) In consultation with local governments, statewide legislation to provide for phasing-in "freeport" (inventory property tax exemptions) is much needed in order for Georgia to succeed when competing with other states, particularly for warehouse and distribution projects.
- c) Existing economic development sales and use tax exemptions should be retained under any form of tax reform. In addition, development authority building materials should be legislatively exempted from the sales and use tax.
- d) Legislation is needed to make income tax credits transferable. This would allow earlier stage companies to raise capital by selling unneeded tax credits to more established companies with an income tax liability. The General Assembly should allow tax credits to be applied against wage withholding statewide. In order to help less developed communities, percentage "caps" should be applied to transferability and wage withholding applicability in the different "tiers" of the State. These tax credits should also be allowed against the premium taxes paid by insurance companies. The port traffic increase tax credit should be made specifically applicable to imports, as well as exports, by legislation. GEDA calls on the General Assembly to comprehensively update the BEST statutes that govern these and other tax credits, in order to make this law an economic development "Tool for the 21st Century."

2) Keep local revenues under local control, so that:

- a) Our communities and the State can increase their tax base and reduce the pressure on homeowners to provide funding for services and growth.
- b) Our school systems have the resources and technology that they need to educate our students and prepare them for the 21st Century.
- c) Local revenues are available and sufficient to fund infrastructure and site development to attract new business and industry and support existing industry.

Water and the Environment

General philosophy: Address air quality, water quality, water quantity, comprehensive planning, and growth management through public-private and intergovernmental partnerships as well as policies that emphasize incentives versus mandates.

- 1) Continue to monitor the statewide water planning process so that the plan protects water resources for economic development throughout Georgia. Any recommendations of the Georgia Water Council, and any action by the General Assembly, must provide flexibility and preserve Georgia's ability to meet future water needs through the use of a full range of water management tools. Support full funding of the scientific analysis of state water resources recommended in the draft statewide water plan.
- 2) Support continuation of essential environmental infrastructure financing programs of the Georgia Environmental Facilities Authority (GEFA). Especially those that allow local governments to meet the requirements of the new statewide water plan..
- 3) Protect the assets of the Hazardous Waste Trust Fund and support the re-authorization of the Solid Waste Trust Fund for the original purpose of financing environmental projects.
- 4) Support the continuation of improvement in the environmental permitting process so that permits are issued at the speed of business. In addition, ensure that Georgia Environmental Protection Division (EPD):
 - a) Is responsive to the regulated community, and
 - b) Provides timely liaison, guidance, facilitation, and coordination of permit review and issuance to businesses.
- 5) Support Federal policies and a state implementation plan (SIP) for ozone and particulate matter non-attainment that will protect Georgia's opportunity for jobs and economic development, and that retains existing standards in order to encourage continued efforts toward compliance.
- 6) Consider appropriate septage disposal and solid waste disposal policies at the state and local level that are consistent with support for economic development and monitor the development of policy in this area as a result of the draft statewide water plan.

Preserving the governmental body role of development authorities.

General Philosophy: The tax exemption for development authority obligations, properties, activities and income should be retained, under any tax reform plan.

- 1) A development authority is a governmental body. The General Assembly should preserve, under any form of tax reform, the Constitutional exemption from taxation of development authority , obligations, properties, activities and income. This exemption is essential in order for development authorities to be able to carry out their Constitutional mandate to "promote the development of trade, commerce, industry and employment opportunities." Furthermore, many development authorities pay for some or all of their activities through financing fees charged to private sector

companies when issuing revenue bonds. Income from revenue bond issues relieves development authorities from having to ask their parent governments for funding. Loss of this source of income for development authorities, and an increase in the financial pressure on their parent governments, would go hand-in-hand. The General Assembly should avoid placing our communities and their development authorities in this position.

- 2) Any version of tax reform should retain the ability of a local government to commit a specific amount of property tax revenue to support the economic development programs of its local development authority. In many cases, this revenue has already been pledged to finance such projects as new industrial parks.

Transportation and Education/Workforce Development.

General Philosophy: Enhancing these deserving components of our State's economic development strategies will receive GEDA's support.

In the field of education/workforce development, GEDA supports programs and initiatives directed at providing a unified, effective, seamless, and world-class system of education and training, research and development, and committed public service associated with all levels (preK-12, technical & adult, college/university), focused on meeting the talent (as well as other specific operational) needs of business employers, as well as public and private organizations. In the field of transportation, GEDA supports (a) a comprehensive, multi-modal transportation system for Georgia that provides transportation alternatives to relieve urban congestion and provide rural access; and (b) a cooperative partnership among all transportation related organizations.