



GGFOA

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Message from the President

Greetings Everyone!

I certainly hope everyone's doing well and starting to enjoy getting back outside in the wonderful Georgia spring weather. I understand that South Georgia is out of the drought now but, we need more rain up north. However, I am curious about why it seems to rain every weekend.

There is a lot going on in the world of GGFOA. As everyone knows, the Georgia Legislature is out of session now. As in the past there were some bills that will benefit local governments and some that can be detrimental. Several bills that could have had a significant impact on local governments did not pass. Those included the elimination of Ad Valorem taxes on personal vehicles, annual caps on property assessment increases, and caps on annual budget increases among others. You can count on these same issues coming up again next year when the Legislators are back in session. A legislative summary from the GMA is included in this newsletter. You can also visit the ACCG web site for their summary from the County's perspective. Once again, I would ask that we all be prepared to get involved next year.

The GASB has issued a new exposure draft on fund balance reporting and fund type definitions. The GASB has always encouraged feedback, and this provides us with another chance to do just that. Please see the article included in this newsletter about this latest proposal. This issue also contains the GFOA's guidelines on responding to GASB's proposed new standards.

As some of you may know, the Carl Vinson Institute has determined that they can no longer provide the same management services it has in the past to our organization. The Board has approved a new contract with another firm which specializes in this area. Many thanks go to Stephanie Black, Melody Marlowe, and Sabrina Cape for their efforts in researching and negotiating this contract. Once it is finalized we will let everyone know the specifics. Of course, we owe the folks at the CVIOG a debt of gratitude for their years of service to this organization.

We have had two excellent seminars so far this year, and we will be having another in July. Take advantage of these opportunities to learn about the latest topics and to network with your fellow members. Also, please plan on attending our annual conference in October in Augusta, Georgia. It was amazing how many members suggested that we have a bowling tournament at the annual conference, so by golly we are going to try to meet that demand! Additionally, the GFOA annual conference is coming up in June in Fort Lauderdale, Florida. I hope to see you there.

As always this organization will only improve and grow if its members are involved. So attend the seminars, provide suggestions, and volunteer to serve on a committee.

Be safe!

Brad Bowers

President, GGFOA

Promoting Excellence in Governmental Finance

GFOA's Guidelines on Responding to New Accounting Standards

Principle 1: Accounting is a means to an end, not an end in itself. Accounting standards should always be justifiable on the grounds that they provide information that is of practical use to decision makers. This practical use should be demonstrated.

Principle 2: Willingness to accept something for free is not sufficient evidence of genuine demand. Users of financial statements virtually always can be expected to support requirements for additional disclosure since they do not have to bear the related cost. A positive response from users to a proposed new disclosure is not, of itself, sufficient evidence of real demand.

Principle 3: Less often is more. The sheer value of financial reporting can be a significant obstacle to users and potential users of financial statements and needs to be minimized, especially in the case of note disclosure.

Principle 4: Unnecessary differences with private-sector standards should be avoided for accrual based presentations.

Principle 5: Resist assigning new meanings to existing private-sector terminology. The same technical term should not have different meanings in the public and private sectors (e.g., cash flows from operating activities).

Principle 6: The financial statement display of “soft” data compromises user confidence in financial statements. Softer data is best provided through note disclosure.

Principle 7: The integrity of the current financial resources measurement focus and the modified accrual basis of accounting must be preserved. Recognition and display in governmental funds should be driven by the unique measurement focus of those funds, rather than “shadowing” the accrual-based treatment used in the government-wide financial statements. A major reason the GFOA supported government-wide reporting was to “take the pressure off” governmental funds to provide information inconsistent with their primarily budgetary objective.

Principle 8: The integrity of fund accounting needs to be preserved. It is essential that fund financial statements be treated as the true equal of government-wide financial statements and not as the equivalent of supporting schedules.

Principle 9: The expansion of required supplementary information needs to be resisted. Such presentations easily could become a growth category, especially given the broad definition of the category provided in GASB Concepts Statement No. 3. Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements.

Principle 10: Not every financial problem has an accounting solution. “Accounting” and “accountability” are not synonyms. Accounting is only one part of accountability. Accountability also incorporates budgeting and public policy-making processes, which are beyond the scope of accounting standards.

Principle 11: Quarterly GAAP reporting should not be mandated in the public sector. Because governments do not issue equity securities and because defaults on governmental debt securities are extremely rare, that is no public-sector equivalent to the private-sector demand for quarterly financial reporting in the conformity with generally accepted accounting principles.

Principle 12: The cost of implementing new standards should be minimized. As a rule, the implementation of new standards should be mandated *prospectively* rather than *retroactively*.

Training Opportunities

The University of Georgia's Carl Vinson Institute of Government provides local elected officials, administrators, and staff, as well as boards and authorities, quality customized training and development opportunities at convenient locations around the state. Following is a list of training opportunities offered by the Carl Vinson Institute in the near future:

Writing Financial Policies (\$99) – Tifton – June 5, 2008 – 6 CPE hours, Tifton Campus Conference Center

Payroll Administration (\$198) – Macon – June 2-3, 2008- 12 CPE hours, Central Georgia Technical College

In addition to the more traditional classroom learning experience, the Carl Vinson Institute has available *distance learning or on-line learning options*. This alternative learning experience *enables you to learn at your own pace and in your own space*. Course work and examination, including quizzes to reinforce what you have learned, will be done online through a convenient interactive format.

Online Introductory Governmental Accounting Part I (24 CPE hours)

Online Introductory Governmental Accounting Part II (24 CPE hours)

Online Intermediate Governmental Accounting (36 CPE hours)

For further information on these and other training opportunities offered please go to their website: <http://www.cviog.uga.edu/training/financial/local.pdf> or contact Lisa Kesler at

706-542-9479, Kesler@cviog.uga.edu or lfmp@cviog.uga.edu.

Ever wonder what makes a person or team give 100%?

What if greater than 100% is achieved?

Here is an interesting math "fact" that might shed some light on this.

IF

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

IS REPRESENTED AS:

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26

THEN;

K N O W L E D G E = 11+14+15+23+12+5+4+7+5=96%

H A R D W O R K=8+1+18+4+23+15+18+11=98%

BUT,

A T T I T U D E=1+20+20+9+20+21+4+5 = 100%

So it looks like knowledge and hard work will get you close, but

ATTITUDE is what gets you there!

THE GASB RECOMMENDS CHANGES TO FUND BALANCE REPORTING

The Governmental Accounting Standards Board (GASB) has issued a new exposure draft setting forth a proposed Statement on fund balance reporting and governmental fund type definitions. This proposed Statement would establish financial reporting requirements for classifying and reporting fund balances in governmental funds. In addition, the Statement would also provide clarified definitions of the individual governmental fund types. **The objective of this proposed Statement is to improve financial reporting by providing fund balance categories and classifications that would be more easily understood.** This article only describes the proposed changes to fund balance reporting in governmental funds.

Fund balance is currently reported in governmental funds as either reserved or unreserved. Typically, the reserved fund balance is that portion of the fund balance that is not appropriable for expenditure or is legally segregated for a specific future use. Two typical examples of reserved fund balance are the *Reserve for Inventories* and *Reserve for Encumbrances*. The former indicates that the portion of fund balance represented by inventories is not available for appropriation and expenditure at the balance sheet date while the later represents that portion of the fund balance that has been segregated for expenditures. The amount of the fund balance that is not reserved should be reported as *Unreserved Fund Balance*.

The exposure draft proposes that fund balance reporting should distinguish between amounts that are nonspendable and those that are spendable. Furthermore, the spendable category should be divided into additional classifications of restricted, limited, assigned or unassigned. Other amounts currently reported as fund balance, such as *Reserve for Encumbrances*, would be reported in the Notes to the Financial Statements.

The nonspendable fund balance category would represent amounts that cannot be spent for two specific reasons: (1) they are not in spendable form or (2) they are legally or contractually required to remain intact. Fund balance amounts related to inventories and prepaid items are not in spendable form, and the principal of a permanent fund is legally required to be maintained intact. Both of these examples would be reported as nonspendable fund balance.

The spendable fund balance category would include amounts that are in spendable form and are considered available for spending, such as cash, investments and receivables. Within the spendable fund balance category further classifications should be provided, including restricted, limited, assigned or unassigned. These additional categories present a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in that fund can be spent.

The “**restricted**” spendable fund balance represents amounts that have a legally enforceable requirement, such as debt covenant requirements; whereas the “**limited**” spendable fund balances are not subject to legal enforceability and include amounts that are committed for specific purposes by formal action of the government’s highest level of decision-making authority. The “**limited**” amount cannot be spent for any other purposes unless the government removes or changes the limitation by taking the same form of action it employed to previously impose the limitation.

The final two classifications of the spendable fund balance category include assigned and unassigned spendable fund balance. Amounts that are *intended* by the government to be used for specific purposes, but are neither restricted nor limited, should be reported as assigned fund balance. This intent needs to be expressed by the government. One example is the intent to use an amount to upgrade the soccer fields in the park and recreation department. That intent has been expressed by the government, but no formal action has been by the government’s highest level of decision-making authority.

The **unassigned classification of spendable fund balance** represents the remaining amount in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, limited, or assigned to specific purposes within the general fund.

The requirements of this proposed Statement would be effective for financial statements for periods beginning after June 15, 2010. Early implementation is encouraged. Fund balance reclassifications made to conform to the provisions of this Statement would be applied retroactively by restating fund balance for all prior periods reported.

For additional information about the proposed changes, please contact Myra Byrd, CPA and faculty member of the University of Georgia’s Carl Vinson Institute of Government. Myra’s phone number is (706) 540-5561 and her email address is byrd@cviog.uga.edu.

Legislative Summary 2008

Two major issues dominated the 2008 legislative session— tax reform and transportation funding.

Tax Reform: During the eight month between the 2007 and 2008 Legislative Sessions, tax reform dominated legislative discussions in the media, civic clubs, legislative events and between city officials and their legislators. Prior to the 2008 Session, the tax proposal that dominated the discussions was the ever-changing so-called GREAT Plan, which would have entirely revamped the state and local tax system by eliminating property taxes and imposing sales taxes on almost all goods and services. By the 40th day of the session, House and Senate conferees were focusing on proposals to eliminate the car tag tax, cap property assessment increases, cap state spending and address trauma care funding. From the municipal perspective, the “tax reform” proposals under consideration on the 40th day of Session would have been devastating. The car tag tax is primarily a local government tax that provides about 6% of the municipal property tax in Georgia. None of the proposals to eliminate the car tag tax guaranteed local governments 100% reimbursement for the lost revenue. While no “tax reform” passed this year, it remains a topic of discussion and one GMA feels will be discussed prior to, during and after the elections leading up to the 2009 session.

Transportation: Over the summer and fall of 2007, the Joint House and Senate Transportation Funding Study Committee met several times around the state to discuss the need for transportation funding. Those meetings resulted in the House and Senate crafting and introducing separate proposals. The Senate version allowed a county and its cities to levy transportation SPLOST, with 80% of the revenue for local transportation projects, 10% for public transit projects and 10% to be given to the state for state transportation projects. The House version proposed transportation tax districts with the state’s RDC boundaries. What ultimately came out of both of these versions is a bill relating to a sales tax exemption for public mass transit will become law, pending the Governor’s signature.

In addition to these two major issues as discussed above that dominated the time and energy of GMA lobbyists and city officials alike for the past year or so, many other bills also passed and are pending action by the Governor. The following summary was organized by GMA standing policy committees, provides an overview of some of the major bills that passed. For a complete listing and disposition of all bills GMA tracked or were considered by the General Assembly, please visit the GMA Legislative Tracking system on the GMA web site at <http://www.legtracking.gmanet.com/>.

Community Development

House Bill 1126: Downtown Development Authority Directors: This legislation allows one non city resident to serve as a director on the downtown development authority if they own a business within the downtown development area. If that director ceases to own a business within the downtown development area, the director must relinquish the seat on the board. The board member must be a resident of Georgia. **Sent to Governor**

House Bill 1216: Regional Development Centers: This legislation converts regional development centers (RDC’s) into regional commissions and provides boundaries for the commissions created. The sixteen RDC’s will be reorganized into twelve regional commissions with boundaries to match those of the state’s service delivery regions. These regional commissions will function as the regional planning entity for land use, environmental, transportation, and historic preservation planning in each designated region of the state. The Department of Community Affairs will no longer be required, under this Title, to maintain a strategic rural economic development plan for each RDC in the same manner that was previously required. The metropolitan Atlanta area will be included in a commission identical in structure to commissions in other parts of the state. To be eligible for minimum funding from state appropriated funds, each regional commission must collect annual dues of \$1.00 for each resident of each county within the commission. Each commission must apply to the department for supplemental funding. The word “necessary” is added to the definition of governmental services. Commissions are authorized to provide, through contract, governmental services on behalf of local governments. The State Auditor will perform triennial audits of the state funds received by a commission. The Governor, Lieutenant Governor, and Speaker of the House of Representatives will all have appointments to commission councils. Further, this legislation changes the wording “development center” to “commission” wherever appropriate. **Sent to Governor**

Senate Bill 379: Local Government Franchising Authority, Telecommunications: This legislation creates a standardized, local franchise application process for telecommunications, and a standard franchise fee that will be paid for telecommunications. This amount is based on three percent of recurring local revenues. The bill ensures that municipalities maintain the authority to manage the rights of way and requires telecommunications companies to abide by reasonable rights of way ordinances. Existing franchise agreements will remain in effect until their expiration or until December 31, 2012, whichever is sooner. **Sent to Governor**

Legislative Summary continued...

Senate Resolution 996: Tax Allocation Districts (TADs): This legislation provides for a constitutional amendment and allows the General Assembly to authorize any county, municipality, or housing authority to undertake and carry out community redevelopment. It also addresses the Georgia Supreme Court's recent decision relating to education tax funds by specifically allowing the use of city, county and education tax funds for tax increment financing of TADs. Education tax funds may not be used for new TADs except as authorized by general law after January 1, 2009; however, any education tax funds that have already been pledged to repay TAD bonds that have been validated will continue to be used for TAD purposes. No local government may create a TAD without first receiving approval from the General Assembly and then through a local voter referendum. **On ballot in November**

Environment and Natural Resources

House Bill 1132: Uniform Environmental Covenants Act: This legislation provides for a relationship between environmental covenants and other land use laws. The environmental covenant will provide a narrative of the type and severity of a hazard or contaminants of concern. This legislation is to provide a consistency in law on private covenants. **Sent to Governor**

House Bill 1176: Land Conservation Projects: This legislation allows Georgia Environmental Finance Authority and the Georgia Land Conservation Program Council to make loans to non-governmental entities to protect and conserve land. **Sent to Governor**

House Bill 1281: EPD Approval, Local Restrictions, Outdoor Water Use: This legislation requires EPD approval if a local government wants to impose greater restrictions than those imposed by the state on outdoor water use. The bill was amended on the Senate floor to exempt local governments from fines or sanctions, upon approval by EPD, when a local government is not allowed to impose greater outdoor watering restrictions than the state and then fails to satisfy reduced water consumption or other permit requirements. Local governments would have to notify EPD within 10 days of the discovery of such failure. The bill would also require EPD to exempt a local government or utility from state restrictions if the utility shows good cause to be exempt. The proposal also states that swimming pools are not deemed to be an outdoor water use if failure to maintain the swimming pool would create unsafe, unsanitary, or unhealthy conditions. The for legislative override of Environmental Protection Division rules which are not related to federally delegated responsibilities of EPD. **Signed by Governor**

Senate Bill 399: Reauthorize Solid Waste Trust Fund Fees: This legislation extends the sunset of the \$1 per tire fee intended for the Solid Waste Trust Fund from June 30, 2008 until June 30, 2011. **Sent to Governor**

entire Code section sunsets on July 1, 2010. **Sent to Governor**

House Resolution 1022: State Water Plan: This resolution ratifies the Comprehensive State-Wide Water Management Plan (Water Plan) adopted by the Water Council on January 8, 2008. The purpose of the Water Plan, as stated in its enabling legislation, the 2004 Comprehensive Statewide Water Management Planning Act, is to guide Georgia in managing water resources in a sustainable manner to support the state's economy, to protect public health and natural systems, and to enhance the quality of life for all citizens. The process for implementation of the Water Plan is as follows: 1. The cycle begins with the completion of a set of water resource assessments by the Environmental Protection Division (EPD). These assessments will define the water quality and water quantity capacities of our water resources.

2. A regional water planning council will then be responsible for using regional population and employment estimates to forecast needs for water and assimilative capacity within a water planning region.

3. A regional water development and conservation plan will be prepared by EPD and by regional water councils.

4. Once adopted, the plans will be implemented by the water users in the water planning region and EPD will make water permitting decision based on the plans.

Water planning councils will be diverse and broadly representative of local governments, water users, and other water related interests in each planning region. Water planning regions include one more surface or groundwater resource(s) and are generally aligned with the hydrology of those resources. The Director of EPD will consider more specified criteria in evaluating any application for a new interbasin transfer permit. Intrabasin transfers may continue to occur within the state. However, if a new intrabasin transfer will cross the jurisdictional boundaries of more than four counties, it will not be permitted until consumptive use assessments have been completed and regional water plans have been developed. **Signed by Governor on February 6, 2008.**

Senate Bill 352: Environmental Protection; Legislative Override: This legislation allows for legislative override of Environmental Protection Division rules which are not related to federally delegated responsibilities of EPD. **Signed by Governor**

Legislative Summary continued...

Senate Bill 342: Reservoir Funding and Streamlined Permitting: This legislation authorizes the Soil and Water Conservation Commission to fund the cost of obtaining permits for reservoirs and provides for expedited permitting of such reservoirs through the Environmental Protection Division (EPD). Further, this bill also creates a Water Supply Division (WSD) within the Georgia Environmental Facilities Authority (GEFA) to acquire, design, construct, equip, maintain, expand, and improve reservoirs in the state. The WSD, in cooperation with the Department of Natural Resources, must take all reasonable steps at the earliest practicable date to inventory and survey feasible sites for water reservoirs within the state. However, no reservoir will include an electrical generation facility unless the facility does not cause the release of water from the reservoir for generation of power. All uses of water reservoirs and acquired surrounding lands must be subordinate to the use of the reservoirs for water supply purposes. Senate Bill 342 also creates a Legislative Oversight Committee and a Georgia Reservoir Fund, which will consist of proceeds of bonds, any moneys paid to GEFA under intergovernmental contracts, voluntary contributions, and any federal moneys deposited into the Fund. This legislation also provides for an additional sales and use tax exemption for the purchase of water efficient products with a sales price of \$1,500 purchased for noncommercial home or personal use and extends the tax exemption period from October 2, 2008 until October 5, 2008. The term "water efficient product" is defined as any product used for the conservation or efficient use of water which has been designated by the United States Environmental Protection Agency (EPA) as meeting or exceeding EPA's water saving efficiency requirements or which has been designated as meeting or exceeding such requirements under EPA's Water Sense program. Nothing in this legislation will alter or abrogate any provisions of current law, rules, regulations, or state-wide or regional water plans governing interbasin or intrabasin transfer of waters. **Sent to Governor**

Senate Bill 463: Authorizing Gray Water Use: This legislation requires cities or counties to allow gray water systems for residential irrigation if these systems meet plumbing code specifications. No more than 400 gallons per days would be lawful if certain conditions are met in using the gray water. **Sent to Governor**

Senate Bill 466: Exempting Car Wash Facilities: This legislation allows permanent car wash facilities to be exempt from outdoor watering restrictions if the facility is on a sewer system or uses recycled wash water, and is certified by EPD as meeting or exceeding best management practices for car washing facilities, as determined by a DNR Board rule. Car washing facilities would be required to pay a \$50 annual fee to be certified by EPD. This legislation also states that filling of swimming pools is not classified as an outdoor water use. **Sent to Governor**

Municipal Government

House Bill 975: Prohibition of Retroactive Permits: This legislation prohibits a county or city from backdating a permit or other authorizing document in any area which due to a change in the jurisdictional authority of local governments is no longer within the jurisdiction of the issuing local government. **Sent to Governor**

House Bill 1098: Municipal Elections, Reports to Secretary of State: This legislation requires that the results of all municipal elections be immediately transmitted to the Office of the Secretary of State. **Sent to Governor**

House Bill 1217: State Licensing Board for Home Inspectors: This legislation creates the State Licensing Board of Home Inspectors (Board) under the Secretary of State. The six-member Board will be appointed to five year staggered terms, with any vacancy filled in the same manner as the original appointment. Anyone seeking to be licensed as a home inspector in Georgia will file an application with the Board, which will include proof of a course of study and passage of a valid, reliable examination. A person holding a valid and current home inspectors license from another state or territory of the United States that has a reciprocal agreement with the Board will not have to take the examination provided that the person pays the fees. Home inspector licenses are renewable biennially, and a condition of renewal is the completion of 30 hours of continuing education. This legislation also provides what must be included in inspection reports, and also that a home inspector will be required to maintain liability insurance in an amount determined by the Board. A home inspector must be licensed separately as an architect or residential or general contractor if performing those practices. **Sent to Governor**

House Bill 1235: Fleet Vehicles City Liability: This legislation started out as a measure to require fleet vehicles to be registered with the Commissioner of Insurance. However, the bill currently provides that cities must pay fleet vehicle owners for any fees associated with wrongfully towing or impounding fleet vehicles, but also contains language that preserves the sovereign immunity of cities. (Because fleet vehicle VIN numbers are not reported to the state, officers often have no way to verify that fleet vehicles are legally insured.) **Sent to Governor**

House Bill 1303: Prohibit Food Nutrition Information: This legislation preempts cities from enacting ordinances that require food service establishments to provide information to their consumers about the nutritional content of the food they serve. **Sent to Governor**

Legislative Summary continued...

Senate Bill 33: Building Mapping: This legislation creates a discretionary program that allows cities to work with Georgia Emergency Management Agency (GEMA) in mapping buildings. **Sent to Governor**

Senate Bill 82: Create City of Dunwoody: This legislation creates the new city of Dunwoody with a majority vote of the citizens that reside in the designated community. **Signed by Governor**

Senate Bill 154: Contract Guarantee for Private Waste Haulers: This legislation aims to guarantee a continuation of commercial solid waste contracts for private waste haulers doing business in Georgia. The bill in its present version would require a city to allow a solid waste company to continue to provide solid waste services in previously unincorporated areas for the duration of the original contract with any commercial client. However, language was inserted to clarify that local governments have the authority to adopt ordinances establishing standards and procedures for solid waste collection to protect public health and safety. **Sent to Governor**

Senate Bill 348: Limitation of Recovery Costs on Motor Vehicle Accidents: This legislation prohibits cities and counties from imposing a fee or tax on insurance companies when providing any service for motor vehicle accidents, unless: (1) the coverage for the services are expressly provided by an insurance company; (2) where emergency medical services are provided and the insured's medical insurance covers the services; or (3) where other services are provided to the insured which are expressly authorized by state or federal law to be billed to the insurance company. Cities and counties may still bill the insured directly. **Sent to Governor**

Public Safety

House Bill 77: Red Light Cameras, Traffic Enforcement: This legislation requires that traffic engineering studies be completed before red light cameras can be installed and requires cities to obtain a permit from DOT before installing an automated camera. It allows the DOT to charge permit application fees of cities desiring to install an automated system and would require existing cameras to comply with the DOT requirements. The bill also requires annual reporting to the DOT; failure to do so will result in any revenue generated by the camera being deposited in the state treasury. The bill requires DOT to investigate complaints and allows the state to recover attorneys' fees against cities accrued in obtaining injunctive relief. The bill provides that second and subsequent notices to violators be sent by certified mail, requires that an extra second be added to the yellow light at intersections with cameras, and allows violators to send in affidavits indicating they weren't driving instead of showing up in court to contest the ticket. It no longer contains a revenue sharing provision that would redirect municipal funds to the state. **Sent to Governor.**

House Bill 89: Firearms in Vehicles, Public Facilities, Employer Parking Lot: This legislation allows anyone to carry a loaded firearm anywhere inside a passenger vehicle, rather than inside the console or in an open and obvious manner. The bill also allows those licensed to carry concealed weapons to bring them into all state and city parks, historical sites and recreational areas as well as onto public transit and restaurants that serve alcohol. The bill also prevents employers (including cities) from searching locked employee or visitor automobiles in parking lots or from conditioning employment upon an agreement with a prospective employee prohibiting them from entering the parking lot with a firearm in their automobile. However, the bill provides an exemption for employers (including cities) with a secure parking area that restricts general access. It also provides that any policy of searching vehicles for weapons upon entry to such parking lots be applied uniformly to all visitors and employees and that it is done on a frequent basis. Other exceptions include parking lots adjacent to public utilities, jails, and restrictions applied to employees subjected to disciplinary action. **Sent to Governor**

House Bill 978: Forfeiture of Automobiles Driven by Illegal Immigrants: This legislation requires local law enforcement to seize automobiles involved in car accidents that are being driven by illegal immigrants. The cars would be turned over to the district attorney and the proceeds from the forfeiture proceeding will be turned over to the state or the law enforcement jurisdiction that made the initial seizure. **Sent to Governor**

House Bill 983: Fresh Pursuit by Other State Officers: This legislation allows law enforcement officers from neighboring states, in pursuit of a fleeing criminal suspect, to have arrest powers within Georgia; provided that the crime of which they are suspected is a crime in both Georgia and the fleeing state and that the crime is punishable by more than one year of incarceration. **Sent to Governor**

Senate Bill 373: Emergency Suspension of Police Officers by POST: This legislation authorizes the Executive Director of POST council to suspend the certification of a law enforcement officer upon their being arrested or indicted for a felony offense until such time as the POST Council overturns the Executive Director's decision. The purpose would be to insure that law enforcement officers may be quickly and temporarily relieved of their POST certification in the event they are charged with a felony until such time as the charge is resolved. **Sent to Governor**

Senate Bill 414: Firefighter Standards and Training Act: This legislation allows the Firefighter Standards and Training Council to probate the certification of firefighters that have not kept up with their certification training. **Sent to Governor**

Legislative Summary continued...

Taxes and Revenues

House Bill 272: Energy Tax Exemption

Manufacturing Processes: This legislation creates an exemption from state sales taxes for the increased cost of energy used in the manufacturing process. The exemption applies only where the cost of energy is in excess of the first \$7.60 per deca-therm of the sales price or cost price of natural or artificial gas, the first \$2.48 per gallon of the sales price or cost price of No. 2 fuel oil, the first \$1.72 per gallon of the sales price or cost price of No. 6 fuel oil, the first \$1.44 per gallon of the sales price or cost price of propane, the first \$57.90 per ton of petroleum coke, the first \$57.90 per ton of coal, or the first 3.44¢ per kilowatt hour of the fuel cost recovery component of retail electricity rates whether such fuel recovery charges are charged separately or are embedded in such electric rates. **Sent to Governor**

House Bill 296: Special Elections Date: This legislation limits the special elections for ballot questions to general elections and general primaries in even numbered years and to March and November elections in odd numbered years. In Presidential election years, a special election could also be held in conjunction with the Presidential Preference Primary. The effective date of this legislation is January 1, 2010. **Sent to Governor**

House Bill 851: Income Tax Credit for Rehabilitated Historic Property: This legislation encourages the redevelopment of historic structures by increasing the state income tax credit from 10 percent to 25 percent of qualified rehabilitation expenditures for a historic home and from 20 percent to 25 percent of qualified expenditures for other certified structures. The tax credits for historic home expenditures are capped at \$100,000 in a 120 month period, and the credits for a certified structure are capped at \$300,000 in a 120 month period. **Sent to Governor**

House Bill 948: Sales Tax Holiday: This legislation establishes the 2008 sales tax holiday dates for back-to-school items as July 31- August 3 and the sales tax holiday dates for energy efficient items as October 2- 5. The Senate version of the bill extended the sunset for the ability of the DOR to distribute unidentifiable sales tax proceeds to local governments (about \$18 million of unidentifiable sales tax revenue a year is distributed to local governments) but the House stripped this provision. As a result, the \$18 million of local sales tax money is likely to be placed in the state treasury as DOR's ability to distribute unidentifiable sales tax proceeds expired on December 31, 2007. **Sent to Governor**

House Bill 1273: Jobs Tax Credit in Poverty Areas: This legislation allows job tax credits to be available to businesses located within or adjacent to census block groups with a poverty rate of 15 percent or greater if the area is also in an enterprise zone or where a redevelopment plan has been enacted pursuant to the Urban

Redevelopment Law. It also states that within areas of pervasive poverty, businesses only have to increase employment by two or more jobs in order to be eligible for the credit; however, if only two jobs are created, those two employees may not be married to one another. **Sent to Governor**

House Resolution 1276: Forest Land Conservation Use Value Assessment: This legislation provides for a constitutional amendment establishing conservation use valuations for forest land provided for in HB1211. **Will be on November ballot**

Senate Bill 159: Timeline to File Homestead Exemptions: This legislation provides that the deadline for filing homestead exemptions is the same date as the deadline for filing property tax returns. **Sent to Governor**

House Bill 1024: Recreation Systems Tax: This legislation allows a city or county that has established a minimum or maximum recreation tax to hold a referendum to remove the minimum, maximum or both. Once the minimum, maximum or both has been removed, the city or county may determine the amount of funding for the recreation system. **Sent to Governor**

House Bill 1046: Property Tax Exemption for Watercraft: This legislation extends the current property tax exemption for watercraft held by a dealer for sale or resale through 2010. **Sent to Governor**

House Bill 1065: ESPLOST for Charter Schools: This legislation allows the ESPLOST to be shared with charter schools. **Sent to Governor**

House Bill 1081: Conservation Use; Interest on Appeal: This legislation allows county governments to establish a minimum acreage (up to 25 acres) for CUVA properties. It also allows an owner of property in a CUVA covenant the opportunity to cure a breach of that covenant. Further, it establishes the maximum amount of interest owed to a taxpayer or to a local government in the event that a property's value is changed as the result of an appeal at \$150.00. Additionally, if a refund is owed to a taxpayer, as a result of a decrease in assessed value from the appeal, the refund must be paid to the taxpayer within 60 days of the last date on which an appeal may be filed or the date on which the final determination of value is made. Any refund paid after the 60th day will accrue interest at the rate of 1% per month. **Sent to Governor**

Legislative Summary continued...

House Bill 977: Insurance Premium Tax Exemption:

This legislation creates an insurance program for high deductible health plans and provides an exemption from state and local insurance premiums taxes for high deductible health plans sold or maintained in connection with a health savings account. The exemption from local insurance premiums taxes will sunset on January 1, 2015 unless it is extended by the General Assembly. **Sent to Governor**

House Bill 1211: Forest Land Conservation Use: This legislation provides additional rules when qualifying property for conservation use assessment:

1. All contiguous forest land conservation use property of an owner within a county for which forest land conservation use assessment is sought will be in a single covenant;

2. When one-half or more of the area of a single tract of real property is used for the qualifying purpose, then the tract will be considered as used for the qualifying purpose unless some other type of business is being operated on the unused portion; and

3. No otherwise qualified forest land conservation use property will be denied conservation use assessment on the grounds that no soil map is available for the county in which such property is located.

No property will qualify for conservation use assessment unless and until the qualified owner of the property agrees by covenant with the appropriate taxing authority to maintain the eligible property in forest land conservation use for a period of 15 years beginning the first day of January of the year the property qualifies for such conservation use assessment and ending on the last day of December of the final year of the covenant. If any breach of a covenant occurs, the existing covenant will be terminated and all qualification requirements must be met again before the property will be eligible for conservation use assessment. All applications for conservation use assessment must be filed on or before the last day of filing ad valorem tax returns in the county for the tax year such conservation use assessment is sought. A penalty will be imposed if during the period of the covenant entered into by a qualified owner the covenant is breached. Forest conservation property will be valued using conservation use tables established by the Department of Revenue. In any taxable year on or after 2010, the forest land conservation use value may not increase or decrease by more than 3% from the value established by the Department. The state will provide grants to local governments to offset the revenue loss. Where forest land conservation use causes a local government to lose 3% or less of its property taxes, the grant to the local government will reimburse it for 50% of the lost revenues. Where forest land conservation use causes a local government to lose more than 3% of its property tax revenues, the grant to the local government will reimburse it for 50% on the first 3% of lost property tax revenues and 100% of the additional lost property tax revenues. **Sent to Governor**

House Bill 1129: Georgia Tourism Act: This legislation creates the Georgia Tourism Development Act. It would give a new or expanding tourism attraction a refund of sales and use taxes on the sales generated by the attraction; in essence, the attraction would be able to retain the taxes collected on sales at its facilities. The total refund would last for a maximum of ten years and would the

lesser of the sales tax liability of the company or 25 percent of the approved costs of the tourism attraction project. The refund would only be available to a company if approved by the city or county in which it is located. **Sent to Governor**

House Bill 1168: Hotel Motel Tax: This legislation provides flexibility for the City of Perry regarding hotel-motel taxes and amends the hotel-motel tax code in general to streamline and clarify the hotel-motel tax process and use of the proceeds. Under the new law, cities and counties can continue to operate exactly as they are operating today. However, after July 1, 2008, if any local government wants to increase its hotel-motel tax rate above 5%, or wants to stop what it is doing now and switch to the new system, the local government will need to pass a local resolution calling for an increased hotel-motel tax and get local legislation allowing the increase (all of the various paragraphs that allow a tax higher than 5% require general legislation now but are typically supported by the local delegation) through the General Assembly. The amount of hotel-motel tax revenue collected at the rate of 5% would be split 60/40 (as it is now) between the city and tourism advertising and the amounts collected in excess of that could be split 50/50 and used for marketing and for capital projects at the tourism destinations. **Sent to Governor**

Transportation

House Bill 1019: Georgia Transportation

Infrastructure Bank: This legislation creates the Georgia Transportation Infrastructure Bank (TIB) within the State Road and Toll way Authority. The TIB will serve as a revolving loan fund and will provide loans and other financial assistance to cities, counties, CIDs, public transit operators, and state agencies and authorities for constructing and improving highway and transportation facilities. Loan repayments will be used to capitalize the program, along with state appropriations, federal funds, and other funding sources. The Board of SRTA must determine which projects are eligible projects and then select qualified projects from the list of eligible projects. "Eligible project" is defined as a highway, including bridges, air transport and airport facilities, rail, or a transit or bicycle facility project which provides benefits by either: enhancing mobility and safety; promoting economic development; or increasing the quality of life and general welfare public. The term includes monorail and monobeam mass transit systems. **Sent to Governor**

Legislative Summary continued...

House Bill 981: Concrete Truck Weight Exemption:

This legislation allows concrete trucks to exceed maximum local street weight limits by a specific amount when delivering freshly mixed concrete to a customer, regardless of distance. Current law restricts these trucks to delivering in the same county or an adjoining county. This legislation also allows for a five percent variance from these weight limits if the vehicle is within 100 miles of the point of origin of the concrete. **Sent to Governor**

House Bill 1026: Utility Exemption from Notice and Hearing Requirement:

This legislation provides for circumstances whereby utilities will be exempt from requirements under Title 22 related to hearings and notices in the event that facilities owned by the utility and in or adjacent to the public right-of-way must be removed or relocated if they pose a danger to the public or to accommodate a DOT construction or maintenance project. **Sent to Governor**

House Bill 1189: DOT Strategic Plan: This legislation requires the commissioner of DOT to prepare a State-wide Strategic Plan and report to the Governor and General Assembly on its progress. **Sent to Governor**

House Bill 426: Railroad crossing signals: This legislation requires school districts to annually provide DOT with a list of rail crossings on school bus routes that do not have active warning devices. The DOT would use this list in prioritizing which rail crossings should receive upgraded warning signals. The bill would also require schools to minimize the number of school bus routes that cross rails without safety devices. **Sent to Governor**

Senate Bill 444: DOT Surplus Property: This legislation amends the procedure for the disposition of property not needed for public road purposes and to allow DOT to more readily dispose of such property. It would eliminate the requirement to publish a notice in the newspaper to advertise the disposal of the property when the owner's address cannot be found. The proposal would require an affidavit to be filed stating that a good faith effort was made to notify the owner prior to disposing of the property. The bill also allows DOT, a county, or municipality to negotiate the sale of property valued at \$30,000 or less, and allows DOT to accept bids for property that is within 15% of market value. **Sent to Governor**

GGFOA would like to thank Georgia Municipal Association (GMA) and it's Board for all of their efforts this past year and looks forward to working with them in the 2009 Legislative Session. For further information on this Legislative Summary please visit the GMA website at <http://www.gmanet.com/>.

Employment Opportunities

The GGFOA website maintains a list of job opportunities. If you have a job opening that you would like posted to our website please submit the job position information at <http://www.ggfoa.org/jobs/submit.php>.

- Staff Accountant, Catoosa County Government
- Public Service Faculty Position, UGA-Carl Vinson Institute of Government
- Finance Director, City of Dahlonega
- Chief Financial Officer, City of Tybee Island
- Accountant, Glynn County Board of Commissioners
- Financial Analyst/Accounting Supervisor, City of Garden City
- Finance Director, City of Cairo
- Finance Manager—Government, CH2M Hill OMI
- State Controller, GA Department of Human Resources (DHR)
- Finance Director, Bryan County Board of Commissioners
- Revenue and Technology Manager, City of Decatur
- Finance Director, City of Powder Springs
- Finance Director/CFO, Bulloch County
- Sr. Fund Accountant, CH2M Hill OMI/City of Sandy Springs

For a listing of other local government jobs opportunities in Georgia, visit the GLGA Marketplace at <http://www.glga.org/>.

For details on each job posting please go to <http://www.ggfoa.org/jobs/index.php>.

**GEORGIA GOVERNMENT FINANCE OFFICERS
ASSOCIATION**

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