

GEORGIA BRANCH, AGC

2010 LEGISLATIVE SESSION REPORT – WEEK 8



By Mark S. Woodall; Georgia Branch, AGC's Governmental Affairs Director
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Today marks the 26th day of the Georgia General Assembly's 40 day Session. There are only four days remaining until the 30th day which is also known as *Crossover Day*. Bills must pass out of their body of origin (House or Senate) by the 30th day of each legislative session or they will no longer be eligible for consideration as a stand-alone bill. With this deadline drawing near, there is a flurry of committee activity occurring this week.

Budget continues to dominate all issues at the capitol. Governor Perdue held a press conference on March 11, during which he lowered the revenue estimate for fiscal year 2011 by nearly \$450 million, announced that over \$340 million in federal stimulus funds would be used to bridge an anticipated fiscal year 2010 budget gap, and charged state agencies with cutting another 3 percent from their budgets.

Water

SB 370 & HB 1094 - Georgia Water Stewardship Act of 2010

by Sen. Ross Tolleson (R-Perry) by Rep. Lynn Smith (R-Newnan)

Both companion bills SB 370 and HB 1094 passed out of their respective legislative bodies and move forward to the other chamber for consideration. The Georgia Water Stewardship Act of 2010 is the work product of the "Water Contingency Task Force," which was charged by the Governor to develop a comprehensive plan to deal with the water crisis in the event Atlanta is no longer able to withdraw water from Lake Lanier after 2012.

SB 447 - State preference to Georgia Businesses *by Senator Bulloch (R- Ochlocknee)*

Recent solicitations for state agency public works contracts have brought to light that Georgia's current retaliatory preference law does not apply to many of our state agencies. In addition, Georgia law does not appear to provide a clear definition of what constitutes a resident contractor. SB 447 was introduced in an attempt to address both of these issues. AGC is working with the sponsors of this well-intentioned legislation to help craft a substitute proposal protecting Georgia's businesses, but making sure it does not place them at a disadvantage when they seek opportunities beyond our state borders. AGC hopes to have a hearing on this legislation in committee on Thursday.

Lien Law

SB 362 - Lien Law *by Senator Dan Weber (R-Dunwoody)*

Senator Weber has introduced new Lien Law legislation that eliminates the Affidavit of Non-Payment provisions in Georgia's Lien Law. In 2008, he was the prime sponsor of SB 374, which was a resulting work-product of the Senate Lien Law Study Committee that was created by legislation during the 2007 session. This committee was charged with a comprehensive review of our state's lien law and developing recommended changes for improvement. The Lien Law Study Committee addressed a number of issues, including time frames and notice provisions in the Interim Lien Waivers and the Affidavit of Non-Payment. The time frames for filing an Affidavit of Non Payment were increased from 30 to 60 days to more accurately reflect construction payment cycles, and additional notice requirements are now required in bold capitalized print on the forms as well.

AGC has been working with a number of stakeholder groups impacted by this proposal to get a better understanding of the potential outcomes of passing this legislation. The sponsor of the legislation has offered a substitute proposal which would eliminate the filing requirement of the Notice of Nonpayment with the County Clerk's office, but still require the notice to be mailed to the owner and the general contractor. This substitute proposal allows the Georgia Branch, AGC to take a neutral position on SB 362. AGC has been advised that the Senate Special Judiciary Committee will hear the substitute version of SB 362 on Thursday morning.

Contractor Licensing

HB 579 – Contractors Eligibility for Licensure *by Rep. Howard Maxwell (R-Dallas)*

HB 579 opens the grandfathering provisions of the contractors licensing law. As originally introduced, HB 579 was very broad and AGC opposed it. We were able to work with legislative leadership (which supports the bill) to limit the legislation's application to address a very limited and tragic situation. As amended, HB 579 would allow a company that submitted application within the original grandfathering time frames of the law to still be eligible for consideration, if the original applicant submitted for licensure, was approved, but died prior to the license being issued by the Secretary of State's Office. HB 579 passed out of the Senate Regulated Industries Committee last week and now moves to Senate Rules Committee for consideration.

SB 339 - Utility Contractor License Law by Mitch Seabaugh (R - Sharpsburg)

AGC has been working with the Georgia Utility Contractors Association (GUCA) on SB 339 which clarifies that licensed Utility Contractors are eligible to bid on and perform utility work. SB 339 passed out of the Senate last week and now moves to the House Regulated Industries Committee for consideration.

SB 148 – Georgia Occupational Reg. Review of existing regulatory entities By Senator David Shafer (R- Duluth)

SB 148 requires a mandatory review of all regulatory professions' laws at least one time every seven years. The legislation provides for review of existing regulatory entities to determine the need for any changes needed in the current regulations, or a determination if regulation of the profession is even justified. SB 148 passed out of the Senate last week and now moves to the House Regulated Industries Committee for consideration.

HB 1076 - General Contractor License Law by Rep. Ron Dodson (D – Lake City)

HB 1076 repeals the Residential and General Contractors License Law. While the new General Contractors License Law has certainly had its challenges in getting up and running, we are adamantly opposed to a system of individual city and county license requirements versus a statewide standard.

HR 1293 – Joint Study Committee on Licensure of Residential and General Contractors by Rep. Dodson (D- Lake City)

HR 1293 creates the Joint House and Senate Study Committee on the Licensure of Residential and General Contractors. Both, AGC and the Home Builders Association have indicated we would welcome participation in a joint House and Senate Study Committee on contractor licensure, provided the stated reason for the study committee was factual, the industry had representation on the committee, and the study committee was being convened to improve the law. The current wording in this resolution falls short of these goals.

The House Regulated Industries Committee will have a hearing on all of the House Contractor Licensing Bills on the afternoon of March 17, 2010.

Immigration

HB 1164 - Revisions to Georgia's Security/Immigration Compliance Act by Rick Austin (R- Demorest)

This bill amends a number of sections of Georgia law concerning Immigration Compliance. HB 1164 requires the Department of Audits to conduct scheduled and random compliance audits on public entities and their contractors. Local governments found in noncompliance are subject to losing 10% of their state funding and contractors found to be in violation of the law will be debarred from working on any public works contracts for a period of 12 months. AGC will be working with the sponsors of the legislation, as we did with the original passage of SB 529, Georgia's Security Immigration Compliance Act. There are a number of areas that need to be addressed in the law or in implementing regulations, including mandatory flow down provision requirements in second and third tier subcontracts.

AGC participated in a three hour House Judiciary subcommittee on HB 1164 on March 16. We were scheduled to testify on behalf of the construction industry, but the committee adjourned prior to our turn. They have plans to reconvene on the afternoon of March 17 at which time AGC will again plan to testify.

SB 460 - Revisions to Georgia's Security/Immigration Compliance Act by Senator Judson Hill (R- Marietta)

SB 460 is the Senate companion of HB 1164 listed above. AGC is working with the Senate sponsor to address our areas of concern with this legislation. SB 460 is schedule for a hearing in the Senate regulated Industries Committee on March 18.

HB 1259 E-Verify Participation to Obtain a Local Business Licenses by Rep. Reese (R- Sugar Hill)

HB 1259 would require local government to verify participation in the Federal E-Verify program as a condition of businesses either obtaining or renewing a business license or occupational tax certificate.

HB 1196 Prohibits Code requirements for fire sprinklers in homes by Rep England (R-Auburn)

HB 1196 would prohibit any building code from requiring fire sprinklers to be installed in a single-family dwelling or a residential building containing no more than two dwelling units. The Home Builders Association supports this legislation and is opposed to the recently adopted International Building Code which adopted a fire sprinkler requirement for single family homes. HB 1196 is scheduled for a hearing in committee Wednesday morning.

If you have questions about a topic in this report or want to call attention to an issue not in this report, please email Mark S. Woodall, Director, Governmental Affairs at woodall@agcga.org.