



2010 LEGISLATIVE AGENDA

2010 STATE LEGISLATIVE AGENDA

New Transportation Revenue Sources: Over the past two years the Georgia Transit Association (GTA) has worked closely with others in the business, transportation, environmental, and local government communities to convey the urgent need for Georgia to create a new, coherent, and consistent transportation funding policy to promote economic development, environmental sustainability, air quality and safety. Regrettably, while the 2009 General Assembly did enact legislation reforming the governance of transportation intended to economize the transportation funding process, no new sources of revenue were authorized.

It is crucial that any new funding source for transportation be consistent with the following principles established by the Georgia Transit Association:

- Purpose (use of proceeds) should include all modes of transportation, including transit;
- Allow for funding of transit operations;
- Supplement, not replace, existing funding and
- Provide flexibility for regions of the state to address their transportation needs and provide for a fair return on investment in those regions.

The need for funding of transit operations remains critical because Georgia is still one of nine states – and the only one of the ten most populous – that does not partner with local and federal governments to support the operation of public transportation systems. While Georgia's transit buses and vans travel on a road system supported by the motor fuel tax, local transit systems do not have access to such dedicated revenues. They must rely on local government operating subsidies, which typically are provided through local property taxes or general funds.

The 2009 General Assembly saw the introduction of two separate transportation funding measures – SB 39/SR 44 and HB 277/HR 206, which remain eligible for consideration in 2010. SB 39/SR 44, the Senate (regional) approach, allows voters to create a new transportation funding source through a one-cent sales tax levied at the county or regional level. This legislation allows for funds to be used for all modes of transportation, including transit operations; is flexible on a sunset date; provides for local/regional selection of transportation projects and purposes to be funded; and creates a dual system whereby the Atlanta region is pre-defined for purposes of levying the sales tax but individual counties or self-selected regions of counties and cities may form outside metro Atlanta and implement the tax.

HB 277/HR 206, the House approach (statewide), would allow voters to create a new transportation funding source through a statewide one-cent sales tax. The legislation contains a list of individual geographically-specific transportation projects, including transit, to be funded, specifies a ten-year sunset, and potentially includes funding for maintenance and operations of some transit systems, but not for rural transit or a large number of urban systems.

In addition to establishing the principles for new transportation funding listed above, GTA has adopted a position "Supporting a transportation funding bill which provides local and regional control over transportation expenditures and addresses all facets of transit needs statewide. Currently GTA is more comfortable with the 'regional' approach, but it is open to consideration of alternative bills which meet these criteria."





GTA adopted this position because the 2009 House legislation does not fully address its funding principles or the comprehensive transit needs of the state: It does not include funding for general capital and operations of existing transit systems in rural areas or the Atlanta metro area; results in voters in many instances having to tax themselves for large capital transit projects while not being able to maintain existing transit services; and contains no safeguards that funds earmarked for transit projects will be used for other transit purposes if those projects do not come to fruition.

In addition, while SB 200 effects reform in the planning, funding, and delivery of transportation projects in Georgia, it is unclear how the new funding categories will affect transit. The bill appears to allow funds for capital “construction” but not the purchase of vehicles, which comprises most transit capital expenditures.

GTA urges the General Assembly to seek alternative sources of revenue to increase funding for all modes of transportation, including capital and operating support of public transit systems, both urban and rural. Only options which supplement but do not replace current funding should be considered, and current governance and financing laws should be reviewed to remove any barriers to the facilitation of transit projects.

Tax Exemption from Motor Fuel Purchases by Transit Systems: Local governments in Georgia have few alternatives to the property tax for funding transit systems for capital or operational purposes. In passing HB 1035 in 2008, the General Assembly extended current law granting an exemption from taxes on motor fuel purchases by transit systems until June 30, 2010. This exemption is likewise authorized in 22 other states, thus helping transit systems to lower their operating costs. However, it is important that the MFT exemption allowed Georgia’s transit systems be made permanent and not require General Assembly reauthorization every two years. This approach would be similar to that applied to other governmental entities in Georgia (e.g. counties, municipalities and the university system) whose sales tax exemptions do not have to be periodically extended by the General Assembly.

GTA requests that the General Assembly enact legislation authorizing the permanent exemption from taxes paid on motor fuel purchases by transit systems.

Other State Legislative Issues:

GTA urges passage of SB 22, establishing the Georgia Coordinating Council for Rural and Human Services Transportation, which would maximize coordination between multiple state agencies that provide these services.

GTA requests passage of HB 255, 2009 legislation to allow individual income tax credits up to \$300 per taxpayer for qualified personal mass transportation expenditures.

GTA supports legislation and funding to move the state toward a comprehensive, regionalized transportation planning process with the establishment of regional planning districts statewide.

2010 FEDERAL LEGISLATIVE AGENDA

SAFETEA-LU Reauthorization – Federal Appropriations for Transit: The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) will be reauthorized by Congress in 2009 or 2010. Georgia continues to seek federal appropriations for bus acquisition. These statewide earmarks especially benefit smaller systems that have not been able to obtain federal discretionary bus money on their own on a regular basis. In addition, many smaller urban transit systems, including Augusta, Columbus, and Savannah, have transitioned into a new category serving populations of 200,000 or more and as a result, are now precluded from using federal funds for operational purposes.

GTA urges the Georgia Congressional Delegation to support reauthorization of SAFETEA-LU and to work for continued increases in “guaranteed funding” for transit formula programs and earmarks for Georgia transit providers in both urban and rural areas of our state. GTA also requests that the delegation support a provision allowing smaller transit systems to use federal transit program funds for operational purposes.

