



## **2016 Legislative Session Update**

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**January 18, 2016**

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**Legislative Days 1-5 (of 40)**

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## **2016 Legislative Reception is Quickly Approaching. Register Now!**

Politics is the core of GFIA's mission. We exist to represent our member's and your interest. We cannot stress enough the importance of the Legislative Reception. This is a once a year event which is FREE to attend.

Tuesday, January 26, 2016  
4:30pm-6:30pm

Floyd Room - James H. "Sloppy" Floyd Building  
Floyd Room - 20th Floor  
(Across from the state capitol)

**Register  
Here**

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### ***GFIA and GACS Working Together for You***

*The GFIA and The Georgia Association of Convenience Stores are working together again this year with Stone Bridge Consulting Group's Sheila Humberstone to assist your lobbying for the food industry.*

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### **2016 Legislative Session Commences**

Monday, January 12, marked the first day of the 2016 legislative session, and the beginning of the second year of a two year term. The bulk of the week was marked by the usual pomp and circumstance, including the Governor's State of the State, as well as his Budget Address.

Legislators worked in session Monday through Friday, legislative days one through five respectively. While in most years, legislators work only in committee the second week of session, giving the focus to the appropriations (budgeting) process, this year they opted to only be out of session Monday for the MLK holiday and Tuesday. This demonstrates a continued effort to maximize every moment in order to make for a quick and efficient session, likely due to the coming elections.

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## Transportation Plan Outlined

The Governor and leadership from the Department of Transportation unveiled their proposed transportation project plan using the funds generated from [HB 170](#), which passed last year. They divided the projects in two categories: short-term projects (with expenditures expected to be aprox \$2.2B over 18 months), and long-term construction (expenditures expected to be aprox. \$10B over the next 10 years).

The short term plan suggests that the money will be used to resurface 2,500 miles of road and replace 110 bridges that are deemed structurally deficient. The long-term plan suggests express lanes on I-285 and Ga 400 (Atlanta), revamped interchanges at I-285 and I-20 (Atlanta) and additional lanes on I-85 and I-16 (Savannah).

Additional information about the projects can be found at [www.garoads.org](http://www.garoads.org).

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## Governor Delivers State of the State and Budget Address

The Governor issued his Budget address to a joint meeting of the House and Senate, after which he unveiled his budget recommendations.

The budget proposed suggests a \$23.7B budget for FY2017 (\$47.5B including federal dollars) and an amended 2016 budget for \$22.9B, an increase of over \$1B. A significant portion of the new revenue is from the new gasoline tax.

The budget includes:

- \$825M for bridges and highways
  - \$300M in additional education funds (QBE), which are expected to reduce teacher furloughs and provide a 3 percent pay increase
  - \$26.2M in extra lottery funding for HOPE and Zell Miller Scholarships
  - \$170M for a 3 percent salary increase for state employees
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## Congressman Lynn Westmorland (R-GA 3rd District) Announces he Will Not Seek Re-election to Congress

Several state legislators are considering running for this popular congressman's seat. We will keep you informed as announcements are made.

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## Legislative Schedule

This week, we will be in Session Wednesday-Friday (days 6-8).

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### Healthcare - Medical Marijuana

Representative Peake (with aprox 108 sponsors) introduced [HB 722](#), further creating a robust medical cannabis program.

Notably, the bill:

- Adds qualifying diseases (including Alzheimer's, HIV/AIDS, Crohn's, Tourette's, Autism and others)
- Provides for an in-state cultivation program, allowing a minimum of two and a maximum of six in-state manufacturers with significant regulations and tracking provisions
- Provides that manufacturers shall operate four distribution facilities, with a required start date of July 1, 2017
- Provides for protections against discrimination for individual's status/registry in the program

While Governor Deal continues to express serious concerns and reservations with any expansion of the existing program, especially in-state cultivation, the House is proceeding with the bill. Speaker Ralston suggested that, "This bill is the next step." A committee meeting is scheduled for Monday, January 25th. The committee is purporting that this meeting is as a 'hearing only.' At that time, testimony will only be from supporters of the bill.

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### Food Issues

[HB 771](#) was introduced by Representative Marin. The bill seeks to exempt water spinach from the definition of 'plant pest'.

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### Gambling/ Gaming/ COAM

[SB 264](#), Senator Brandon Beach's Horse Racing enabling legislation was introduced, providing the details of a horse racing and parimutuel betting program.

A few key provisions are:

- Sets up a Division of Horse Racing within the Georgia Lottery Corporation
- The bill uses the term "satellite facility" where horse racing can be displayed on simulcast for the purposes of parimutuel wagering
- There will be no more than 15 sites at locations approved by the Division
- The total square footage of any facility shall be between 5,000 and 30,000 sq ft
- Licenses will not be granted until a 'referendum approving the question is held in each county or municipality in which such track or satellite facility is located'.
- All breakage from pools and non redeemed tickets will be retained by the racetrack licensee to be used for capital expenditures and capital maintenance
- Takeout
  - 5% for purses on live races conducted at the facility
  - 3% to GLC for HOPE or need based scholarships
  - 1% to local governing authority
  - 5% as breeders awards as breeding incentives
  - .1% to UGA vet school
  - AND the balance to cover track or satellite facility's operating expenses

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## **Alcohol/ Tobacco**

There are several carryover alcohol bills from last year to watch. We also know the craft brewers are coming back to seek clarification over the bill they successfully passed in 2015 only to be interpreted differently by the Department of Revenue.

Legislators filed two new tobacco related pieces of legislation last week:

[\*\*HB 714\*\*](#) increases the tobacco tax from 37cents to 55 cents. The bill uses the revenues to pay for a reduction in taxes related to retirement benefits from military service.

[\*\*HB 726\*\*](#) provides clarification surrounding the taxing of tobacco products when the dealer or distributor separately states the amount of any federal excise tax or shipping charges on the sales invoice.

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## Fireworks

Legislators introduced two pieces of legislation related to fireworks, [HB 721](#) and [HB 727](#). The bills seek to modify the provisions enacted last year surrounding where and the times at which, fireworks can be exploded. Additionally, HB 727 provides for a 1 percent local excise tax.

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