Progressive economic development policies and implementation strategies are essential for growth and prosperity throughout the entire State of Georgia. Economic development initiatives can only be successful through the effective partnering of state and local resources. ACCG supports the Department of Economic Development, the Department of Community Affairs, the Georgia Environmental Financing Authority and the Georgia Rural Development Council in their efforts to partner with local government. These state agencies and organizations provide vital support to local governments through education, tax and investment policies, and training and incentive programs.

It is at the local level that economic development, or its lack, is truly felt. While many areas of the state have experienced significant economic prosperity, rural Georgia continues to face challenges in attracting viable businesses and opportunity which would improve the quality of life for residents. In partnership with the state and private sector, local governments must focus on bringing economic viability to rural Georgia and further enhance economic prosperity in urban areas by investing in economic development strategies and the infrastructures that value innovation, attract businesses and keep communities thriving and viable. Efforts must be made to promote communication and technology investment in rural counties that will increase access to technology and improve educational opportunities. New and existing businesses must have a well-prepared, educated and trained workforce. Local communities must provide a positive environment where business can flourish, adapt to changing needs, and operate in the global market for products and services.
In order to ensure economic development, new and continuing initiatives that build on comprehensive, multi-modal and interconnected transportation systems are necessary. These include roads, bridges, airports, air transportation, railroads, rapid transit, ports, waterways, sidewalks, bicycles, paths and trails. The transportation system needs adequate and recurring revenue sources at all levels. Local governments should have the authority to make decisions regarding needs and priorities in collaboration with the state to ensure the most cost-effective choices. ACCG supports the goals of the Georgia Department of Transportation, State Road and Tollway Authority, and the Georgia Regional Transportation Authority and pledges continued cooperation with these groups to develop initiatives to address mobility, air quality and growth challenges in the non-attainment metropolitan areas of the state, build the transportation infrastructure necessary to bring economic development to the rural areas of the state and to identify sound financing mechanisms to address the needs of the state’s transportation infrastructure. ACCG also supports the continuation of capital improvements to Georgia’s deep water ports.

**LEGISLATION**

**Regional Transportation Sales Tax** - In 2010, the General Assembly authorized a regional sales tax for transportation. The tax depends on counties and cities coming together within regional commission boundaries, agreeing on planning criteria and a project list, and submitting the list to voters for approval. To improve the functionality and likelihood of successful passage should another referendum be offered, ACCG asks the General Assembly to enact the following changes:

- Allow the project list to be amended, with voter approval, during the ten-year levy of the tax.
- Keep interest generated from revenues of the regional sales tax within the region for transportation purposes.
- Allow bonds to be issued subject to a 60-percent cap and referendum for approval. Any shortfalls shall only be covered through regional transportation sales tax dollars.
- Evaluate and consider removal of all sales tax exemptions, starting with those of highest value, with the exception of groceries and prescriptions.
- Limit the amount of revenues that can be used to pay for the administrative expenses of state agencies.
- Allow roundtables to amend the project list with projects not included on the Director of Planning’s original example investment list.
- Create a means to handle a potential revenue shortfall, such as allowing the creation of a contingency project list.
- Require a process for determining the order in which projects will be built.
- Amend the ballot language to clarify that tax expenditures will be contained within the region where they are collected.
- Remove the restriction preventing Atlanta Region funds from being expended on operations and maintenance of the existing MARTA system.
- Provide an “opt-out” clause for counties that vote “no” on the proposed regional sales tax.

**Transportation Funding** – Counties depend on state funding sources such as the local maintenance and improvement grant program (LMIG), Airport Aid Program and transit funds to maintain their transportation infrastructure. However, these programs are not funded at a level to
meet the growing demands of the state’s transportation system. A safe and efficient transportation network including well-maintained local roads and bridges, transit, commuter rail, HOV lanes, and bus and van systems requires sufficient transportation funding that is constitutionally dedicated to its intended purpose.

ACCG strongly encourages the state to identify other sound financing mechanisms, including nontraditional transportation revenue sources and user fees, to address the needs of the state’s transportation infrastructure. Options for consideration include, but are not limited to the following:

- **Transfer 1 percent State Sales Tax on Motor Fuel to Local Governments** – Currently a quarter of the state sales tax on motor fuel goes into the state general fund. ACCG asks the General Assembly to transfer this revenue to local governments as a direct annual appropriation, with distribution based on the LARP formula to be used for funding local transportation needs.

- **State Motor Fuel Tax Increase** - Increase the state motor fuel tax to a level that adequately funds the Georgia Department of Transportation, shift the tax to the wholesale/distributor level, and index it to inflation. Alternatively, convert the state motor fuel tax to 7.5 percent and eliminate the calculation of the tax at 7.5 cents per gallon. Require the Department of Revenue to remit 1.5 percent of the revenues generated directly to local governments for transportation purposes.

- **Local Option Motor Fuel Tax** - Allow local governments to call a referendum asking the voters to approve a local or regional motor fuel tax that would support local transportation improvements, both capital and operational. Any tax rate approved should be uniform across the state.

- **Voluntary Regionalism Multi-Jurisdictional SPLOST** - ACCG understands that many of the transportation needs around the state are bigger than any one county and require the support of multiple local government jurisdictions within the area. ACCG urges the General Assembly to establish an incentive or mechanism for two or more local government entities, regardless of their predefined region, to enter into intergovernmental agreements for the purpose of addressing a specific transportation need that has an impact on their communities.

- **Reduce Dependence on Motor Fuel Tax Diversification of Funding Sources** - Georgia already has greater transportation infrastructure needs than available funding. At the same time, cars are becoming more fuel efficient and people are driving less as gas prices increase. ACCG urges the General Assembly to consider transportation funding alternatives that reduces the State’s dependence on the motor fuel tax which continues to be a declining revenue source and diversifies our funding sources in an effort to provide long term stability and predictability of transportation related revenues.

**State Use of Bond Financing** – ACCG urges the state to evaluate the practice of using motor fuel tax revenue to pay for bonds sold to finance transportation construction and maintenance. Currently, about one-third of the state motor fuel tax revenues are dedicated to debt service. ACCG wishes to ensure that an ever-increasing portion of motor fuel tax revenue does not have to be used to pay outstanding debt, which will in turn limit the use of revenue generated by this user fee for federal matching or pressing state and local needs.

**Motor Fuel Excise Tax Exemption** - ACCG urges the General Assembly to provide for an exemption of the motor fuel excise tax, similar to the one provided to public schools, to local governments and public transit systems that are funded in whole or in part by local governments.
Regional Transit Governance - Should the Georgia General Assembly legislate a regional transit governance council for metropolitan Atlanta or any other region of the state, ACCG urges that the council’s governing structure be comprised of local government representatives proportional to the local government’s investment in the transit systems to be governed. Furthermore, to ensure accountability to local taxpayers, decisions made by said council should not be usurped by any state or other authority that has not contributed funding to the governed transit systems. ACCG also urges the General Assembly to limit a council’s scope so as not to unduly usurp the authority of the local governments responsible for funding respective local transit systems. Any solution for regional transit governance also should have an opt-in provision.

Bridges and Off-system Bridges - Truck Weight Limit Increases – ACCG opposes future or further legislation that increases allowable weight limits on local roads and bridges as current allowable weight limits are at maximum capacity. Due to past legislation increasing maximum weight limits for specific industries, counties have been forced to post and restrict travel on a significant number of their bridges. Increasing the current weight limits contributes to the rapid deterioration of local road and bridge infrastructure and causes inconvenient, costly rerouting of school buses and commercial truck traffic engaged in vital economic activity. ACCG encourages GDOT to continue its funding assistance to county governments for local bridges.

Rural Planning Organizations – ACCG supports the establishment of a Rural Planning Organization (RPO) pilot project in Georgia to examine the effectiveness of the RPO model in allowing more opportunity for rural areas to communicate with GDOT and participate in statewide transportation planning efforts. Similar to Metropolitan Planning Organizations (MPOs), an RPO is made up of local elected and appointed officials and serves as a formal link between GDOT and rural local governments. An RPO develops recommendations in planning, funding allocation, priorities, and other decision-making matters for consideration by GDOT. All RPO recommendations and documents are advisory in nature.

Biofuel Production – ACCG supports the growth of a strong, competitive biofuels industry in Georgia that utilizes the rich biomass resources produced in the state. Rising fuel prices and recent supply shortages of conventional gasoline and diesel fuels are significantly impacting the budgets and operations of local governments. Stable and economically-feasible fuel alternatives must be developed. ACCG supports state incentives to promote the establishment of a biofuels industry in Georgia that can meet the alternative fuel needs of public and private sector vehicles. While ACCG encourages its members to purchase alternative fuels and flexible fuel vehicles when available and economically practical, ACCG opposes state mandates forcing county governments to use specific fuels or fuel blends.

Business Incentives - Enhancing Georgia’s competitive position in the global market is crucial to economic development in counties. ACCG supports targeted state incentives to promote business development and recruit companies to the state. ACCG urges the State of Georgia to evaluate the use of the tier system and modernize its incentives to ensure that Georgia has aggressive job creation policies and resources that are responsive to the current economic climate and competitive with other southeastern states. In addition, the State should consider providing small business loan guarantees to promote local small business growth.

Prospect Information and Competitiveness – ACCG supports legislation to provide for the timely release of information concerning economic development clients of state and local agencies so that Georgia’s opportunity to effectively compete for new jobs and investment is preserved. Preserving
Project and prospect confidentiality should be a priority of any legislation seeking the release of information prior to the announcement of the project.

**State Financial Assistance for Redevelopment** – ACCG supports state financial assistance to help local governments preserve green-field sites and make redevelopment a more attractive option to the private sector. ACCG encourages state financial participation at the request of local governments to support their efforts to eliminate barriers to redevelopment and make it an equally feasible alternative for private investment.

**APPROPRIATIONS**

**Economic Development Appropriations** - ACCG recognizes the state is facing historic budget shortfalls. However, state revenues rely on a diversified and growing tax base that can only result from professional economic development activities promoting Georgia, recruiting businesses, and supporting the retention and expansion of existing companies. ACCG urges the General Assembly to support with adequate appropriations and resources the Georgia Department of Economic Development and other state agencies involved in promoting or supporting economic development. To enable Georgia to close the deal on highly competitive projects, appropriations for the REBA program should be increased. ACCG also urges funding be restored to the Regional Assistance Program (RAP) at a level at least equal to $1 million. RAP funds support multi-county and regional collaboration in economic development and past projects include regional E-911 systems, regional industrial parks and regional technology parks.

**OneGeorgia Fund** - ACCG strongly urges the General Assembly to continue to appropriate adequate funding for the OneGeorgia Fund to assist rural areas with economic development activities that will attract new businesses and assist in existing industry expansion. Without additional appropriations and where possible, ACCG encourages the state to broaden the scope and reach of OneGeorgia programs into areas where needs exist that may not be presently served. In particular, to enable Georgia to close the deal on highly competitive projects, appropriations for the OneGeorgia EDGE program should be increased. To more adequately assist communities with the development of essential infrastructure for economic development, the OneGeorgia Equity program appropriation should be increased as should the cap on the maximum amount of an Equity program award.

**Workforce Development** – Existing employers and new business prospects throughout Georgia must have a well prepared, educated, skilled and trained workforce. An adequately funded public education system is a key component of developing such a workforce. ACCG recognizes that economic development efforts benefit counties through the retention and creation of jobs, the broadening of county tax bases, and improvement of the overall quality of life. ACCG encourages the Governor’s Office of Workforce Development to involve and meet with county commissioners and other local governments as full partners in implementing Georgia’s statewide workforce development strategies. ACCG strongly supports the efforts of the state’s local public schools to provide quality education in preparation for entering the workforce and to provide further training. More specifically, ACCG supports continued and increased appropriations for Quick Start, Work Ready and the Intellectual Capital Partnership Program (ICAPP) for their workforce training programs, especially for existing industry and training for existing employees required to improve productivity and competitiveness or adapt to new technology.
**GDOT Local Maintenance and Improvement Grant Program (LMIG)** – In 2008, Georgia converted the State Aid and LARP programs to a general local maintenance and improvement grant program to be administered by the GDOT commissioner. This improved predictability and reliability of funding by guaranteeing the program will be funded with 10–20-percent of motor fuel tax revenues each year. Given the vast needs for transportation funding at the local level, ACCG strongly urges GDOT and the General Assembly to fund LMIG at the maximum level of 20-percent.

**Georgia Transportation Infrastructure Bank** – ACCG supports the perpetual and proper funding of the Georgia Transportation Infrastructure Bank (GTIB), a revolving loan fund, and urges its primary purpose remain as a financing tool to meet the transportation needs of local governments. Due to the nature of public transportation projects, there is a gap in the availability of financing that can be critical to the completion of a project. Counties should be eligible for all forms of financial assistance offered by the GTIB.

**Governor’s Road Improvement Program (GRIP) Freight Corridors** – GRIP is intended to add four-lane highways to every section of the state and place 98 percent of the state within 20 miles of a four-lane road. ACCG supports the Developmental Highway Freight Corridor Program and urges the Governor and the General Assembly to identify additional revenue sources to expedite the completion of GRIP. At current funding levels, it could take more than 15 years to complete GRIP. Since improved roadways encourage continued economic growth, communities need four-lane access sooner rather than later.

**Urban and Rural Transit Systems** – ACCG urges the General Assembly to provide both capital and operating assistance to Georgia’s transit systems, both urban and rural. Such assistance should exceed not just meet, state matching requirements to receive federal transit funds.

- ACCG supports funding for rail acquisitions and rehabilitation projects throughout the state to preserve the operation of various rail lines. The association also supports the efforts of the Georgia Rail Passenger Program (GRPP) to provide passenger rail service between communities throughout Georgia and within metro Atlanta. To facilitate these efforts, ACCG supports continued funding of the GRPP and studies of commuter, intercity and high speed rail corridors for future rail passenger transportation throughout Georgia. The association also encourages the state to integrate statewide planning with local planning, to assure extending multi-modal transportation throughout the state.
- ACCG supports the construction of a multi-modal passenger terminal in Atlanta to facilitate the development of fixed guideways, which will lessen the number of private passenger vehicles on metropolitan Atlanta freeways and, in turn, help attain air quality standards.

**Airport System** – Georgia’s 103 air carrier and general aviation airports support economic development statewide. The full development of Georgia’s airport system is essential to the state’s economic development efforts and participation in the global economy. Our publicly-owned airports are facing challenges in meeting safety-related, preventative pavement maintenance, rehabilitation and capital needs. ACCG endorses a state funding level for airport projects sufficient to meet the active Capital Improvement Program (CIP) requests of local governments. ACCG supports the transfer of taxes collected on the sales of aviation fuel from the state’s general fund to a dedicated fund for the improvement of public use airports throughout Georgia. The association also encourages the state to consider providing funding for land acquisition, which is essential for local airport enhancements.
OTHER ISSUES

**Bridge Improvement Program** – ACCG supports the implementation of formal asset management programs that employ objective assessment methods and innovative technology to accurately report the condition of local bridge infrastructure. Counties are responsible for maintaining nearly 8,000 bridge structures, many built between 1950 and 1965 and carrying a 40-50 year life span. More than 1,000 of these bridges are rated as structurally deficient by GDOT. County officials rely on asset management data provided by GDOT to prioritize the use of limited infrastructure funding for repairing and replacing these structures. When possible, ACCG encourages GDOT to use objective methods to assess bridge infrastructure conditions to ensure clarity and certainty of information and the most efficient use of limited funding. **ACCG also encourages GDOT to continue its funding assistance to county governments for local bridges.**

**Flexibility in State Transportation Funds** – ACCG encourages GDOT to allow more flexibility in how counties utilize state transportation funds, including increased consideration for reduced Right-Of-Ways, alternatives to paving and the use of various road treatments.

**Georgia Ports Deepening** – ACCG encourages the General Assembly to continue to fully support the deepening of the Savannah River Shipping Channel to 48 feet in order to accommodate all post-Panamax ships by 2014 and expedite exports of Georgia products. This will position Georgia to continue to prosper and grow our economy well into the future.

**State Road ROW Maintenance** – The positive appearance of our state and federal road right-of-ways is an important ingredient in attracting economic development prospects to Georgia. ACCG supports GDOT’s roadside enhancement and beautification programs including Adopt-a-Highway and the Wildflower Program. Because of the importance of transportation corridors to business recruitment, ACCG urges GDOT to improve maintenance and litter removal efforts and to adopt a policy to regularly and more frequently maintain and mow State and Federal road right-of-ways.

**Transportation of Hazardous Waste** – ACCG strongly encourages federal and state transportation and environmental regulatory officials to involve local government officials actively in planning efforts within all jurisdictions that are affected by the transportation of hazardous waste. This must be done to facilitate proper emergency response, public safety, health care, and regional coordination.

**Transportation Plans** - ACCG supports the development of appropriate plans to assure that all areas of the state remain in air quality attainment. ACCG also supports GDOT’s continued cooperation with the planning and consultation processes of cross-state MPOs.

**Toll Roads** - ACCG recognizes tolling and public-private-partnerships are an important component of a comprehensive transportation funding framework. Most citizens seem to prefer and associate value with paying for a specific project or project list and tolls are a form of a direct user fee that can be project specific. A new toll facility can pay for itself without new taxes and tolls can be discontinued or reduced when funding targets are met. Tolling may allow some opportunities to take advantage of the efficiencies of private capital markets. In addition, variable toll rates can be employed to manage congestion. ACCG recommends the consideration of toll roads whenever creating new capacity in the state transportation network.

**Routing/Dispatching Implementation Mandate** - ACCG urges the General Assembly to provide operating and capital funding assistance for projects, policies, or rules passed down to local...
governments as a requirement for participating in the Section 5311 Rural Public Transit Program. Counties voluntarily participate in the rural public transit program. New projects or policies require additional funding resources to implement, and should not become a mandatory requirement for local program compliance.