

# CAPITOL UPDATE

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## On the Road Again: HB 1001

HB 1001 has seen significant progress in the legislative process since TAG's latest Capitol Update publication. The bill, sponsored by **Rep. Chuck Martin** (R-Alpharetta), seeks to create an income tax credit for angel investors. The tax credit would amount to 35% of an angel's investment or \$50,000, whichever is less.

Recognizing the potential for positive economic growth that HB 1001 offers Georgia, **Rep. Larry O'Neal** (R-Warner Robbins), Chairman of the House Ways and Means Committee, advised Rep. Martin to move the bill from House Ways and Means to the Small Business and Job Development Committee (SBJDC). Given the current economic climate and state budget woes, Ways and Means has been more reluctant to pass or renew tax credit legislation.

HB 1001 is slated for discussion in a SBJDC meeting at 3:30 pm on Tuesday, March 16. If HB1001 passes through the SBJDC, it will make its way to the House Rules Committee for further consideration before entering onto the House Floor for debate.

## Lawmakers struggle to balance budget

On March 8, Gov. Sonny Perdue announced that Georgia's net revenue collection for February 2010 is down 9.9 percent from the previous year, bringing the state's year-to-date deficit for FY 2010 to 12.7 percent.

According to Georgia law, the state must operate within a balanced budget, which means the amount of money the state spends in a fiscal year cannot exceed the amount of money collected from taxes and revenue.

While states such as California can run deficits and borrow money to offset yearly budget deficits, the Georgia Constitution prohibits the General Assembly from passing an operating budget that anticipates expenditures exceeding funds available. Any deficit in the budget automatically means either raising taxes or cutting costs by eliminating state-funded programs.

Georgia's current budget crisis is the direct result of years of income tax breaks and conservative consumer spending that eventually led to a decrease in government revenue causing greater deficits and less available funds for programs and salaries.

## Spotlight: High-Tech Legislation in 2010

A biweekly glimpse at proposed legislation impacting the Georgia technology community. Read below for a brief synopsis on pertinent bills being discussed under the Gold Dome.

### **HB 1247** — **Rep. Ron Stephens** (R-Savannah)

Seeks to create a tax credit for production companies that invest in qualified film, video, or digital productions in Georgia. Qualified productions include TV series, feature films, commercials, sound recordings and music videos. Investment must be at least \$500,000 to qualify for a credit of 20% of the initial investment.

### **HB 1290** — **Rep. Rob Teilhet** (D-Smyrna)

Would authorize the Georgia Bureau of Investigation to provide the owners of social networking sites information regarding registered sex offenders. This measure would enable the owners of such social networking websites to eliminate the presence of potentially predatory sex offenders in social networking communities.

### **HB 1334** — **Rep. Calvin Hill** (R-Canton)

Prohibits distributing obscene material to minors via cell phone. This bill amends an existing statute outlawing electronically furnishing obscene material to minors in the form of computer storage devices and computer bulletins.

### **HB 1336** — **Rep. Barry Loudermilk** (R-Cassville)

Looks to update and revise Georgia Technology Authority statutes to remove obsolete language and modernize GTA's responsibilities. Among other things, the bill puts new emphasis on project management, enhances the IT enterprise in state government, and gives GTA authority to develop a strategic plan for broadband access in Georgia.

### **SB 432** — **Sen. Lee Hawkins** (R-Gainesville)

Known as the Advanced Broadband Collocation Act. Seeks to streamline the placement of new or additional wireless facilities on existing wireless support structures, to ensure the safe and efficient integration of facilities necessary for broadband and other wireless communication services.

### **SB 470** — **Sen. Cecil Staton** (R-Macon)

Would prohibit the installation of covered file sharing programs without explicitly stating to the user of the computer that files on his computer will be made available to the public.