



ABC of Georgia Weekly Legislative Report – 1.9.23

By ABC of Georgia Lobbyist, Rusty Paul, iSquared Communications

The Georgia General Assembly convened yesterday morning, Monday, January 9 to open the 2023 session. But first, the Ga. Bulldogs had to resolve the national championship before legislators buckle down to the solemn business of legislating. After all, politics is important, but football is serious.

With the start of the 40-day session, more than 60 new House and Senate members joined the veterans to be quickly sworn in before leaders gavel Day One done and many boarded planes for the west coast where UGA played TCU for college football's top prize. It is much the same as last year when the state's political leaders bolted from Day One to watch the state's Capstone university capture its first national championship in 40 years, so they have the process down to a science at this point.

Day One of a two-year session is generally a very relaxed, family-oriented time as members take their oath of office with parents, spouses, children, other family and friends crowding around as the members swear to uphold the U.S. and Georgia Constitutions and take treasured family photos of the historic process. Anticipating "the Dawgs" championship game, Gov. Kemp planned ahead, setting his second-term inauguration for January 12, but deferring the annual State of the State address, after which his proposed budget is usually released, until January 25.

A budget delay until the State of the State would simply add to the anxiety of the session's early days since spending plans are usually the most anticipated document of the year and would give lobbyists less time to work House/Senate appropriators to reshape the governor's budget to add things he omitted. Historically, the budget is released on the session's first Wednesday, then legislators break for the MLK Holiday week allowing legislative appropriators to hear from department heads about their proposed spending priorities.

If the legislature adheres to its typical schedule, the Governor's inaugural address will probably focus on his 2023 priorities. We will know more once the legislative leadership publishes a session calendar this week as well.

This is also the first time in more than 60 years both the state House and Senate will simultaneously have new leaders as a new House Speaker and new Lt. Governor take office the same day. The last time this occurred was 1959 when George T. Smith was named speaker and Garland Byrd was elected Lt. Gov.

Former state Sen. Burt Jones was [elected lieutenant governor](#) in November, and state Rep. Jon Burns (R-Newington) will take over as Speaker following the death of his long-serving predecessor David Ralston. Both chambers also have a relatively new second-tier leadership team with new majority leaders and other key positions as well.

House Republicans caucused in December, [electing Burns](#) as Georgia's 75th Speaker, a decision that was ratified Monday. Sometime in the first week, legislators will learn on which committees they will serve while a new roster of committee chairs also will be announced to fill the vacancies left by retired veterans.

Key Issues for 2023

Budget - In the lead up to the 2022 election, Gov. Kemp did what most governors do: spread the wealth. With legislative acquiescence, the Kemp gave teacher, employee and law enforcement raises, provided new money for mental health, and otherwise used the state's record surplus to build goodwill among various key constituencies.

In 2023, the fiscal belt will retighten. First, economists anticipate a recession of indeterminant depth, so the Governor's budget will likely reflect that. He told department heads not to submit budget increases, though he will probably increase some spending in a few areas. The recession, if it comes, is predicted to start around 3rd calendar quarter which is the beginning of the next fiscal year.

Gov. Kemp will want to see how the economy looks at that point to ensure that the state's coffers can weather a downturn. Another key unknown is the new House Appropriations Chair Matt Hatchett, who is succeeding the long-time chair Terry England who retired after last year's session. Georgia's budget is a very complex document with a lot of competing priorities and since the budget must originate in the House, Hatchett must shepherd the bill through the first step in the process.

Election Runoffs - Since 1992, Georgia's U. S. Senators frequently have been chosen in runoffs after the General Election. As the only state requiring post-General Election runoffs, that circumstance routinely places Georgia in the national political spotlight. First, runoffs are very expensive for both the candidates and the state. Second, they rarely change anything. Runoffs were passed in the 1960s as a tool for minimizing minority voters who usually didn't come back to vote. In the past two runoffs, minority voters comprised a healthy slice of the electorate. Thus, the enormous cost and confusion surrounding these elections means the legislature is willing to consider a plurality win rather than an outright 50 percent-plus-one majority.

EV Charging Stations - The legislature will consider what to do about a key piece of the Electric Vehicle infrastructure: fast-charging stations. With the push to evolve from fossil fuels to electric vehicles, a critical link is how to fuel them - particularly for longer trips. Unlike gas stations where a fill-up can take a couple of minutes, EVs require at least 30 minutes on fast chargers and several hours for regular chargers to revitalize the vehicles batteries. Today, there simply are not enough commercial chargers of any type to meet the growing demand.

Also, the state is grappling with how to tax electrons so that revenues lost from motor fuels taxes are recouped to pay for road maintenance. For some commercial contractors, this category offers a growth market in the years ahead, but just how fast it will grow depends on who pays for the installation of the charging systems and who collects the revenue. Georgia Power wants a big piece of this market, but so do convenience stores where gasoline is a huge revenue source. Currently EV drivers pay by the minute or hour and varying charging rates result in widely varying costs. The legislature is considering allowing charging stations to collect by the kilowatt hour so that rates are uniform and easier to tax.

Legalized Betting - For the past decade, some form of legalized betting - online, horse racing, casinos, etc. - have been introduced, but Speaker Ralston was never a fan. Supporters will be back touting the revenue windfall gambling would generate for the state, but no one is sure if the new Speaker is aligned with his predecessor or is willing to roll the dice.

Rental Housing Regulation - Recent AJC articles underscoring the deplorable conditions in numerous Atlanta apartment complexes will spur some legislation. The question is whether the General Assembly will overcome it's free-market, property rights predisposition to clamp down on real estate investors who buy apartments to flip after a couple of years but put next to nothing into their upkeep and maintenance. The City of Atlanta is beginning to target slumlords, but local governments have little regulatory leeway in dealing with the problem. The real estate lobby is among the most powerful at the Capitol and have blocked similar initiatives in the past. The Atlanta papers and housing advocates will likely maintain a loud drumbeat on the issue while legislators are in session, but will that be enough? Stay tuned.

School Funding - The process for funding Georgia's public schools has not been updated since 1985 and some key legislators believe it is time to rethink and modernize. State education funding is predicated on three factors: number and type of students per district, instructor experience and education and employee health care costs. Exactly what reforms are planned will be determined by the legislation put forth by legislative leaders, a bill that is currently being drafted. Besides state funds going to local school districts, local property taxes form a major source of education funding with the state allocation intended to even out tax base disparities among various jurisdictions.