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South Carolina House of Representatives

# Legislative Update & Research Reports

**Robert J. Sheheen, Speaker of the House**

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STATE DOCUMENTS

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# Legislative Update

## Legislation Introduced

### Aging

Retirement exemptions (H.2417, rep. M.D. Burriss). The amount of retirement income which persons can currently deduct before figuring their income tax is \$3,000. This bill would raise that amount to \$6,000.

### Agriculture, Natural Resources & Environment

Hunting (H.2389, Rep. Pearce). This bill would require that all deer hunters would have to wear "a coat of distinctive, solid orange color." Failure to do so could result in a fine of \$200 and/or 30 days in jail. The Wildlife and Marine Resources Department would work up the regulations. The measure is designed to save lives, but could have the side-effect of causing mental anguish for fanatic USC graduates forced to hunt wearing Clemson colors.

Big game hunting for disabled (H.2387, Rep. McGinnis). In South Carolina a totally disabled person can obtain a hunting/fishing license without cost. This bill would also allow them to get a free big game permit.

Littering (H.2414, Rep. Nesbitt). Proposes increasing the fines for littering. Currently an offender can be charged from \$10 to \$200; this would raise that to \$100 to \$500. In addition, the Department of Corrections could allow non-violent inmates to be used in local litter-control projects.

DHEC hazardous waste regulations (H.2418, Rep. E.B. McLeod). This bill would provide for severe punishments for persons who failed to comply with DHEC regulations regarding hazardous waste operations and hazardous waste disposal sites. The bill would also impose the same punishments on persons who knew regulations were being ignored or violated, and did not report the infractions.

The disregard of the DHEC regulations would be a felony, and the fine would be not less than \$5,000, nor more than \$10,000. The prison sentence would be from five to seven years.

#### Education

Home instruction (H.2442, Rep. Beasley). This measure would establish the criteria for those who want to provide instruction at home for their children. The requirements include: 1) Submission of a declaration of intent to use a home study program, listing the names and ages of students enrolled; 2) Parents who are teaching their own children must have at least a high school diploma or a GED; tutors must have at least a BA or BS college degree; The program must include basic education in at least reading, language arts, math, social studies, and science; The program must provide 180 days of instruction each year, at a minimum of 4.5 hours per day (with exceptions for physical restrictions on some children); Attendance records must be kept and submitted on a regular basis to the local school superintendent; Home students are subject to a national, standardized test of their progress; The home instructor must submit annual progress reports.

#### Fiscal

Sales tax on electricity (H.2406, Rep. Elliott). Electricity which is sold to cure or dry tobacco or other agricultural products would be exempt from the state sales tax, under provisions of this bill.

Exempt travel trailers from property tax (H.2415, Rep. Pearce). Owners of travel trailers would not have to pay property tax a second time if they had proof that 1) they had paid the tax in another state or 2) they had paid the tax in another county of this state.

Exemptions for aviation fuel (H.2420, Rep. Harvin). This bill would provide airline companies with a five year tax exemption for their aviation fuel if they established a "hub" in South Carolina. The hub would have to have at least ten flights leaving every day, serving a minimum of five different cities outside the state.

#### Government Operations

ABC inspections (H.2386, Rep. Waldrop). Presently agents of the ABC Commission can inspect premises licensed to sell alcohol, beer or wine. Refusal to allow the inspection can result in a fine of up to \$200, 60 days in jail, or both. This bill would include law enforcement officers along with ABC agents in making inspections.

Four more years (for House members) (H.2388, Rep. Pearce). This legislation proposes a constitutional amendment to extend the term for members of the SC House of Representatives from two years to four years.

And other states? How many have two-year terms for their House members? How many have longer terms? See page 9 for the answers.

State political conventions (H.2411, Rep. Thraikill). State conventions of the political parties are now held in Columbia, according to state law. This bill would permit parties to hold their conventions elsewhere, but they could "consider only cities or areas which are able to provide adequate lodging and restaurant and banquet facilities for all delegates and alternate delegates." (That probably eliminates Pelion, Lodge, Smoaks and Lobeco as possible sites.)

Excise tax on controlled substances (H.2416, Rep. Pearce). An excise tax would be placed on controlled substances--marijuana, cocaine, and other drugs--by this act. Unlawful possession of these "controlled substances" already violates state statutes.

The tax rates would be: \$3.50 per gram of marijuana; \$200 per gram of all other controlled substances; and \$2,000 per 50 dose units of drugs sold by weight.

The State Tax Commission would design, print and sell tax stamps, which the person who has the drugs would have to buy, and place on the controlled substance. Payment of the tax and purchase of the stamps would be kept confidential. Possession of controlled substances without the proper tax stamps would be punishable by a fine of between \$5,000 and \$10,000, and/or one to three years in prison. In addition, the Tax Commission could impose an administrative penalty on unpaid tax of up to 100% of the tax due--and that penalty could be collected whether the person gets convicted of any other, associated crime (like possession, or possession for intent to sell).

Exemptions are made for persons having controlled substances for legitimate reasons: physicians, dentists, vets, pharmacies and hospitals, and persons with valid prescriptions.

Some might say the bill is odd, since people already breaking the law by having a cache of cocaine or a pile of grass are not likely to pay tax on their dope. Perhaps. But remember: when the Feds finally got Al Capone, it was for failure to pay income tax on his ill-gotten gains.

Reorganize Highway Commission (H.2419, Rep. Harvin). This bill would create 23 highway districts in the state (see list at end of this summary). It would also change the method of selecting highway commissioners--they would be elected by the members of the General Assembly representing the counties in the specific districts.

The Districts are:

- |                          |                             |
|--------------------------|-----------------------------|
| 1: Aiken, Edgefield      | 13. Newberry, Fairfield     |
| 2: Anderson, Oconee      | 14. Chester, Lancaster      |
| 3: Charleston, Berkeley  | 15. Sumter, Lee             |
| 4: Florence, Darlington  | 16. Chesterfield, Marlboro  |
| 5: Greenville, Pickens   | 17. Dillon, Marion          |
| 6. Horry, Georgetown     | 18. Williamsburg, Clarendon |
| 7: Lexington, Saluda     | 19. Beaufort, Jasper        |
| 8: Richland, Kershaw     | 20. Dorchester, Colleton    |
| 9: Spartanburg, Union    | 21. Orangeburg, Calhoun     |
| 10: York, Cherokee       | 22. Bamberg, Barnwell       |
| 11. Laurens, Abbeville   | 23. Allendale, Hampton      |
| 12: Greenwood, McCormick |                             |

Secession deja vu (H.2421, Rep. Aydlette). This bill would dissolve the union between South Carolina and the rest of the United States after June 30, 1987. Seems that this sort of thing was tried once before, leading to an extended visit to our state by a gentleman named Sherman.

Fiscal impact of state regulations (H.2422, Rep. Clyborne). This bill would require that all proposed regulations published in the State Register carry a preliminary fiscal impact statement, prepared by the Budget and Control Board. The statement would have to indicate costs to State government, political subdivisions, and the private sector imposed by the regulations. When the regulations were submitted to the General Assembly for review, a final fiscal impact statement would have to be included with them.

Limit terms on state boards and commissions (H.2427, Rep. Keyserling). Service on state boards and commissions would be limited to two full terms of twelve successive years, whichever is longer. A person could return to a board or commission after two years of absence. The provisions of this bill would not apply to persons who serve on a board or commission and receive a salary, nor would they apply to the life members of the Clemson University Board of Trustees.

#### Health

DHEC Board expanded (H.2392, Rep. J. Rogers). Currently the DHEC Board consists of seven members, appointed by the Governor—one from each Congressional District, one from the state at-large. This bill would add two additional members: the Chair of the House Medical, Military, Public and Municipal Affairs Committee (or designee) and the Chair of the Senate Medical Affairs Committee (or designee).

Law and Justice

Violent crimes (H.2384, Rep. Aydlette). This bill expands the list of violent crimes to include assault and battery of a high and aggravated nature, and robbery with the use of extreme physical force. These two would join the other violent crimes, such as murder, criminal sexual conduct in the first and second degrees, assault and battery with intent to kill, certain forms of drug trafficking, first and second degree burglary, and so forth.

Magistrates (H.2394, Rep. Ferguson). This legislation would require that all magistrates in South Carolina be attorneys, admitted to practice in this state. Currently sitting magistrates would be allowed to complete their terms. The measure is a proposed constitutional amendment which would have to be submitted to the voters at the next general election, should it be approved by the General Assembly.

Court cases involving children (H.2395, Rep. Evatt). This measure is designed to allow speedy resolution of court cases involving children, especially those cases of criminal sexual abuse or conduct. The bill provides for out-of-court statements by children under twelve to be admitted as evidence under certain conditions. The legislation also amends existing law to state specifically that "every child is competent to be a witness in any judicial proceeding."

The proposed bill would also allow for testimony by closed-circuit television or video taping in the case of unlawful sexual offenses when the victim is under sixteen years.

Civil actions, AKA Tort Claims (H.2399, Rep. L. Martin). They're here. A bill that would enact many of the proposed tort reforms discussed earlier in the *Legislative Update* (see issues 1 and 2 for this year).

The specific changes include reducing the time in which to file a case from six years to three years; taking into account insurance claims or other awards paid to the plaintiff in a case before deciding how much to award in a trial; limiting noneconomic damages to \$250,000; emphasizing that the burden of proof is on the plaintiff in proving punitive damages; limiting punitive damages to "once for any single wrong regardless of the duration of the tort or number of claimants;" having 95% of any punitive damages paid into the state's General Fund with only 5% going to the plaintiff; and having defendants liable only for that part of the damages which can be assessed to them.

In essence, then, this bill would put into place pretty much all of the changes which supporters of tort reform/civil action cases have been advocating. For more detailed explanations on the nature of these changes (and some of the arguments for and against them) please refer to *Legislative Updates* 1 and 2 of this year, where research reports cover the topic.

Contraband forfeiture (H.2408, Rep. T. Rogers). A measure that would allow the state to seize and sell contraband—that is, any personal property used in commission of a felony. Contraband can include cars, boats, money, weapons, tools.

This bill would make it illegal to possess, conceal or transport any contraband. Any contraband found by the authorities, and the vessel, vehicle or aircraft it was in, could be subject to forfeit by the guilty party. After the final verdict in the case involving the contraband, the solicitor in charge would file a petition in circuit court for the property to be taken and sold. The money from the sale would go to payment of court liens, court costs and so forth, and—should any be left over—to the Law Enforcement Training Council to use in training programs.

Juvenile records (H.2413, Rep. Sharpe). This bill would permit fingerprinting of juveniles in family court because of delinquency. These prints would be sent to SLED and to the FBI, along with records of the final disposition of the case. The Department of Youth Services would be allowed to photograph and fingerprint juveniles in its custody.

Law enforcement agencies, prosecutors and the Department of Youth Services would be permitted to use these records and prints "in the same manner that such information is used in cases involving adult offenders."

Stink bombs (S.98, Sen. Peeler). Much the same as H.2366, explained in the last issue of the *Update*, and inspired by the incident up at Gaffney last fall when a bomb was exploded during a high school football game.

#### Labor, Commerce and Industry

Automobile repair act (H.2311, Rep. Rudnick). This measure would establish state supervision over the automobile repair work done in South Carolina. A Bureau of Automobile Repair would be established in the office of the Secretary of State to keep a sharp eye on automobile repair shops.

The Bureau would accept applications and issue permits to automobile repair dealers; dealers would pay an application fee of between \$25 and \$50, and this money would go into the Automobile Repair Fund for operation of the Bureau. There would also be a renewal fee each year. Authorized dealers would display a sign prepared by the Bureau (much the same as Inspection Sites now have a sign for that service).

All work done by a repair dealer would have to be documented. Prior to work being done customers could get written estimates, and when the work was complete customers could ask for parts which the dealer had replaced.

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The Director of the Bureau could investigate complaints against dealers, and where damage or loss has occurred, could suggest compensation. If necessary, the Director could file charges with solicitors against automobile repair dealers who violated provisions of this act.

All this would go into effect on January 1, 1988.

Maximum credit card rates (H.2390, Rep. Pearce). This bill would put a limit on the maximum amount of interest that could be charged on the unpaid balance of credit cards. The cap would be set at 15% or 5% over the current prime rate, whichever is lower.

Insurance policies and sex (H.2382, Rep. Aydlette). When insurance companies are drawing up their "risk classification plans" to see who gets insurance and for how much, they include a number of factors. The data they include varies, but often takes into account that women, on the whole, live longer than men. This bill would prohibit the insurance companies from making distinctions in their policies in age because of sex.

Payment of insurance claims (H.2410, Rep. Rudnick). Accident and health insurance claims would have to be paid within fifteen days should this bill become law. Insurance companies would have that amount of time to settle, or inform the claimant in writing of additional documentation required; once the needed information was received, the company would have to process the claim in fifteen days. For failing to comply with this time frame, the company would have to make an additional payment at 18% (annual percentage rate) to the policy holder.

Emergency liability insurance for attorneys (S.320, Senate Banking and Insurance Committee). This measure would allow creation of a plan to provide emergency liability insurance for attorneys when the coverage was not available in the state through normal channels or at a reasonable cost. For a similar House bill, H.2019, expounded upon in *Update* issue number 2 (January 20, 1987).

Reorganization of insurance law (S.321, Senate Banking and Insurance Committee). This bill, like H.2028, contains changes that were discussed by the Insurance Law Study Committee. The purpose is to reorganize insurance sections of the Code to bring them up-to-date, eliminate conflicts, and so forth. Both H.2028 and S.321 have been mentioned as possible candidates for "Bills with longest titles" in the *Guinness Book of Records*.

Terms for Members of State Houses of Representatives

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Background: two years or four?

Legislation introduced recently would extend the term for South Carolina House members from two years to four years (H.2388, Rep. Pearce). Similar bills have been proposed before. There are arguments both for and against the measure.

Supporters say that the longer terms would allow representatives to become more effective in their duties, concentrate more on their legislation and less on their re-election, and cut down on the cost to the state of conducting elections. Opponents maintain that frequent exposure to the approval/disapproval of the voters keeps House members more aware of their constituents' needs and desires, reduces the chances of legislators getting "entrenched" and complacent, and preserves the essentially "democratic" quality of the House.

Two years the norm--for the House

Whatever the pros and cons, most states have set their House terms at two years. Only four of them have established four-year terms for their Houses of Representatives: Alabama, Louisiana, Maryland, and Mississippi. All the rest have elections every two years for the House.

Four years for the Senate

Service in state senates, on the other hand, is almost always in four-year terms. Twelve states do restrict their senate terms to two years: Arizona, Connecticut, Georgia, Idaho, Maine, Massachusetts, New Hampshire, New York, North Carolina, Rhode Island, South Dakota, and Vermont. As can be seen, a number of the New England states retain their traditional, "town meeting" approach to government.

And then there's Nebraska

Nebraska, of course, has no House or Senate, but a single chamber, or unicameral, legislature. Its forty-nine members are elected for four-year terms in nonpartisan elections. There's one in every crowd.

## Infrastructure: How They Do It in Georgia

### Introduction

"Infrastructure," that vast network of physical facilities such as roads, bridges, sewer and water lines, is one of the most obvious needs of modern life—and one of the most pressing expenses of modern government.

Since infrastructure must be built and maintained, the choices for state government resolve themselves into these: what priorities will be set, and how will the projects be paid for? This research report looks at one example of how the funding can be worked—in this case, the Georgia Environmental Facilities Authority, or GEFA. This report was written by Edward Ryan, a student at the University of South Carolina, who is a legislative intern with the House Research Office.

### Background

Infrastructure is the most visible sign of the relationship of a government to its constituency. It is the "network of public works which are basic to the economic and social life" of any state.

Think of the word's last two syllables, "-structure." Imagine this term to refer to the nation's great skeleton, the public energy and transportation networks, the water maintenance and distribution systems and the implication of much meticulous maintenance. We're talking about the foundation of any community. Such an important foundation comes at a high cost: The Southern Growth Policies Board estimates that costs of wastewater treatment plants alone in the South will rise by \$8.8 billion to \$23.4 billion by the year 2000.

The first part of the word, "infra-" implies the subtleties of these public works. They are frequently taken for granted because they touch all of our lives so completely. Every time you take a shower, or stop at a red light or lazily picnic in the park, you are taking advantage of things that we expect to be provided to us.

### Problems

Since these services are so important, they must follow demographic trends. That is, infrastructure developments must be proportional to changes in population. In areas experiencing decline, new construction would be inappropriate, but since the South is experiencing a rise in population, the pressure is on local governments to assure growth with efficiency in public services. But this is not a goal that is easily achieved. Many available systems are obsolete or worn out, and replacement costs are prohibitive.

For example, assuming medium growth in air traffic, a National Transportation Policy Study forecasts an investment of \$60 billion in airport construction and expansion over the next fourteen years simply to assure the safety of U.S. air traffic. The advent of airline deregulation has made such travel available to larger numbers of Americans; therefore the duties to public service authorities have grown dramatically.

The Army Corps of Engineers would need \$32.5 billion from 1982-95 to improve the systems of locks along the nation's waterways. If the work is not soon begun, we risk traffic delays on bodies of water that are already very crowded. As the number of shippers grows, it must be government's task to assure efficiency in transport.

An article two years ago in the *Journal of American Waterworks* stated that to meet pollution control standards, more than \$31 billion will have to be invested in sewer systems and wastewater treatment plants over the next five years. In 1983, the EPA suggested that the total U.S. price tag for wastewater treatment until the end of the century would be \$118.4 billion. Problems with air and water traffic are certainly serious, but without drinking water life is impossible.

### Changes in Management Styles

The crisis is not wholly due to a simple shortage of funds. Instead, the Southern Growth Policies Board identifies the need to manage funds better as the heart of the looming deficits, specifically "haphazard capital budgeting, inappropriate financing techniques, and wasteful maintenance procedures" as the enemies of successful infrastructure improvement plans. During the rise in Federal assistance in the 1970s, many states skewed the capital planning and budget process toward those projects eligible for free or inexpensive grant funds. In our present period of decline in Federal funding, states are rarely creative with their resources. Most governments place a high degree of confidence solely on the vitality of debt financing as a source of capital, for example. Diversity is all too absent.

Good Advice for Future

The Government Finance Research Center of the Municipal Finance Officers Association recommends a four part scheme to achieving success in infrastructure management.

1. Capital Projects and Improvements Programming: This is the selection and multi-year scheduling of public construction or renovation. Ideally, this would be an annual objective assessment of priorities for future physical changes in a community.

2. Capital Budgeting: This is the annual process of deciding which improvements in the above program are to be funded and analyzing the various methods of financing such projects. If this is done properly, it forces decision making into realistic terms by emphasizing economics.

3. Strategic Planning: This is the development of long term strategies that seek to make the best use of existing and current resources. At the state level, it should promote benchmarks for where a project should be heading in broad areas such as economic development, job creation, etc. Significantly, this sort of planning would encourage many resources to pay for themselves through user fees.

4. Maintenance Procedures: This is the most direct way of monitoring costs. It is twofold. One can monitor operating systems to anticipate difficulties before they arise. Also, as a sewer system ages for example, appropriate reports can be made to capital programmers to allow them to prepare for reparations.

The Georgia Example

The following example shows how the state of Georgia changed its infrastructure future very successfully on a managerial level through an all-encompassing bureaucratic shuffle. The actions of the Georgia state government embody the suggestion of Governor Bill Clinton of Arkansas that "we should take upon ourselves the commitment to prove that our country can achieve excellence with equity."

The Georgia Deficit

In an Environmental Facilities Inventory Report done by the Georgia Development Authority in 1984, it was forecast that \$1.65 billion would be required for water development projects over the next five years. This was part of a very serious revision because that figure represented an increase of about \$700 million over expectations for ten year costs. Adding to the problem was the fact that Federal assistance had dropped off 27% during the preceding half decade.

### Small Towns Suffer

Clearly, the problem facing the state as a whole was serious enough. But it was even more ominous for Georgia's numerous small communities. These constituencies had never been involved in this kind of a study before, so the figures came as quite a surprise.

Consider: A) Communities of 50,000 or less faced a need of \$813 million over five years, 49% of the state total for water development projects.

B) Their Federal funds were drying up, too. Example: from 1982-85 only 27.8% of money allocated through the "Small Cities" Community Development Block Grant Program was earmarked for water and wastewater improvements. That percentage may not seem too distressing until you consider that the money is only going to those cities that actually won endowments.

C) There is the difficulty posed by financing costs to small towns with expensive problems. Without a large economic base, reasonable terms are rare.

### Resolution

The small communities simply have little or no economic pull. The decision was made to change this by allowing them to take advantage of their whole state's economic strength. This way, they would have access to the bond ratings and financial nuances of a much larger political body.

This is the spirit of the Georgia Environmental Facilities Authority. Formerly the Georgia Development Authority, it became a state agency with Governor Harris' signature on the GEFA Act April 1, 1986. This Authority is to "assist local governments in constructing, extending, rehabilitating, repairing and renewing environmental facilities and to assist in the financing of such needs."

### Structure and Power

GEFA is a perpetual body representing the Georgia state government which is composed of eleven members, whose present Chairman is Russell Thomas, Jr. Mr. Thomas is one of eight gubernatorial appointments to the board. Among the others are the positions of vice-chairman and secretary.

Adequate representation of varied interests is institutionalized in the process. Of the governor's eight appointments: three must be municipal officials, three must come from county bodies and two from the public at large. By law, the remaining three chairs are to be filled by the Georgia Commissioner of Community Affairs, the State Auditor and the Commissioner of Industry and Trade.

The Authority approaches autonomy. The eleven members are to be trustees responsible for GEFA's financial position at the end of each fiscal year. Look at this group as a sort of bank board. Based on communities' needs and financial histories, they work out infrastructure loans in increments of up to \$1 million. Presently, \$40 million is in their control.

#### Variety of Services Offered

GEFA is more than just a bank. In the Authority's Resolution it states that "it would provide for the continuing economic growth and development that provides jobs for the citizens of the state of Georgia." This aim works well with the Authority's position as technical adviser because a city's engineering needs could be met by a Georgia firm on file with the Authority. This facilitates contact between developers and future clients within the state of Georgia. Benefits are thus gained on both sides.

GEFA is the principal Georgia lobbyist for Federal funding of environmental projects. This was shown last August when it was announced that \$20 million was made available by Washington in the form of short-term, low interest loans for those cities involved in the Department of Agriculture's Community Facilities Program. The commitment to lobbying is intense and will be vital in future Federal dollar droughts.

#### Application Process

It all begins for the communities once a pre-application form for funding is filled out. This must be done between October and the last day of the year prior to the one for which funding is being requested. It is very thorough. A full narrative and engineering report of the planned construction is required at this point. In addition, program schedules of the community as well as cost estimates are to be submitted to GEFA primarily to make the best applications stand out. A community's organizational experience is vital here.

Interestingly, the pre-application asks how a project will help a community meet its economic development objectives. This demonstrates the Authority's disdain of the "throw money at problems" attitude, and dares municipalities to be inventive and to always have an economic preparedness strategy.

#### Objective Decisions

GEFA reviews the pre-applications from the beginning of the year until February 15. To ensure fairness in the selection process, a system of "rating and selection criteria" is used, awarding priority points to those projects that best comply. The most significant of

these criteria is that of Project Readiness; worth 400 of a maximum 1000 points, the highest priority will go to those projects whose plans and specifications and all necessary construction permits are already approved by GEFA.

It is made clear that the Authority is not a lender of last resort, so all communities may apply regardless of need.

Funds are available to population centers of all sizes; however, there is an amount of money reserved annually for communities of 2,500 or less. For fiscal year 1987, at least \$2 million will be set aside for this purpose.

### Final Process

The loan applications are mailed out by GEFA no later than March 1. This is almost an anti-climax, since the communities that are invited to apply have gone under most of the scrutiny already. For some though, this could mean rejection. At this point, it becomes a numbers game. Things like systems operations information is requested to determine the potential of a project to pay for itself. Cities' tax bases also come under review. Most importantly, GEFA looks at communities' audits. This is the client's backbone; the efficiency of a town's day to day operation is economic responsibility in action.

Sometime in mid-April the final decisions are made.

### Forbidden Zone

Once the disbursement process begins in the summer, recipients have long since been made aware of certain guidelines.

1) Program funding caps are established by a GEFA review board once a project has been thoroughly assessed. This ensures maximum distribution of available loan monies.

2) Communities are not to use GEFA funds to replace permanent financing of existing systems.

3) Unlimited funds are available for professional services and administrative costs, but project budgets are to be monitored and community employee labor costs are absolutely never covered. This is to discourage communities with a history of budget problems that would use GEFA to ease deficits.

### Successes Small and Large

The programs successes have come in wide varieties. Presently, their smallest deal is a loan of \$29,520 to the town of Grantville for sewer improvements. The repairs will cost \$36,000. The GEFA

loan supplements a grant of \$6,480 from the Environmental Protection Division of the Georgia Department of Health. Combined portfolios of this sort end up with about 82% being covered by GEFA.

This aim of economic development through infrastructure buildup is beginning to manifest itself. In Houston County a loan for \$1 million, the maximum, is being floated for water system improvements in conjunction with the construction of a Frito-Lay processing plant.

The Warner-Robins area will soon begin \$1 million worth of sewer reconstruction that will be needed for the operation of the Northrop Aviation factory. This complements the area's traditional support of the sprawling local Air Force Base.

Perry, Georgia is the recipient of a \$1 million loan for improvements coinciding with the construction of a state Agricultural Expo Center. This might be the ultimate example of a governmental body blowing its own horn: state money for a state tourist facility that helps the state's farmers.

#### New Powers

For 1987 and beyond, the success of GEFA seems assured. Recently, Georgians expressed faith in their state government and facilitated the mission of GEFA by voting for a state constitutional amendment last November. This allows the Authority to begin General Obligation bond financing. Up to that point the General Assembly had simply appropriated \$40 million in low interest loans. This amendment will help to build up the loan fund and in effect create a perpetual loan program.

#### Conclusion

The nuances of the Georgian conception need to be understood and adhered to. The name change from "Development Authority" to "Environmental Facilities Authority" was significant. No longer would there be a large reliance on Federal funds. The aim now is self-sufficiency. By emphasizing projects' potentials to pay for financing through user fees, and the preference given to state contractors, the Authority is faithfully working for a constituency whose interests could otherwise conflict.

The four basic rules offered by the Municipal Finance Officers Association mentioned earlier seem to be the heart of any legislation on infrastructure. By monitoring the whole schema from budgeting to maintenance, the possibilities of crises arising are minimized and it allows for continued state development environmentally and economically.