

The House Committee on Transportation offers the following substitute to HB 1277:

A BILL TO BE ENTITLED

AN ACT

1 To amend Article 1 of Chapter 16 of Title 12 and Title 32 of the Official Code of Georgia  
2 Annotated, relating to environmental policy and highways, bridges, and ferries, respectively,  
3 so as to increase the project cost threshold for public roads or airports requiring  
4 environmental evaluations; to authorize annual adjustments to such thresholds based upon  
5 inflation; to revise various reporting requirements relating to projects of and contracts  
6 awarded by the Department of Transportation; to provide for publication of such reports; to  
7 repeal a limit on the amount of design-build projects that may be awarded by such  
8 department; to increase the property value threshold for requirements relating to the sale of  
9 property no longer needed for public road purposes; to authorize annual adjustments to such  
10 threshold based upon inflation; to provide for conforming changes; to provide for related  
11 matters; to repeal conflicting laws; and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 **SECTION 1.**

14 Article 1 of Chapter 16 of Title 12 of the Official Code of Georgia Annotated, relating to  
15 environmental policy, is amended by revising Code Section 12-16-9, relating to limitation  
16 on requirement for environmental evaluation, as follows:

17 "12-16-9.

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18 When a project of a department, municipality, county, or authority to construct or improve  
19 a public road or airport does not exceed ~~\$100~~ \$200 million in costs, such project shall not  
20 constitute a proposed governmental action which may significantly adversely affect the  
21 quality of the environment and the requirements of this article shall not be applicable,  
22 except that an environmental evaluation shall be considered in the decision-making  
23 process, consistent with paragraph (3) of Code Section 12-16-2, when it is probable to  
24 expect significant adverse impact on historical sites or buildings and cultural resources.  
25 On July 1, 2027, and each July 1 thereafter, the division shall be authorized to annually  
26 adjust the cost threshold established in this Code section; provided, however, that such  
27 adjustment shall not result in an increase by more than the annual rate of inflation as  
28 measured by the Consumer Price Index as reported by the Bureau of Labor Statistics of the  
29 United States Department of Labor."

30 **SECTION 2.**

31 Title 32 of the Official Code of Georgia Annotated relating to highways, bridges, and ferries,  
32 is amended by revising Code Section 32-2-41.2, relating to development of benchmarks,  
33 reports, and value engineering studies, as follows:

34 "32-2-41.2.

35 (a) ~~The commissioner shall develop and publish in print or electronically benchmarks,~~  
36 ~~based upon the type and scope of a construction project, that detail a realistic time frame~~  
37 ~~for completion of each stage of a construction project, including preliminary engineering~~  
38 ~~and design, environmental permitting and review, and right of way acquisition~~ The  
39 department shall develop and publish an annual fiscal year report accounting for the  
40 investment of public funds in transportation during the previous fiscal year. Such report  
41 shall be made available to the Governor and the General Assembly by January 15 of each  
42 year.

43 ~~(b) The director shall submit an annual report to the Governor, the Lieutenant Governor,~~  
44 ~~the Speaker of the House of Representatives, and the chairpersons of the House and Senate~~  
45 ~~Transportation Committees detailing the progress of every construction project valued at~~  
46 ~~\$10 million or more against the benchmarks. This report shall include an analysis~~  
47 ~~explaining the discrepancies between the benchmarks and actual performance on each~~  
48 ~~project as well as an explanation for delays. This report shall also be published on the~~  
49 ~~website of the department~~ The department shall maintain on its website a detailed status  
50 report for each programmed project, including a project description, projected schedule by  
51 programmed phases, and projected cost by programmed phases.  
52 ~~(c) The department shall create and maintain on its website a detailed status report on each~~  
53 ~~project under planning or construction. This status report shall include, but not be limited~~  
54 ~~to, the name and contact information of the project manager, if applicable.~~  
55 ~~(d) Value engineering studies shall be performed on all projects whose costs exceed \$50~~  
56 ~~million, except for any project procured in accordance with Code Sections 32-2-79,~~  
57 ~~32-2-80, and 32-2-81, and the director shall submit an annual report to the Governor, the~~  
58 ~~Lieutenant Governor, the Speaker of the House of Representatives, and the chairpersons~~  
59 ~~of the House and Senate Transportation Committees detailing the amount saved due to the~~  
60 ~~value engineering studies. This report shall also be published on the website of the~~  
61 ~~department."~~

62 **SECTION 3.**

63 Said title is further amended in Code Section 32-2-43, relating to director of planning,  
64 appointment, and responsibilities, by revising subsection (b) as follows:

65 "(b) The director of planning's principal responsibility shall be the development of  
66 transportation plans, including the development of the state-wide strategic transportation  
67 plan, state-wide transportation improvement program, state-wide freight and logistics  
68 implementation plan, and other comprehensive plans pursuant to the provisions of Code

69 ~~Section Sections~~ 32-2-3 and ~~Code Section~~ 32-2-22, and strategic transportation plans  
 70 pursuant to the provisions of Code Section 32-2-41.1, ~~and benchmarks and value~~  
 71 ~~engineering studies pursuant to the provisions of Code Section 32-2-41.2~~, in consultation  
 72 with the board, the Governor, and the commissioner. The director shall also be responsible  
 73 for the duties and activities assigned to the director in Article 5 of Chapter 8 of Title 48.  
 74 The director shall be the director of the Planning Division of the department and shall  
 75 possess, exercise, and perform all the duties, powers, and authority which may be vested  
 76 in such division by law and are necessary or appropriate for such purpose, except those  
 77 duties, powers, and authority which are expressly reserved by law to the board or the  
 78 commissioner."

79 **SECTION 4.**

80 Said title is further amended in Code Section 32-2-69, relating to bidding process and award  
 81 of contract, by revising subsection (a) as follows:

82 "(a) Except as authorized by Code Sections ~~32-2-79~~, 32-2-80, and 32-2-82, the department  
 83 shall award contracts to the lowest reliable bidder, provided that the department shall have  
 84 the right to reject any and all such bids whether such right is reserved in the public notice  
 85 or not and, in such case, the department may ~~readvertise~~ republish the advertisement,  
 86 perform the work itself, or abandon the project."

87 **SECTION 5.**

88 Said title is further amended by repealing and reserving Code Section 32-2-79, relating to  
 89 biennial reporting of potential undertakings best suited for public-private partnership.

90 **SECTION 6.**

91 Said title is further amended in Code Section 32-2-80, relating to public-private partnerships  
 92 (P3s), by revising subsection (d) as follows:

93 "(d) The department shall be authorized to promulgate reasonable rules or regulations to  
94 assist in proposal evaluations and to implement the purposes of this Code section. The  
95 department shall report the content of such rules or regulations to the Transportation  
96 Committees of the Senate and House of Representatives for their approval by majority vote  
97 prior to the promulgation thereof and shall make ~~quarterly reports to the same chairpersons~~  
98 ~~of all of its activities undertaken pursuant to the provisions of this Code section~~ annual  
99 reports to the same chairpersons on the status of the projects undertaken pursuant to this  
100 Code section in relation to the annual fiscal year report required by subsection (a) of Code  
101 Section 32-2-41.2."

#### 102 SECTION 7.

103 Said title is further amended in Code Section 32-2-81, relating to design-build procedure, by  
104 revising subsections (e) and (f) as follows:

105 ~~"(e) In contracting for design-build projects, the department shall be limited to contracting~~  
106 ~~for no more than 50 percent of the total amount of construction projects awarded in the~~  
107 ~~previous fiscal year.~~

108 ~~(f) Not later than 90 days after~~ Following the end of the fiscal year, the department shall  
109 provide to the Governor, ~~Lieutenant Governor~~ President of the Senate, Speaker of the  
110 House of Representatives, and chairpersons of the House and Senate Transportation  
111 Committees a summary containing all ~~the~~ projects awarded during the fiscal year using the  
112 design-build contracting method. ~~Included in the report shall be~~ Such report shall  
113 include an explanation for any projects awarded to based upon anything other than the  
114 low-bid proposal, the considerations for any project awarded on a best value basis, and a  
115 summary of projects undertaken pursuant to this Code section in relation to the annual  
116 fiscal year report required by subsection (a) of Code Section 32-2-41.2. ~~This~~ The report  
117 required by this Code section shall be made available ~~for public information to the public."~~

118 **SECTION 8.**

119 Said title is further amended in Code Section 32-2-82, relating to alternative contracting  
 120 method, by revising subsection (g) as follows:

121 "~~(g) Not later than 90 days after~~ Following the end of a fiscal year in which the department  
 122 has executed a contract to deliver a project using an alternative contracting method, the  
 123 department shall provide to the Governor, ~~Lieutenant Governor~~ President of the Senate,  
 124 Speaker of the House of Representatives, and chairpersons of the House and Senate  
 125 Transportation Committees a summary report containing a summary of all contracts that  
 126 utilized an alternative contracting method. Such report shall include a comparative benefit  
 127 analysis of projects undertaken under this Code section. The department shall include a  
 128 summary of projects undertaken utilizing the contracting methods provided for in this Code  
 129 section in the annual fiscal year report required by subsection (a) of Code Section  
 130 32-2-41.2. ~~This~~ The report required by this Code section shall be made available to the  
 131 public."

132 **SECTION 9.**

133 Said title is further amended in Code Section 32-7-4, relating to procedure for disposition of  
 134 property, by revising paragraph (2) of subsection (a) and subsection (b) as follows:

135 "(2)(A) When an entire parcel acquired by the department, a county, or a municipality,  
 136 or any interest therein, is being disposed of, it may be acquired under the right created  
 137 in paragraph (1) of this subsection at such price as may be agreed upon, but in no event  
 138 less than the price paid for its acquisition. When only remnants or portions of the  
 139 original acquisition are being disposed of, they may be acquired for a price no less than  
 140 15 percent under the market value thereof at the time the department, county, or  
 141 municipality decides the property is no longer needed. The department shall use a real  
 142 estate appraiser with knowledge of the local real estate market who is licensed in  
 143 Georgia to establish the fair market value of the property prior to listing such property.

144 (B) The provisions of subparagraph (A) of this paragraph notwithstanding, if the value  
145 of the property to be disposed is ~~\$75,000.00~~ \$150,000.00 or less as determined by  
146 department estimate, the department, county, or municipality may negotiate the sale.  
147 On July 1, 2027, and each July 1 thereafter, the department shall be authorized to  
148 annually adjust the value threshold established in this subparagraph; provided, however,  
149 that such adjustment shall not result in an increase by more than the annual rate of  
150 inflation as measured by the Consumer Price Index as reported by the Bureau of Labor  
151 Statistics of the United States Department of Labor.

152 (C) The provisions of this paragraph to the contrary notwithstanding, the department  
153 shall be authorized to negotiate the sale of the property to be disposed with an adjacent  
154 property owner, provided that such property is acquired for a price no less than 15  
155 percent under the market value thereof at the time the department decides the property  
156 is no longer needed."

157 "(b)(1)(A) Unless a sale of the property is made pursuant to paragraph (2) or (3) of this  
158 subsection, ~~such sale of property no longer needed by the department~~ shall be made to  
159 the bidder submitting the highest of the sealed bids received after public advertisement  
160 for such bids for two weeks. If the highest of the sealed bids received is less than but  
161 within 15 percent of the established market value, the department may accept that bid  
162 and convey the property in accordance with the provisions of subsection (c) of this  
163 Code section. The department or the county or municipality shall have the right to  
164 reject any and all bids, in its discretion, to ~~readvertise~~, republish the advertisement or  
165 to abandon the sale.

166 (B) ~~Such~~ The public advertisement required by this subsection shall be ~~inserted~~  
167 published once a week in such newspapers or other publication, or both, as will ensure  
168 adequate publicity, the first ~~insertion~~ publication to be at least two weeks prior to the  
169 opening of bids, the second to follow one week after the first publication. Such  
170 advertisement shall include but not be limited to the following items:

- 171 (i) A description sufficient to enable the public to identify the property;  
 172 (ii) The time and place for submission and opening of sealed bids;  
 173 (iii) The right of the department or the county or municipality to reject any one or all  
 174 of the bids;  
 175 (iv) All the conditions of sale; and  
 176 (v) Such further information as the department or the county or municipality may  
 177 deem advisable as in the public interest.

178 (2)(A) ~~Such~~ Any sale of property pursuant to this subsection may be made by the  
 179 department or a county or municipality by listing the property through a real estate  
 180 broker licensed under Chapter 40 of Title 43 who has a place of business located in the  
 181 state. ~~Property~~ Any such property shall be listed for a period of at least 30 days. The  
 182 department shall use a real estate appraiser with knowledge of the local real estate  
 183 market who is licensed in Georgia to establish the fair market value of the property  
 184 prior to listing such property. If the highest offer received to purchase such property  
 185 is less than the appraised value but within 15 percent of such value, the department,  
 186 county, or municipality may accept such offer and convey the property in accordance  
 187 with the provisions of subsection (c) of this Code section. All sales shall be approved  
 188 by the commissioner on behalf of the department or shall be approved by the governing  
 189 authority of the county or municipality at a regular meeting that shall be open to the  
 190 public, ~~and public comments shall be allowed at such meeting~~ and that allows for public  
 191 comment regarding such sale.

192 (B) Commencing at the time of the listing of the property as provided in  
 193 subparagraph (A) of this paragraph, the department, county, or municipality shall  
 194 provide for a notice to be ~~inserted~~ published once a week for two weeks in the legal  
 195 organ of the county indicating the names of real estate brokers listing the property for  
 196 the department or political subdivision. The department, county, or municipality may

197 ~~advertise~~ publish such advertisement in newspapers, on the ~~Internet~~ internet, or in  
198 magazines relating to the sale of real estate or similar publications.

199 (C) The department, county, or municipality shall have the right to reject any and all  
200 offers, in its discretion, and to sell such property pursuant to the provisions of  
201 paragraph (1) of this subsection.

202 (D) The department shall be authorized to sell property pursuant to this paragraph to  
203 the highest bidder utilizing an online public auction after meeting the requirements set  
204 forth in this paragraph. If the highest offer received to purchase any property is less  
205 than the appraised value but within 15 percent of such value, the department may accept  
206 such offer and convey the property in accordance with the provisions of section (c) of  
207 this Code section.

208 (3)(A) ~~Such~~ Any sale of property pursuant to this subsection may be made by the  
209 department, a county, or a municipality to the highest bidder at a public auction  
210 conducted by an auctioneer licensed under Chapter 6 of Title 43. If the highest offer  
211 received to purchase such property is less than the appraised value of the property but  
212 within 15 percent of such value, the department, county, or municipality may accept  
213 such offer and convey the property in accordance with the provisions of subsection (c)  
214 of this Code section.

215 (B) The department, county, or municipality shall provide for a notice to be ~~inserted~~  
216 published once a week for the two weeks immediately preceding the auction in the legal  
217 organ of the county where such property is located including, at a minimum, the  
218 following items:

- 219 (i) A description sufficient to enable the public to identify the property;  
220 (ii) The time and place of the public auction;  
221 (iii) The right of the department or the county or municipality to reject any one or all  
222 of the bids;  
223 (iv) All the conditions of sale; and

224 (v) Such further information as the department or the county or municipality may  
225 deem advisable as in the public interest.

226 The department, county, or municipality may ~~advertise~~ publish such advertisement in  
227 magazines relating to the sale of real estate or similar publications.

228 (C) The department, county, or municipality shall have the right to reject any and all  
229 offers for such property, in its discretion, and to sell such property pursuant to the  
230 provisions of paragraph (1) or (2) of this subsection.

231 (D) The department shall be authorized to sell property pursuant to this paragraph to  
232 the highest bidder utilizing an online public auction after meeting the requirements set  
233 forth in this paragraph. If the highest offer received to purchase any property is less  
234 than the appraised value but within 15 percent of such value, the department may accept  
235 such offer and convey the property in accordance with the provisions of section (c) of  
236 this Code section."

237 **SECTION 10.**

238 All laws and parts of laws in conflict with this Act are repealed.