

# March 18, 2020 Update & New COVID-19 Resources

## Legislative Lowdown prepared by GACVB &



### *Legislation potentially affecting Georgia's Tourism and Hospitality Industry*

---

The Lieutenant Governor and Speaker announced last Thursday their decision to indefinitely suspend the legislative session following Legislative Day 29 on Friday in light of the coronavirus situation. It is important to note that this year's legislative session is not over; the General Assembly will reconvene for Day 30 on a date to be determined. The only constitutionally required action item left for legislators for the session is the passage of the state budget for the 2021 fiscal year, which begins July 1, so that is certainly an important deadline. Speculation last week was that they would likely return in 2 or 3 weeks, but circumstances have changed in the days since then and it appears that the break could extend the session into May or perhaps further.

On Sunday the 15th, in a surprise announcement, Governor Kemp called for a (separate) special session to convene the next morning (Monday, March 16). The purpose of the special session was to approve an emergency health declaration from Governor Kemp. Though initially there was some disagreement between the House and Senate about the logistics of reconvening after the end of the public health crisis, they ultimately ratified the declaration, conveying sweeping powers to the Governor during the crisis.

Last week was one of the year's busiest under the Gold Dome as the legislature convened for only four days - Legislative Day 26 on Monday, Day 27 on Tuesday, Day 28 on Thursday (Crossover Day), and Day 29 on Friday. Bills that did not successfully make it out of the chamber in which they originated by Thursday can no longer be considered this year. Additionally, because 2020 is the second year of a two-year session, bills that did not make it to

the other chamber cannot be considered next year; they would need to be reintroduced and go through the committee process again.

Also, individuals running for local, state, or federal office qualified to do so on the second floor of the Capitol last week. All State House and Senate members are up for re-election, and the legislature will be very different in 2021. Twenty-five legislators announced that they will not run for re-election (see lists below) and others will face tough odds in the re-election bids.

State House and Senate members who did not qualify to run for reelection in their current seat this year include the following:

Senate: (8)

William Ligon, Ellis Black, Jesse Stone, Bill Heath, Steve Henson, Renee Unterman (running for Congress), Zahra Karinshak (running for Congress), John Wilkinson (running for Congress),

House: (17)

Colton Moore (running for State Senate), Matt Gurtler (running for Congress), Kevin Tanner (running for Congress), Terry Rogers, Kevin Cooke, Michael Caldwell (running for State Senate), Scot Turner, Marc Morris, Tom McCall, "Able" Mable Thomas, Pat Gardner, Valencia Stovall, Brenda Lopez Romero, Andy Welch, Ken Pullin, Jimmy Pruett, J. Craig Gordon

---

## **Budget**

Last week, the House passed [House Bill 793](#), which is the budget for Fiscal Year 2021. The FY21 budget has been especially contentious following Governor Kemp's call for state agencies to reduce their overall budgets by 6 percent. One item of particular interest to the convention industry was the governor's budget recommendation of \$70,000,000 in bond funds for the expansion of the convention center in Savannah. It is up to legislators to examine the governor's budget recommendations and determine with which appropriations they agree or disagree. When the House released its FY21 budget, several changes were made from the governor's budget recommendations, including cutting the proposed teacher pay raises by half. However, the House's budget, like the governor's, included the \$70,000,000 in bond funds for the expansion of the Savannah Convention Center.

---

## **Tax Cuts**

Just ahead of releasing the FY21 budget last week, House leadership announced a major tax reform plan, which would include reducing Georgia's top state income tax rate from 5.75 percent to 5.375 percent. Legislators voted to reduce the income tax rate from 6 percent to 5.75 percent in 2018 and set up a vote for the rate to be further reduced to 5.5 percent in 2020; this proposal reduces the rate even further than most had expected. In addition to reducing the income tax rate down to 5.375 percent, [House Bill 949](#), sponsored by Representative John Carson (R-Marietta), would flatten the graduated tax system and triple the tax credit given to families who adopt

children. House Bill 949, which also provides for the annual the Internal Revenue Code update, passed the House on Tuesday and will next be considered in the Senate.

As part of the tax reform plan, and in conjunction with the proposed tax cut, Ways and Means Chairman Brett Harrell's (R-Snellville) [House Bill 1002](#) seeks to eliminate the "double deduction" of state income taxes that some Georgians are currently able to take on their tax returns. The double deduction can currently be used by Georgians who choose to itemize their deductions, though roughly 80 percent of Georgians choose the standard deduction. Harrell's legislation is important to counteract the potential loss in state revenues from the proposed tax cut- HB 1002 could raise taxes on individuals who itemize their deductions by a combined total of anywhere between \$130 million and \$220 million. The House Ways and Means Committee favorably reported the bill at the beginning of the week, though the bill was not passed out of the House by Crossover Day.

---

### **Short-Term Vacation Rentals**

[Senate Bill 442](#), sponsored by Senator William Ligon (R-Brunswick), would prohibit amendments to property owners' association instruments and covenants that would restrict the rental of residential lots and plots. After passing out of the Senate Judiciary Committee, it was heard on the Senate floor, where the Senate voted to pass it by substitute by a vote of 33 to 20. It was sent over to the House following its passage in the Senate, where it was referred to the House Judiciary Committee for consideration. It now faces a similar committee process on the House side before it can head to the governor's desk for his consideration.

[House Bill 448](#), sponsored by Representative Matt Dollar (R-Marietta), would revise the definition of "innkeeper" to include lodging facilitators. HB 448 is not new - it was introduced in February of 2019 and has been discussed by study committees for a few years. After being placed on a supplemental House calendar on Crossover Day, it was passed out by a vote of 105 to 48. It must now pass through a similar committee process on the Senate side before Governor Kemp can consider it. HB 448 would put the responsibility of collecting and remitting taxes on the rental platform, i.e., Airbnb, VRBO, etc.

[House Bill 523](#), sponsored by Representative Kasey Carpenter (R-Dalton), would prohibit local governments from regulating the use of certain real estate as short-term rental property. The bill was passed out of the House Regulated Industries committee and was placed on a supplemental House calendar on Crossover Day, making it eligible to be voted on by the full House. The bill was not brought up for a vote, so the bill is no longer in play for this session.

---

### **Gambling**

One of the most contentious issues this session so far has been the question of whether casinos, horse racing, and sports betting should be legalized. [House Resolution 378](#), sponsored by the Chairman of the House Economic Development and Tourism committee, Representative Ron

Stephens (R-Savannah), would amend Georgia's Constitution to allow pari-mutuel wagering, casino gambling, and sports betting if the voters agreed to do so via a referendum. It would also establish an independent gaming commission that would be responsible for overseeing the gambling industry. On the evening of Crossover Day, House Resolution 378 was added to the House's legislative calendar via a supplemental House Rules meeting, however the resolution was never brought up on the floor, effectively killing the bill for this session.

---

## **Religious Liberty**

A widely discussed piece of legislation this session has been [Senate Bill 368](#), which was sponsored by Senator Marty Harbin (R-Tyrone) and would allow faith-based adoption agencies to refuse to place children with couples that violate "certain religious or moral convictions." Harbin has said the bill is intended to preserve choice for mothers who want to ensure their child grows up in a particular religious background. Religious freedom legislation has received a great deal of attention in past sessions and is often contentious. The bill was referred to the Senate Judiciary Committee, though because it never passed out of committee, it did not make it to the floor for a vote ahead of Crossover Day.

---

## **Sports Marketing / Funds**

[House Bill 740](#) - Creation of a Sports Marketing Fund and Sports Marketing Board to provide funding to sports commissions was introduced 1/13/2020 sponsored by Representative Ron Stephens (R-Savannah). HB 740 was referred to Economic Development and Tourism. [House Bill 827](#) - Creation of Georgia Major Sporting Event Reimbursement Fund and Board for non-recurring sports events to allot money not exceeding one-third of the cost of hosting the event towards the preparation, presentation, and execution of each event was also sponsored by Rep. Stephens. HB 827, introduced 1/29/2020 was referred to Ways & Means. The two house bills regarding funds for marketing and hosting sports events did not cross over last week.

---

## **Ride Share/Taxi Fee**

On Crossover Day, the House agreed to changes made by the Senate on [House Bill 105](#); it now requires Senate approval when the General Assembly reconvenes because of several minor last-minute changes that were made to the bill. This pieces of legislation would charge a flat fee on ride-hailing services like Uber, Lyft, and taxis of \$0.50, or \$0.25 for pool rides, and preempt these car services from having to charge up to 9 percent in sales tax following the passage of the marketplace facilitator law earlier this session. Uber and Lyft have pushed for the adoption of the flat fee because the marketplace facilitator law, which will require online stores and platforms to collect a sales tax beginning April 1, would have ranked Georgia as the second-highest state tax on ride-shares in the nation. This tax provision was added on to the original bill, which would exempt farmers from paying sales tax on disaster relief they received following Hurricane Michael.

---

## **Alcohol Home Delivery**

The House took up [House Bill 879](#) by Ways and Means Chairman Brett Harrell (R- Snellville), which would allow for the home delivery of beer and wine. The bill, which was passed by the House Regulated Industries Committee, would allow grocery stores and convenience stores to deliver beer and wine directly to consumers 21 and older who are required to be at home and provide proof of age upon delivery. Harrell says his motivation for the bill was simply consumer demand, especially as more and more people are having groceries delivered to their homes. Despite concerns from some representatives that the passage of this bill could be used to provide teens with alcohol, the bill passed the House by a vote of 110-54 and now heads across the hall to the Senate for consideration.

---

## **Tort Reform**

One of the Senate's pieces of tort reform legislation, [Senate Bill 415](#) by Senator Steve Gooch (R-Dahlonega), seeks to streamline the process of litigation and reduce costs for Georgia's industries, small businesses, and citizens. It was taken up on the Senate floor last Tuesday morning following its passage by the Senate Insurance and Labor Committee. Following roughly four hours of contentious debate, Senator Gooch moved to table the bill for the time being, and the Senate agreed by a vote of 27 to 26, likely because the vote was going to be too close to call. In his presentation of the bill before the full Senate, Gooch said the legislation is necessary to help curb large jury awards and to help keep insurance premiums down. On Crossover Day, the bill's sponsor was unable to secure a sufficient number of votes to take it off of the table. Because the bill did not pass out of the Senate by Crossover Day, it cannot move any further through the legislative process this session.