

Georgia Legislative State Report

2017 was the first session of a 2-year legislative cycle which means essentially that legislation not completed in 2017 may be carried over to the 2018 session. This report is not meant to be exhaustive, but a representation of the most notable pieces of legislation we followed during the 2017 session.

There were approximately 5,227 total pieces of legislation introduced in 2017. This includes bills, urging resolutions, resolutions of recognition, and local delegation legislation affecting local governments. Only about 300 of those bills actually passed through both chambers and will get signed into law.

ECONOMIC DEVELOPMENT & TRANSPORTATION

HB 73 – Revitalization Zone Tax Credits

(Rep. Penny Houston, 170th)

Effective May 8, 2017 and applicable to all tax years beginning on or after January 1, 2018. This legislation provides state income tax credits to businesses that establish new locations within revitalization zones designated by the Commissioners of the Department of Community Affairs and Department of Economic Development. To be eligible for revitalization zone status, counties and/or cities must have a population of less than 15,000 and must show economic distress based upon poverty rate, downtown area vacancies, or blight.

HB 134 - Single County T-SPLOST Reforms

(Rep. James "Bubber" Epps, 144th)

Sections 1, 2, and 4 - 9 effective May 1, 2017. Section 3 effective January 1, 2018. This legislation adds flexibility, clarifications and enhancements to the existing Single County T-SPLOST law. This bill allows Single County T-SPLOST to fund state transportation projects and removes dates that are no longer relevant so now all counties, with the exception of Fulton County with its own code section, would follow the same Single County T-SPLOST law. It also permits more than one Single County T-SPLOST to be levied at the same time as long as the combined amount does not exceed 1 percent and allows cities to bond their T-SPLOST projects. Lastly, the bill clarifies that after January 1, 2018, Regional T-SPLOST and a Single County T-SPLOST cannot be on the ballot at the same time.

HB 265 – Job Creation Tax Credits

(Rep. Chuck Efstoration, 104th)

Effective April 25, 2017 and applicable to all tax years beginning on or after January 1, 2017. This legislation expands state income tax credits for the creation of 50 or more jobs for certain “qualified projects” involving purchase of at least \$2.5 million of investment property.

HR 389 - House Rural Development Council

(Rep. Sam Watson 172nd)

This resolution creates the House Rural Development Council, to be made up of 15 members of the House appointed by the Speaker of the House. The Council will study and make recommendations regarding issues impacting economic development in rural areas of the state, including education, infrastructure, health-care access, and economic growth incentives. The Council will continue in existence until December 31, 2018.

HR 848 - House Commission on Transit Governance and Funding

(Rep. Kevin Tanner, 9th)

This legislation creates the House Commission on Transit Governance and Funding. The commission will study and assess the needs, funding methods and governance structures for mass transportation for any one or more metropolitan areas in Georgia. Appointments to the commission, made by the Speaker of the House, could include representation from counties that provide mass transportation.

SB 219 - Automated Driving System Regulations

(Sen. Steve Gooch, 51st)

Effective July 1, 2017. This legislation allows for autonomous vehicles to operate on Georgia's roads without a human driver present and purportedly preempts laws prohibiting automated driving systems.

GENERAL COUNTY GOVERNMENT

HB 1 - Space Flight: Activities, Definitions & Liability

(Rep. Jason Spencer, 180th)

Effective July 1, 2017. This legislation was introduced for Camden County which has an interest in creating a spaceport; however, the bill applies statewide and allows the commercial space industry to operate in Georgia.

HB 280 – Guns: Campus Carry

(Rep. Mandi Ballinger, 23rd)

Effective July 1, 2017. This legislation allows for the licensed, concealed carry of handguns on the property of a public technical school, vocational school, college or university, or other public institution of postsecondary education - applying to all license holders. Firearms will continue to be prohibited from athletic events; student housing (including fraternity and sorority houses); preschool or childcare space; a college career academy or other specialized school; any room used for classes in which high school students are enrolled; faculty, staff or administrative offices; or rooms where disciplinary proceedings are conducted.

HB 292 – Guns: 2017 Omnibus Bill

(Rep. Rick Jasperse, 11th)

Effective May 8, 2017. Under this legislation Georgia will recognize carry licenses for those moving here from other states for 90 days, so long as the person abides by Georgia's laws. Additionally, probate judges are authorized to provide information on gun safety; DNR must post a link on its website for

hunting gun safety course information; folks who legally change their name can get a free replacement license (if within 90 days of their license registration); and retired law enforcement officers from other states do not need a license. Any sheriff or retired sheriff, deputy or retired deputy sheriff, member or retired member of the Georgia State Patrol, member or retired member of the GBI and retired law enforcement officer (so long as they are a Georgia citizen, have separated from their employment in good standing and maintain qualification in firearm training) can carry a gun into a courthouse, unless the sheriff providing security for the courthouse provides a lock box and screens out these and all other weapons by security personnel. It also prohibits financial institutions from discriminating (in providing financial services) against any persons or trade associations solely because they lawfully engage in the firearms or ammunitions trade.

HB 430 – Governor’s Education Reform: Charter Schools

(Rep. Buzz Brockway, 102nd)

Effective July 1, 2017. This legislation sets statewide standards and authorization processes for charter schools by local school boards and the State Charter Schools Commission. Of importance to counties, it also requires that "the location of a charter school shall be in conformity with existing county or city comprehensive land use plans, if applicable, or existing land use patterns in the area."

HB 434 – Eminent Domain and Blighted Property

(Rep. Wendell Willard, 51st)

Effective July 1, 2017. This legislation establishes a procedure whereby counties and cities may petition for court determination that property is blighted; upon such determination, the local government may commence condemnation proceedings. In addition and unlike other condemned properties, property condemned for the purpose of remedying blight is not required to be held in public ownership for at least 20 years and is not required to be offered to the prior owner if not put to public use within five years.

HB 485 – Distilled Spirits: Allow Manufacture in Dry Counties

(Rep. Mike Glanton, 75th)

Effective May 10, 2017. This bill allows counties to authorize the manufacture of distilled spirits within their jurisdiction via the adoption of an ordinance or resolution. Counties may determine the location of the distillery. Under current law, distilleries are subject to the same laws governing hard liquor package sales: the county must adopt a resolution; a petition must be signed by 35 percent of all registered voters, and there must be an adoption of a public referendum.

SB 85 – Breweries and Distilleries to Sell Directly to the Public

(Sen. Rick Jeffares, 17th)

Effective September 1, 2017. This legislation authorizes brew pubs and breweries to sell up to 3,000 barrels of their malt beverage annually directly to the public either through consumption on the premises or allowing a patron to purchase and carry off up to 288 ounces (a case) of the beverage a day. The current requirement that tours be offered prior to malt beverage purchase is eliminated. The bill also authorizes a licensed distiller to sell up to 500 barrels of distilled spirits annually directly to the

public for consumption on the premises or up to 2,250 milliliters, per person, per day, to be consumed off premises. The brewer or distiller will remit all state and local sales, use, and excise taxes to the proper tax collecting authority and sales are conditioned on and governed by local alcohol law. The Georgia Department of Revenue is to promulgate rules governing these processes.

SB 201 – Sick Leave: Must Authorize Use for Care of Immediate Family Member

(Sen. Butch Miller, 49th)

Effective July 1, 2017. This legislation requires employers, including counties, which offer sick leave to allow their employees to use up to five days of the sick leave (which must first be earned) to care for immediate family members. Nothing requires employers to offer sick leave to begin with and the employee must comply with those policy terms. Nothing in this bill shall be construed to create a new cause action.

HEALTH & HUMAN SERVICES

HB 427 - Physician and Health Care Practitioners for Rural Areas Assistance Act

(Rep. Mark Newton, 123rd)

Effective July 1, 2017. This bill expands the Physicians for Rural Areas Assistance Act to include dentist, physician assistants, and advanced practice registered nurses who have completed their health care education access to the loan repayment program operated by the Georgia Board of Physician Work Force. Participants who are eligible to receive loan repayment assistance must agree to practice in rural areas, and the local government must agree to provide matching funds for the grant. The loan repayment program's intent is to enhance recruitment efforts for rural and underserved areas.

SB 14 - Rural Hospital Organization Criteria for Receiving Donations

(Senator Dean Burke, 11th)

Effective July 1, 2017. This legislation amends the Rural Hospital Organization Assistance Act of 2017, which implemented a program to provide state grants to preserve the availability of primary health care services in rural counties. The grants will be conditioned upon those hospitals continuing to furnish essential health care services to residents in the areas as well as engaging in the long range planning and any restructuring of those hospitals to ensure sustainability and continue to meet the health needs of the community.

SB 109 - Authorize the Recognition of Emergency Medical Services Personnel Licensure Interstate Compact and Nurse Licensure Compact

(Senator Michael Williams, 27th)

Effective July 1, 2017. This legislation enacts the Recognition of Emergency Medical Services Personnel Licensure Interstate Compact as well as the Nurses Licensure Compact. These allow reciprocity with other states' licensure requirements for the two disciplines. This legislation will allow local healthcare facilities a larger pool of medical professionals to fill critical shortages in rural areas and in counties which border surrounding states.

SB 121 State Health Officer May Issue Standing Orders For Access to Opioid Antagonists

(Senator Butch Miller, 49th)

Effective July 1, 2017. This legislation enacts the Jeffrey Dallas Gay, Jr. Act, which will allow certain people or entities to obtain and administer medication (opioid antagonists) to those believed to have overdosed on opioids, thereby reducing the number of deaths attributed to opioid overdoses.

SB 180 - Increase Tax Credit Limits for Donations to Qualifying Rural Hospitals

(Sen. Dean Burke, 11th)

Effective January 1, 2017, provided, however (2) of subsection (a) of Code Section 31-8-1 shall be effective January 1, 2018. This legislation increases the maximum tax credits for donations to qualifying rural hospitals. Single head of household increases to 90 percent of amount expended or \$5,000, whichever is greater; married couples increases to 90 percent of amount expended or \$10,000, whichever is greater; corporation limits are 90 percent of amount expended or no more than 75 percent of tax debt. The amount available for the tax credits increases from \$50 million to \$60 million for FY 17, FY 18 and FY 19. The amount a qualifying hospital can receive per year is capped at \$4 million for total donations.

SB 242 - Expands Number of RN's Allowed to Practice under a Physician in EMS Operations

(Senator Renee Unterman, 45th)

Effective July 1, 2017. This legislation expands the number of Advanced Practice Registered Nurses who are allowed to work under a physician in an EMS operation conducted by, or on behalf of, any county or municipality which employs a full time medical director.

NATURAL RESOURCES & the ENVIRONMENT

HB 413 - Petroleum Pipelines: Regulations and Permitting

(Rep. Don Parsons, 44th)

Proposed rules and regulations effective May 9, 2018 and remainder effective July 1, 2017. This legislation provides guidelines on the use of eminent domain, siting, permitting, and construction of petroleum pipelines in Georgia. New pipeline construction or an expansion requires a permit from the Georgia Environmental Protection Division. This bill also requires the pipeline company to place notice in the county legal organ where the proposed new or expanded pipeline will be located and also provide notice to landowners whose property is located within 1,000 feet of the proposed new or expanded pipeline.

PUBLIC SAFETY & the COURTS

HB 146 - Requirement for Local Governments to Provide Cancer Benefit to All Firefighters

(Rep. Micah Gravely, 67th)

Effective January 1, 2018. This legislation requires fire departments to purchase insurance coverage on each firefighter to pay claims for cancer diagnosed after serving at least 12 consecutive months as a

firefighter in the department if the cancer or treatment makes them unable to perform their firefighter duties.

HB 249 - Adds Death by Overdose to List of Causes of Death Which Law Enforcement Must Provide Notice to the Coroner

(Rep. Kevin Tanner, 9th)

Effective July 1, 2017. This legislation includes death by apparent drug overdose as a suspicious death that law enforcement must report to the coroner and may require investigation by the coroner.

HB 251 - Allow EMS Personnel Access to Private Property during Declared State of Emergency

(Rep. Darrel Ealum, 153rd)

Effective July 1, 2017. This legislation gives Department of Corrections personnel and inmates under their supervision authorization to enter private property during a disaster declared by the Governor for property protection, debris removal, restoration of services, and infrastructure repair and relocation. Under no circumstances shall such personnel and/or inmates interfere with the rights of private property owners.

HB 481 - Drone Ordinances

(Rep. Kevin Tanner, 9th)

Effective July 1, 2017. This legislation preempts local governments from adopting ordinances regulating the use of drones except for ordinances adopted before April 1, 2017, ordinances that enforce Federal Aviation Administration restrictions or ordinances prohibiting the launch, recovery, or intentional landing of drones on county property.

REVENUE & FINANCE

HB 125 – Sales Tax Exemption for Boat Repairs

(Rep. Ron Stephens, 164th)

Effective July 1, 2017. This legislation provides that the maximum sales tax payable on equipment for all boat repairs/maintenance done at one time is \$35,000. At a 7 percent sales tax rate, this means that the first \$500,000 of equipment is subject to tax, with all purchases above that amount being exempt from sales tax.

HB 196 – Property Tax Assessment and Exemptions

(Rep. Matt Dollar, 45th)

Effective July 1, 2017 (except for mental health facilities exemption, which is effective January 1, 2019 if approved in a statewide referendum). This legislation (which was completely changed on the final day of the Session) addresses several matters relating to property taxes. First, if data is available, tax assessors must utilize (prior law said “consider”) the income approach in valuing income-producing property, and must consider actual property-specific income and expense data if supplied by the owner. Second, this legislation revises the manner in which tax assessors may consider Section 42 low-income housing tax credits in valuation of property that has received such tax credits. Third, the current property tax

exemption for mental health facilities owned by 501(c)(3) organizations is expanded to also include such facilities owned by a limited liability company that, in turn, is owned by a 501(c)(3) organization. Finally, this legislation provides that the existing disabled veteran homestead exemption may be applied retroactively, for up to three years, when a veteran receives a retroactive determination of disability from the U.S. Department of Veterans Affairs.

HB 238 – Solar Farms on Conservation Use Property

(Rep. Matt Hatchett, 150th)

Effective April 17, 2017. This legislation amends both CUVA (Conservation Use Valuation Act) and FLPA (Forest Land Protection Act) and allows a property owner to use covenant property for solar generation of electricity without triggering a breach of the covenant. The portion of the property to be used for solar generation: 1) must be removed from the covenant at the time the solar energy equipment is installed via boundary survey; 2) will be subject to ad valorem taxation at fair market value; and 3) is subject to a one-year tax penalty for that portion removed from the covenant. In addition, providing farm labor housing on covenant property will not constitute a breach of the covenant; such property shall also be removed from the covenant by boundary survey and is thereafter subject to taxation.

HB 290 – Property Tax Exemption for Certain Agricultural Equipment

(Rep. Sam Watson, 172nd)

Effective July 1, 2017. This legislation clarifies the existing ad valorem property tax exemption for agricultural equipment that is subject to a lease-purchase agreement and used in farm production by a family owned qualified farm products producer.

HB 340 – Title Ad Valorem Tax – Leased Vehicles

(Rep. Shaw Blackmon, 146th)

Effective January 1, 2018. This legislation changes the manner in which title ad valorem tax (TAVT) on leased motor vehicles is calculated. Previously, TAVT was based upon the full value of the vehicle. Under this legislation, TAVT on leased vehicles will be calculated on the total of all lease payments. Prior versions of this legislation would have made other changes to the TAVT program, including the allocation of TAVT proceeds between the state and local governments.

Other Notable Legislation

Destination Gaming Resorts - ACTIVE

Destination Gaming Resort legislation returned to the General Assembly in the forms of [Senate Bill 79](#), authored by Senator Brandon Beach (R – Alpharetta), and [House Bill 158](#), authored by Representative Ron Stephens (R – Savannah). On January 26th, Senator Beach filed SB 79, a bill that would allow for the establishment of up to two gaming destination resorts within the State of Georgia. A resort located within the Metro Atlanta area would require a minimum investment of \$2 billion and a second resort outside of the Metro Atlanta area would require a minimum investment of \$500,000. The proposed legislation would impose a 20% tax on the resorts, as well as create a five-member oversight

commission. Additionally, once the destination gaming resorts reach a threshold of \$5 million, 70% of the remaining proceeds made by the resorts would go towards the HOPE scholarship and 30% to a new need-based scholarship. Representative Stephen's proposed House version (HB 158) followed the same outline as SB 79.

Both of these measures were sent to the Regulated Industries committees in their respective chambers but were never brought up for a committee vote. However, a substitute for SB 79 was presented that changed the original allocation of revenue received. This substitute allocates the remaining revenue as follows: 30% to the HOPE Scholarship, 30% to a new need-based scholarship, 15% to trauma care, 15% to rural healthcare, 5% to rural broadband and 5% to law enforcement. Representative Stephens also brought a substitute to the House bill on Destination Gaming Resorts.

The substitute, as described by Representative Stephens, is a bare-bones version of his original bill but with a few changes. Instead of allowing for two destination gaming resorts the bill would allow for four. One resort would be placed in a population area of 900,000 or more, another in a population area of at least 250,000 and two placed in areas with less than 250,000 people but more than 150,000. This population aspect of the bill has been subject to debate, and the author indicated the possibility of removing it in a later substitute. Additionally, the bill allocates a portion of the revenue derived from the licensing fee to be put into a grant to assist people with gambling addiction. While neither chamber took action on the committee substitutes, the ground work has been laid for discussion to continue into the interim.

Flat Tax Reform – ACTIVE

[House Bill 329](#), sponsored by Representative Jay Powell (R – Camilla), provided the opportunity for each Chamber to develop and pass their income tax reform legislation. Passed by a vote of 126 to 40 on Wednesday, March 1st, the House's version would abolish the current tax bracket system and replace it with a flat income tax rate of 5.4%. This flat tax rate, as well as Georgia's standard deductions, would be adjusted annually based on an index that accounts for increases and decreases associated with the costs of living. Other provisions contained in this legislation would afford taxpayers the opportunity to claim a credit against their state tax liability equal to 10 percent of their Federal Earned Income Tax Credit. Members of the Senate passed their version of HB 329 on Tuesday, March 28th, by a vote of 38 to 16.

Instead of eliminating the tax bracket system, their version lowers the highest tax bracket from 6 to 5.65 percent. It also increases the caps on personal exemptions by \$300 for those who are single or married but filing separately. Married couples filing a joint return would enjoy a \$600 increase in their personal exemptions. The Senate version establishes an index which would provide for annual adjustments to personal exemption caps and standard deductions. Unlike its House counterpart, this version contains language from [House Bill 61](#), sponsored by Representative Jay Powell (R – Camilla), pertaining to the collection of sales by internet retailers who do not have a physical presence in Georgia. Neither Chamber was willing to accept the version offered by the other, so a conference committee was established to seek a compromise.

Representatives Jay Powell (R – Camilla), Bruce Williamson (R – Monroe) and Brett Harrell (R – Snellville) were appointed to represent the House. Senate Members appointed to the committee included Senators Jack Hill (R – Reidsville), Fran Millar (R – Atlanta) and Chuck Hufstetler (R – Rome). Since the conference committee was unable to reconcile the differences before to Sine Die, this piece of legislation will be eligible for consideration next year.

Protection for Directors and Officers – PASSED

The Proposal of [House Bill 192](#), sponsored by Representative Beth Beskin (R- Atlanta), comes as a result of the Georgia Supreme court's ruling on the FDIC vs. Loudermilk case. In the Loudermilk case the Court held that Georgia's business judgment rule protects bank and corporate officers and directors from ordinary negligence claims that question the wisdom of corporate decisions, but does not "absolutely foreclose" ordinary negligence claims that challenge the process by which the decisions were made. The opinion delivered by Justice Blackwell continued on to state that the Court must consider whether the General Assembly has modified or abrogated the business judgment rule by statute.

Representative Beskin viewed the Courts comment as an invitation to modify current code. HB 192 protects directors and officers of banks and trust companies from personal liability brought about by ordinary negligence in carrying out their duties as directors and officers. As a result, a director or an officer cannot be held liable to the corporation, its shareholders or certain other parties for any action/ failure to take action if the director's action/ failure does not constitute gross negligence. Gross negligence is defined in the bill as a gross deviation of the standard of care of a director or officer in a like position under similar circumstances. Additionally, this bill will continue to require that directors and officers discharge their duties in good faith and with a degree of diligence, care and skill which an ordinarily prudent person would exercise.

Updated Film Income Tax Credit- PASSED

[HB 199](#) – Representative Trey Rhode's (R – Greensboro) sponsored tax credit legislation is a two part measure. Section one of the bill reduces the annual total aggregate payroll for employees working in Georgia from \$500,000 to \$250,000, if the company has a base investment of at least \$500,000 over a two-year period, in order for a qualified interactive entertainment production company to qualify for tax credits. Additionally part one adds pre-released interactive games to the list of projects considered to be qualified production activities.

Section two of the bill creates the 'Georgia Entertainment Industry Postproduction Investment Act' allowing for a 20% tax credit for post-production companies, which have at least \$250,000 in total payroll within Georgia and at least \$500,000 in qualified expenditures during a taxable year. The tax credits increase if production was completed exclusively in Georgia and if production was completed in a Tier 1 or Tier 2 county. Overall, credits are capped at \$5 million for 2017 and will increase every year after through 2022. These credits are transferable and may be carried forward for five years.

Fantasy Sports- ACTIVE

[HB 118](#) – Representative Trey Kelley (R – Cedartown) introduced legislation that would allow for the licensing, registration, taxation and regulation of fantasy contest operators (an example of such contests would be online fantasy football). This measure passed the House but was tabled by the Senate.

Music Industry Tax Credit – PASSED

[HB 155](#) – Representative Amy Carter’s (R – Valdosta) tax legislation allows for a 15% tax credit for companies in the music industry that have production expenditures (in the state of Georgia) that equal or exceed the spending threshold set forth in the bill. An additional 5% may be obtained by any production company whose expenditures are incurred within a county that has been designated as tier 1 or tier 2.

Cannabis Oil Expansion – PASSED

[SB 16](#) – Medical Marijuana saw expansion with this piece of legislation, sponsored by Senator Ben Watson (R – Savannah), and will now include Autism, AIDS, Tourette’s syndrome and Alzheimer’s disease. Additionally, the final version of this legislation lowers the approved THC level found in the oil from 5% to 3%.

Campus Sexual Assault Reporting – ACTIVE

[SB 71/HB 51](#)- House Bill 51, sponsored by Representative Earl Ehrhart (R – Powder Springs), aimed to give students accused of sexual assault increased due process protections and called for mandatory reporting of campus sexual assault allegations. HB 51 was subsequently tabled by the Senate Judiciary committee and later amended onto Senate Bill 71 as a House floor substitute. SB 71 received a House vote of 102-56, but the Senate disagreed to the House version. As the two chambers could not reconcile a mutual version of the legislation, it is eligible for further consideration during the 2018 session.

Sanctuary Campuses – PASSED

[HB 37](#)- The sanctuary campuses bill, House Bill 37, also sponsored by Representative Earl Ehrhart (R- Powder Springs), passed the House with a 112-57 vote and the Senate with a 37-16 vote. This legislation aims to cut state funding in the form of scholarship or research grants to any of Georgia’s private colleges and universities should they defy immigration law or interfere with federal immigration authorities by operating as sanctuary campuses. Currently, this statute already applies to Georgia’s public and private colleges and universities by way of federal statute.

Protection Against Domestic Terrorism – PASSED

[HB 452](#) – House Bill 452's original language, sponsored by Representative Jesse Petrea (R – Savannah), requires the Georgia Bureau of Investigation to make public any information about unauthorized immigrants who commit certain crimes. The final version of this bill included an amendment that adds language from a watered down version of SB 1. Language included from SB 1 allows for judicial discretion in domestic terrorism cases.