

2025 Week 6 Legislative Update

After being out for Presidents' Day, legislators were in session Tuesday 2/18 through Friday 2/21 for Legislative Days 18 through 21. Dozens of bills were introduced and dozens more were considered and debated in committee. In week 6, legislators considered everything from Governor Kemp's tort reform bill on the Senate floor to a measure to designate cornbread as the official state bread in the House Special Rules Committee.

Members were back under the Gold Dome on Monday 2/24 for Legislative Day 22. Tuesday served as a Committee Workday and the General Assembly was back in session Wednesday through Friday for Legislative Days 23 through 25. House and Senate members have just under two weeks to successfully move their bills out of their assigned committees and out of at least one chamber for their legislation to stay alive this session. Any bill that does not make it at least that far through the process by Thursday, March 6, which is Crossover Day, cannot move any further through the legislature this year.

Legislators are still hard at work on their only constitutionally required action item for the session: passing a balanced budget—the Amended Fisal Year 2025 budget is currently making its way through the Senate, and the House is working on the Fiscal Year 2026 budget.

Tort Reform

On Friday, 2/21, the Senate took up Senate Bill 68, one of two tort reform measures that were the subject of a marathon five hour meeting of the Judiciary Committee during the week of 2/10. Governor Kemp has been clear that tort reform is his top priority this session—he has said he will call a special session later this year if comprehensive tort reform legislation is not passed before the legislature adjourns on April 4, and last week, Governor Kemp's team said he would back primary challengers to Republicans who try to weaken the bill with amendments on the floor.

President Pro Tempore John Kennedy (R-Macon) presented the measure on the floor and argued the bill would decrease litigation costs and frivolous lawsuits that have driven up insurance costs significantly.

An amendment brought by Senator Bo Hatchett (R-Cornelia) and approved on the floor would affect the phantom damages section of the bill. The amendment would allow both the original billed charges and the amounts actually paid by insurance to be admissible in court. In addition, the amendment would allow whether a person has insurance to be admissible as evidence for jury consideration. In his presentation of the bill on the floor, Senator Kennedy noted that Governor Kemp was agreeable to the compromise language presented in Senator Hatchett's amendment.



After a lengthy floor debate, the bill, with Senator Hatchett's amendment, passed the Senate 33 to 21 along a mostly party line vote. Senator Emanuel Jones (D-Decatur) was the only Democrat to vote for the measure, and Senator Colton Moore (R-Trenton) was the only Republican to vote against it. The bill has now landed in the House for consideration. It was first read and assigned to committee on Monday morning (2/24).

<u>Senate Bill 69</u>, which addresses third party litigation funding, has already passed out of the Senate Judiciary Committee. It must be selected by the Rules Committee to make it to the Senate floor for a vote.

Tax Relief

Last week (2/17-2/21), the House and Senate both approved measures that would provide financial relief to Georgia's taxpayers.

House Resolution 42, sponsored by Representative Matthew Gambill (R-Cartersville), would ratify executive orders issued by Governor Brian Kemp between September 24, 2024, and October 16, 2024, related to the suspension of the collection of motor fuel and diesel fuel taxes. The measure passed the House unanimously on Tuesday and now heads to the Senate for consideration.

House Bill 92, sponsored by Ways and Means Committee Chairman Shaw Blackmon (R-Bonaire), would extend the deadline for local governments to participate in the base year homestead tax exemption to March 31, 2025, which would protect Georgia homeowners from excessive property tax increases. Last November, this exemption passed overwhelmingly on the ballot in all 159 counties throughout Georgia. This measure would provide local governments that are considering opting out of this local tax relief with reasonable time to reconsider. It passed the House overwhelmingly by a vote of 173 to 1 and now heads to the Senate for consideration.

House Bill 223, sponsored by Representative James Burchett (R-Waycross), would exclude federal disaster relief payments, federal assistance grants, and federal crop insurance related to Hurricane Helene recovery from counting toward taxable net income for tax years 2024 through 2029. The bill would also provide a tax credit for timber losses and a sales tax exemption for building materials used to repair or replace greenhouses or structures used for the production of animals. The bill passed the House unanimously and now heads to the Senate for consideration.

On the Senate side, the Senate unanimously approved <u>Senate Bill 52</u>, the "Timberlands Recovery, Exemption, and Earnings Stability (TREES) Act" on Tuesday 2/18. The measure, sponsored by Senator Russ Goodman (R-Cogdell), would allow local governments within the Hurricane Helene federal disaster area to provide temporary relief from taxes for the harvest or sale of standing timber during the final quarter of 2024 and throughout 2025. The bill outlines a process a local government



must follow to grant this relief and audits that must be performed by the Georgia Forestry Commission. Additionally, subject to appropriations, the bill would establish state grants to offset revenue losses suffered by local governments as the result of the hurricane and the tax relief granted by the TREES Act.

Along with passing the TREES Act, Lieutenant Governor Burt Jones said he will prioritize adding additional funding in the Amended Fiscal Year 2025 budget for recovery efforts.

Data Centers

On Thursday 2/20, the House suspended the rules on the floor to allow a bill to be first read and assigned to committee. House Bill 559, sponsored by Representative John Carson (R-Marietta), would eliminate the sales and use tax exemption for data centers at the end of 2026. The tax exemption is currently set to sunset at the end of 2031. The bill has been assigned to the Ways and Means Committee for consideration.

A bill passed by the General Assembly last session would have paused the issuance of certificates of exemption between July 1, 2024 and June 30, 2026 and created the Special Commission on Data Center Energy Planning. House Bil 1192 was vetoed by Governor Kemp at the end of the 2024 bill review period. Governor Kemp's veto message said that the legislation would have "undermine[d] the investments made by high-technology data center operators, customers, and other stakeholders in reliance on the recent extension, and inhibit[ed] important infrastructure and job development."

Sports Betting

Last week (2/17-2/21) Senator Billy Hickman (R-Statesboro) introduced <u>Senate Bill 208</u>, which would authorize and provide for the regulation and taxation of sports betting in Georgia. The bill proposes including sports betting as part of the definition of "lottery games" under the Georgia Lottery Corporation. It would establish a tiered licensing system for operators, service providers, and suppliers. A 25 percent privilege tax would be imposed on adjusted gross income from online sports betting, and revenue would be directed towards educational programs. The measure has been assigned to the Regulated Industries and Utilities Committee for consideration.

<u>Senate Resolution 131</u>, a proposed constitutional amendment introduced earlier this month to allow sports betting and casino gambling if approved by the voters, has not received a hearing in the Regulated Industries Committee.

Truck Weights



On Thursday 2/20, the House Transportation Committee took up House Bill 164 by Representative Steven Meeks (R-Screven), which deals with truck weights. The final version of House Bill 189 (passed during the 2023 legislative session) increased the allowable weight limit for big trucks from 84,000 to 88,000 pounds for vehicles hauling agricultural and forest products. The bill also allowed local law enforcement the ability to enforce weight limits on local roads; increased the monetary penalties for overweight vehicles on roads and posted bridges; and restricted vehicles receiving the higher variance from traveling outside of a 150-mile radius of the point of origin, and from traveling in metro Atlanta counties designated as non-attainment areas. With the exception of the increased penalties, the provisions of the bill have a July 1, 2025 sunset.

House Bill 164 would remove the sunset on the provisions of House Bill 189, which would allow the increased truck weight to be permitted permanently for areas where it currently applies. The bill also explicitly gives local law enforcement officers the authority to enforce truck weight limits on county roads and on bridges within county or municipal systems. It would also require local law enforcement officers to be properly trained in commercial motor vehicle weight laws. On Thursday afternoon (2/20), the Transportation Committee unanimously approved the measure. It is now eligible for selection by the Rules Committee for consideration on the House floor.

Childcare Tax Credit

Last week (2/17-2/21), the Senate unanimously approved <u>Senate Bill 89</u>, which would create a new child tax credit and expand childcare tax programs. The measure was sponsored by Senator Brian Strickland (R-McDonough), who chaired the Senate Study Committee on Access to Affordable Childcare over the interim.

Under the legislation, the Georgia income tax credit for qualified child and dependent care expenses, which is based on a percentage of the federal credit allowed under Section 21 of the federal tax code, would be increased from the current 30 percent to 40 percent. The legislation would also create a new Georgia Child Tax Credit, allowing taxpayers a credit of \$250 per child under the age of 7. Additionally, Georgia's employer-sponsored childcare tax credit granted to an employer who sponsors or provides childcare for employees, would be increased to 90% of the cost of operation to the employer, up from 75% under current law. The bill, which is a legislative priority for Lieutenant Governor Burt Jones, now heads to the House for consideration.

Data Privacy

Last week (2/17-2/21), the Senate Economic Development and Tourism Committee passed <u>Senate Bill 111</u>, the 'Georgia Consumer Privacy Protection Act.' The legislation by Senator John Albers (R-Roswell) lays out consumers' rights when it comes to their data, including the right to access,



correct, delete, and obtain a copy of their data, and to opt out of the sale and the processing of their data for targeted advertising or profiling. Businesses covered under the legislation must limit data collection, implement security measures, and obtain consent for sensitive data. Certain entities and types of data are excluded from the provisions of the bill, including entities covered by HIPAA or financial regulations. The bill specifies that a violation cannot serve as the basis for a private right of action. The measure is now eligible for selection by the Rules Committee for floor action.