

## 2024 Week 11 Legislative Update



This week legislators convened Monday, Tuesday, and Thursday for Legislative Days 36 through 38, and Wednesday served as a work day for House and Senate committees. This was the final week of the 2024 Legislative Session and one of the busiest for members of the General Assembly, with each chamber considering dozens of pieces of legislation and committees meeting into the late hours of the night.

The legislature is one step closer to completing its only constitutionally required action item of passing a balanced budget. On Thursday morning the Senate Appropriations Committee, chaired by Senator Blake Tillery (R-Vidalia) approved the Senate version of the Fiscal Year 2025 budget. Once the budget passes the Senate, House and Senate leadership will appoint a conference committee for members to negotiate a compromise version of the budget which will be sent to Governor Kemp's desk. The conference committee report for the FY25 budget must be approved by both chambers before the legislature can adjourn for the year.

*Sine Die* is next Thursday, March 28. Any bill that does not successfully make its way through both chambers by the time the legislature adjourns next Thursday must be reintroduced next session. Any bill that has successfully passed both chambers will be sent to Governor Kemp and his team for them to consider during the 40-day bill review process. During this time, they will assess all legislation passed by the General Assembly to determine which measures the governor will sign and which measures he will veto.

All members of the General Assembly are up for reelection this year, so many incumbents with primary and general election opposition are expected to hit the campaign trail shortly after the session wraps up.

## Tax Credits

An amended version of a bill that would change Georgia's film tax credit was approved by the Senate Finance Committee on Wednesday. The version of [House Bill 1180](#) that was passed out of the Senate Finance Committee seeks to amend Georgia's film tax credit by:

- Increasing the minimum spend requirement for a production to be eligible to receive the film tax credit;
- Imposing additional requirements for productions to receive the 10 percent uplift, which was previously accomplished by a production including the Georgia peach logo during the credits; and
- Limiting the amount of tax credits transferred per year to 2.3 percent of the annual state budget. Productions that film at a studio in an underutilized county or at a 'Georgia based qualified production facility,' which is defined in the bill, would not have their tax credits count towards the transferability cap, effectively increasing the amount of the cap.

Two other bills that would amend tax credits have already been passed by both chambers and will next be considered by Governor Kemp— [House Bil 1192](#), which would suspend Georgia's data center sales and use tax exemption beginning July 1; and [House Bill 1181](#), which would reduce the carryforward period for dozens of tax credits and place a 2029 sunset on underutilized credits.

This week the House took up [Senate Bill 366](#), the 'Tax Expenditures Transparency Act of 2024' by Finance Chairman Chuck Hufstetler (R-Rome). The bill would require the general appropriations bill to be referred to the Senate Appropriations Committee upon its first reading in the Senate and, if amended or passed by committee substitute, it would require the bill to be placed on members' desks at least 24 hours prior to a vote. The bill would also increase the number of economic analyses that are conducted annually on tax credits and exemptions from 10 to 12. It clarifies that an economic analysis must be conducted if the sunset date of the credit or exemption is within two years and is a state expenditure of at least \$20 million. The bill also requires the Department of Audits and Accounts to post a list of economic analyses to be conducted and establish a mechanism to collect relevant data from stakeholders. Under the bill, the House Ways and Means Committee and Senate Finance Committee would be required to meet no later than January 31 annually to review the economic analyses completed the year before.

The measure passed the House unanimously, and because the measure was amended in the House, the Senate must approve the changes made before the bill could be sent to Governor Kemp's desk for his consideration.

## **Tax Relief**

This week the Senate passed [House Bill 1015](#) by Governor's Floor Leader Lauren McDonald (R-Cumming), which would accelerate the cut to the state income tax down to 5.39 percent. As a result of legislation that has already been passed by the General Assembly, the state income tax rate is set to decrease a tenth of a percentage point each year beginning in 2025 until the rate reaches 4.99 percent. The measure is part of a package of legislation that was announced by Speaker Burns earlier this session to bring tax relief to Georgians. The bill now heads to Governor Kemp's desk for his consideration.

[House Bill 1021](#) by Representative Lauren Daniel (R-Locust Grove) would increase the child tax deduction from \$3,000 to \$4,000. The measure was approved by the Senate Finance Committee this week and is now eligible for selection by the Senate Rules Committee. Senator Billy Hickman (R-Statesboro) will carry the bill on the Senate floor.

The Senate Finance Committee also took up [House Bill 1019](#), by Representative Matt Reeves (R-Duluth), which would double the homestead exemption from \$2,000 to \$4,000. When the bill was presented in the Senate Finance Committee last week, committee members expressed concerns that the legislation would not do enough for Georgia taxpayers. To address this concern, in a hearing on the bill this week, the committee voted to increase the minimum statewide homestead exemption from the \$4,000 proposed in the original version of the bill to \$10,000. The substitute version of the bill passed the Finance Committee and is now eligible for selection by the Rules Committee for a floor vote. If the Senate approves the measure, it will need to go back to the House for members to consider the change made to the bill by the Senate before it could go to Governor Kemp's desk.

## **Georgia Promise Scholarship Act**

This week the Senate gave final passage to [Senate Bill 233](#), the 'Georgia Promise Scholarship Act' when a majority of members voted to agree to the changes made to the bill by the House. The measure passed the House last week 91 to 82 after failing on the floor during the 2023 Legislative Session. The bill, which was endorsed by Governor Kemp and Speaker Jon Burns, was a priority for the Senate Republican Caucus and Lieutenant Governor Burt Jones. It is now on its way to Governor Kemp's desk.

The bill will provide \$6,500 per student to families for qualified education-related expenses outside of the public school system for students who attend the lowest performing public schools in the state. Qualified education expenses could include tuition at a participating

school, tutoring, the purchase of curriculum, professional services, transportation, and other expenses authorized by the State Board of Education.

Funds for the promise scholarship would be required to be appropriated on an annual basis, and the program would sunset in 2035. The bill also amends the public school tax credit by allowing S corporations to contribute to the program in addition to individual taxpayers and tripling the aggregate annual cap from \$5 million to \$15 million. The bill also incorporated the language from Senator Shawn Still's (R-Norcross) [Senate Bill 147](#), the Boundless Opportunities for Georgia Students Act, which facilitates open enrollment in public schools.

Following the passage of the bill on Wednesday, Governor Kemp praised the legislature for their work on the issue, saying "I firmly believe we can take an all-of-the-above approach to education options. I'm thankful to the General Assembly for giving final passage to SB 233 today to give students and families greater choice."

### **Certificate of Need**

On Thursday the House and Senate came to final agreement on [House Bill 1339](#), which would amend Georgia's certificate of need laws. The bill is now on its way to Governor Kemp's desk for his consideration. Major provisions of the agreed upon version of the bill include:

- Eliminating certificate of need requirements for capital expenditures;
- Eliminating CON requirements for equipment purchases;
- Amending existing CON exemptions for single-specialty ambulatory surgery centers, including allowing physicians of the same specialty to use a CON-exempt ambulatory surgery center;
- Creating 8 new CON exemptions, including but not limited to, psychiatric and substance abuse disorder programs; perinatal services at a hospital in a rural county; birthing centers; and new general acute care hospitals in rural counties;
- Streamlining the certificate of need application process;
- Requiring the Department of Community Health to review and update the state health plan every five years;
- Creating the Comprehensive Health Coverage Commission to advise the Governor, legislature, and Department of Community Health on issues related to access and quality of healthcare for Georgia's low income and uninsured populations; and
- Making improvements to and extending the 2024 sunset of the Rural Hospital Tax Credit through 2029. The legislation also raises the aggregate annual amount of the cap from \$75 million to \$100 million.

### **Social Issues**

This week the Senate Education Committee added language from several other pending measures to Representative Omari Crawford's (D-Decatur) [House Bill 1104](#). The underlying bill would address mental health risks for student athletes by requiring athletic associations to post on their website guidelines and relevant materials informing and educating students, parents, school personnel, and coaches about mental health risks and available resources. In addition to adding provisions from several other bills, the Senate committee voted to remove the requirement for private schools to comply with the provisions of the underlying bill.

Language from the following bills was included in the version of the bill that was passed by the Senate Education Committee this week:

- [Senate Bill 438](#) by Senator Carden Summers (R-Cordele), which would prohibit biological males from competing against biological females in public school sports. It would also prohibit public schools from allowing a biological male to use a multiple occupancy restroom or changing area designated for females. The measure would apply to Georgia public schools as well as private schools that participate in sports with public schools.
- [Senate Bill 532](#) by Senator Clint Dixon (R-Buford), which would prohibit sex education courses from being taught in public schools in Georgia before sixth grade and would require public schools to make sex education curricula available to parents and guardians. The legislation clarifies that the provisions of the bill should not be construed to prohibit age-appropriate classroom instruction regarding child abuse or menstruation.
- [Senate Bill 365](#) by Senator Greg Dolezal (R-Cumming), which would require school systems to allow parents to access additional school records relating to their child, including the content their child is accessing in their public school library.

The bill passed the Senate Education Committee 4 to 3 and is now eligible for selection by the Rules Committee. If it passes the Senate, the measure will need to go back to the House for members to consider the changes made to the bill by the Senate.

### **Tort Reform**

On Wednesday the Senate was one vote shy of passing [House Bill 1114](#), the 'Data Analysis for Tort Reform Act.' The measure, sponsored by Governor's Floor Leader Will Wade (R-Dawsonville), would require the Insurance Commissioner to request data from insurers to make findings on the impact of tort lawsuits and the assessment of tort related risks. The Insurance Commissioner would then be responsible for making certain determinations regarding the assessment of tort related risks by insurers, including the degree to which tort related risk is reflected in insurance premiums, the specific aspects of tort related risk that have the largest

monetary impact on insurance premiums, and the potential impact of any changes to tort law on insurance premiums.

The bill, which was carried in the Senate by President Pro Tempore John Kennedy (R-Macon), failed on the floor on Wednesday by a vote of 28 to 22. Following the vote, Pro Tempore Kennedy made a motion to reconsider, so the measure is now eligible for another floor vote.

This week the House unanimously approved [Senate Bill 426](#) by Senator Blake Tillery (R-Vidalia), which would limit how individuals injured in accidents with big trucks can sue insurance companies. Lawsuits could still be brought against an insurance company in some instances, for example if the driver or the business is insolvent or bankrupt, or if the driver or company cannot be located to be served with the lawsuit. The measure is now on its way to Governor Kemp's desk for his consideration.

After lengthy debate, the Senate Judiciary Committee passed a substitute version of [House Bill 1371](#) by House Whip James Burchett (R-Waycross), which seeks to address premises liability. The legislation passed by the Senate committee was similar to the version that came out of the House earlier this session. The Senate version clarified that claims arising from landowner duties to invitees, licensees, and trespassers are affected by the proposed language—therefore, a landowner cannot be held responsible for injuries arising from a third-party criminal activity in an instance where the third-party came on the owner's premises for the purpose of committing a crime. The Senate language also includes the House language that addresses apportionment of damages in these matters. That language states that in a case where there are injuries as a result of third-party criminal activity, whether a premises is located in a high-crime area can be considered as a *part* of the case regarding reasonable foreseeability, but specifies that the mere fact that the premises is situated in a high-crime area is not enough to establish a duty to keep the premises safe from criminal activity. The measure is now eligible for selection by the Senate Rules Committee.

In the House Motor Vehicles Committee this week, committee members stripped language from [Senate Bill 547](#) and replaced it with language from Representative Clay Pirkle's (R-Ashburn) [House Bill 1295](#), which would provide for the failure to wear a seat belt as admissible evidence in civil actions; and language from Senator Marty Harbin's (R-Tyrone) [Senate Bill 510](#), which would require passengers in the back seat of a vehicle to use their seatbelts in addition to anyone in the front seat of the car. The substitute version of the bill was passed by the Motor Vehicles Committee.

## **New Legislator**

This week newly elected Gary Richardson was officially sworn in as a member of Georgia's House of Representatives. Richardson bested 21-year-old political activist CJ Pearson in last week's Augusta-area special election runoff to fill the State House seat of Barry Fleming, who was appointed by Governor Kemp as a superior court judge.