

March 22, 2024

Welcome to GHLA @ the Capitol, your weekly update about news you need to know related to Georgia's lodging industry and the 2024 General Assembly. GHLA's legislative team will be your eyes and ears under the Gold Dome.

Legislative Schedule

The legislature met Monday, Wednesday, and Thursday of this week for Legislative Days 36-38. This week was a whirlwind of committees, especially with the Senate requiring bills to be reported out before LD 38 in order to be eligible for Sine Die next week. The legislature will be back at the Capitol on Monday, March 25th for a committee workday and reconvene on Tuesday, March 26th for LD 39. The final day of the legislature will be Thursday, March 28.

Human Trafficking Prevention

HB959, formerly a motor vehicles bill, was stripped and substituted with the language from SB 512 by Senator Still (R-Norcross). SB512 by Sen. Shawn Still creates the Victims of Human Trafficking Fund and the Victims of Human Trafficking Fund Commission, as well as creates Human Trafficking training programs for lodging businesses. Most notably to our industry is the section regarding Human Trafficking prevention training. GHLA worked closely with the author, Senator Shawn Still, and house sponsor, Representative Deborah Silcox, on a friendly and necessary amendment to include all lodging businesses, including short term rentals, while adding a good faith clause to provide necessary liability protection for hoteliers. GHLA is proud to report that this important piece of legislation passed unanimously out of the Senate Public Safety Committee this week. GHLA has been working tirelessly to perfect this legislation and will continue to work closely with the author and house sponsor as it moves through the legislative process. We are grateful to Senator Still and Representative Silcox for moving this important legislation forward. HB 959 passed out of the Senate Public Safety Committee this week and is waiting to be called up in Senate Rules. We are watching this piece of legislation closely as Sine Die approaches next week.

Marketplace Innkeeper

<u>SB534</u> by Senator Mallow (D-Savannah) "Fair Business Practices Act of 1975"; failure of a marketplace innkeeper to provide a consumer with an itemized receipt detailing certain taxes and fees is an unlawful business practice; provide" now includes language from <u>HB1101</u> by Representative Mainor (R-Atlanta) that requires cash overpayments to be remitted by merchants in the form of store credit under certain circumstances. Most notably, the underlying legislation would require Short Term Rental platforms and Online Travel Agencies to provide a

detailed and itemized receipt detailing each tax and excess fee imposed on a rental including onerous and often misleading booking fees, cleaning fees, etc. Currently this bill is pending in House Rules with additional language HB1206 which requires a merchant to offer and provide a copy where any electronic signature is required of a consumer.

GHLA has been a strong proponent of this important piece of legislation in an effort to both level the playing field of all lodging establishments and combat deceptive practices of such platforms.

Film Tax Credit

<u>HB1180</u> by Rep. Kasey Carpenter (R-Dalton) provides for the base requirements for qualified production companies to receive tax credits and for the base investment requirements for the production companies to qualify for credits. Senate Finance made a number of changes.

Firstly, Section 2 of the bill ensures that Georgia is collecting royalties on projects filmed in state, removes video game companies from this section, and decreases the aggregate to \$8 million. This substitute still requires production companies to meet 4 of 9 requirements to qualify for the credit:

- 1. At least 50 percent of the number of crew members performing services in this state are Georgia residents;
- 2. At least 50 percent of the total number of vendors providing goods or services in this state are Georgia vendors;
- 3. It incurs at least \$30 million of production expenditures in this state
- 4. At least 50 percent of its principal photography days occur in one or more counties that have been underutilized by production companies as listed by the Department of Economic Development as of January 1, 2026;
- 5. At least 50 percent of its principal photography days in studio facilities are in studio facilities in this state, including, but not limited to, soundstages and backlots, or the company or its affiliates:
 - Make capital improvements to a studio facility in this state that are in a form and manner approved by the Department of Economic Development based on the value of the capital improvements relative to the amount of tax credit sought; or
 - Owns a studio facility in this state or enters into a lease of at least five years in duration with a studio facility in this state with at least 100,000 square feet of production space, including, but not limited to, soundstages, backlots, and production offices;
- 6. The company contracts with Georgia vendors for 20 percent of such production's post production expenditures or contracts with Georgia vendors for 20 percent of such production's visual effects expenditures;
- 7. The company participates in or supports at least one Georgia workforce development program, including, but not limited to, a Georgia Film Academy program;
- 8. It includes a qualified Georgia promotion, or the company engages in alternative marketing opportunities approved by the Department of Economic Development based on a determination that such activities offer promotional value to the state

- equal to or greater than the promotional value of a qualified Georgia promotion; or
- 9. The company contracts for the recording in Georgia of elements of the state certified production's music score or one or more songs included in the state certified production's soundtrack, licenses music from a Georgia resident or company doing business in Georgia, or contracts with one or more Georgia residents for the composition or performance of music for incorporation into the state certified production's music score or one or more songs included into the state certifiedproduction's soundtrack.

The credit cap shifted from \$2.5 million to \$2.3 million in the new version of the bill, with Georgia based qualified production facilities substantially completed between 2023 and 2027 or if the studio sound stage is greater than 1.5 million square feet being exempt.

Premise Liability

HB1371 by Rep. James Burchett (R-Waycross) passed out of the Senate Judiciary committee by substitute close to midnight on Wednesday. This bill deals with premise liability and the substitute narrows its applicability. The bill was brought under the guise of balancing the business community's growing tort liability and the concern about insurance companies pulling out of Georgia. In concept, the bill seeks to reduce property owners' liability for third party crimes that occur on their property. Concerns from the business community remain due to an extremely narrow scope of applicability and no assurances of how this would work in practice.

After hours of debate and numerous failed attempts to table and motions to not pass, the Senate Judiciary committee passed the bill with a vote of 8-7. HB 1371 is now in Senate Rules.

Historic Structures Tax Credits

<u>SB496</u>, formerly an ad valorem tax bill by Sen. Max Burns (R-Sylvania), was stripped and substituted with language from three historic structure tax credit bills: HB 1197 (Rep. Houston), HB 1116 (Rep. Buckner), and HB 1134 (Rep. Stephens). This bill will extend the sunset for residential historic rehabilitation projects to 2029 and resets the sunset for Rep. Houston's downtown historical uplift tax credit. This bill is pending on the Governor's desk.

Data Analysis Tort Reform

HB1114 by Rep. Will Wade (R-Dawsonville) would allow the Georgia Department of Insurance Commissioner to collect additional data from certain insurers, insurance rating organizations, and state agencies from July 1, 2024 to November 1, 2029 to determine tort-related risks of insurers. This legislation is supported by the Governor and his multi-year initiative for Tort Reform. HB 1114 originally failed on the Senate floor, and is currently waiting for a second vote to be reconsidered.

Legislative Tracking Update

House Bills:

<u>HB1491</u> - Agriculture, Department of; regulatory authority; extend effective date of provisions

<u>HB1492</u> - Georgia Airport Development Authority; expand purpose, function, and powers

HB1501 - City of Roswell Public Facilities Authority Act; enact

<u>HB1505</u> - Commerce and trade; limit amount of surcharges charged by merchants for purchasers' use of credit cards

HB1507 - Labor and industrial relations; minimum wage; provide for an increase

House Resolutions:

HR1505 - House Study Committee on Solar Facility Development; create

HR1554 - House Study Committee on Navigable Streams and Related Matters; create

HR1563 - House Study Committee on Georgia's Creative Economy; create

Senate Bills:

<u>SB585</u> - Waiver of Sovereign Immunity; claims against state officers and employees whose acts or omissions violate the federal Age Discrimination in Employment Act; provide

Senate Resolutions:

<u>SR806</u> - Senate Study Committee on the Impact of Social Media on Children and Platform Privacy Protection; create

SR807 - Senate Peach State Saves Program Study Committee; create

GHLA Full Legislative Tracking Update

Please <u>click here to go to our Legislative tracking page</u> for the complete list of bills we are watching.