



Welcome to GHLA @ the Capitol, your weekly update about news you need to know related to Georgia's lodging industry and the 2020 General Assembly. GHLA's legislative team will be your eyes and ears under the Gold Dome.

Legislators Recess to Fix Budget

Tensions remained high at the Capitol this week amid further discussion of the amended FY2020 and FY2021 budget. Lawmakers have pointed out that Governor Kemp's proposed budget is too aggressive in cutting state spending without examining the real impact of the reductions, especially in areas like mental health services. Many key figures in the General Assembly have publicly expressed their frustration over the cuts, whether it be through social media, or in the closing statements of appropriation committees throughout the last two weeks. Though lawmakers have spoken with varying degrees of transparency, one thing is clear: The legislators are not happy. Each agency has been asked nearly the same question during multiple subcommittees this week: Is it possible to maintain the level of service for Georgians while simultaneously cutting the budget? The budget will continue to dominate discussion over the next week, and more than likely even further into the session. Lawmakers have decided to recess until February 18th to give them time to work through some of the budget proposals.

But the games won't be on the Capitol lawn. This recess all but guarantees the legislators will not finish this session of the General Assembly until sometime in April. The political impact of all this means they will definitely be in session during the time candidates qualify for election (or re-election) to the General Assembly, and the "finish" of this session will be fresh in voters' minds when they go to the polls for party primaries in May. It also bears mention that the House feels they made a commitment to cut the personal income tax rate to 5.5 percent this year, which can not be done while raising teacher salaries to the level the Governor has proposed.

The updated calendar:

- Feb. 18-21: legislative days 13-16
- Feb. 24-28: legislative days 17-21
- March 2-5: legislative days 22-25
- March 9-10: legislative days 26-27
- March 11: committee workday
- March 12: legislative day 28.

Georgia Department of Economic Development Testifies During Subcommittee

The Chief Financial Officer of Economic Development testified again on Thursday during a subcommittee on the proposed cuts. John Moffatt commented that 84% of their budget is spent on personal services and marketing. He reviewed several of the cuts that are in line with other state agencies (finding efficiencies and leaving vacancies unfilled). While all positions are about networking, visibility, and making connections, he said that they would be putting some jobs on hold and keeping projects paused for now. He expressed particular disappointment in cutting marketing for the film industry. The Department had planned on

putting together snapshot videos of where movies have been filmed throughout Georgia for their website. The project will now be on hold.

Lodging Facilitator Update

The team reported out last week on HB448 by Rep. Matt Dollar (R-Marietta), a bill that seeks to update the definition of “innkeeper” to include short-term rentals. HB448 passed through a second Ways & Means Public Policy Subcommittee last week and was voted on through Committee in mere minutes. It will now be headed to the Rules Committee for review before going to the House floor for a vote. GHLA has been supportive of Rep. Dollar’s initiative and has worked to provide the Committee and Ways & Means Chairman with pertinent data supporting the measure.

Another related, but adverse, proposal circulating under the Gold Dome was also heard in Committee this week. HB523 by Rep. Kasey Carpenter (R-Dalton) seeks to prohibit cities and counties from regulating short-term rentals. With the proliferation of Airbnb and other platforms, complaints have been on the rise about de-facto hotels, homeowners association violations, as well as party houses. Some owners are, in essence, running unregulated hotels in areas that are zoned for residential housing. While some local governments have tightened the rules around these properties, the sponsor of the bill has argued that existing ordinances could address most of the issues with these properties.

Rep. Carpenter defended private property rights, but advocates for local government have indicated that this is preempting their authority to meet the needs of their communities.

Interestingly, the highest-ranking woman in the general assembly was the first to voice opposition to the proposal during the hearing. Speaker Pro Tempore Jan Jones (R-Milton) commented that she has concerns over the bill, and also admitted that she rents through a platform, so she understands his perspective. She asked Rep. Carpenter how this would impact the quality of life of a family looking to raise small children in a residential area, only to live next to a party house. He responded that he feels it is the same as a long-term tenant leasing a home. Our team will be monitoring the bill closely as the proposal does not create parity in the other portion of the lodging continuum, as HB448 would seek to do. HB523 was voted through Committee with three votes in the negative from members of the majority.

Regulated Industries Hears Alcohol Licensing Bill

On Tuesday, Chairman Alan Powell (R-Hartwell) went before Regulated Industries Alcohol and Tobacco Subcommittee to present HB647. While only an initial hearing on the bill, the Committee generally seemed to be in support of the proposal. The Chairman opened the presentation by discussing the support he’s received on the measure from the industry.

The bill effectively streamlines the process by utilizing electronic transmission. Initially, the Department of Revenue had questions for him about the implementation of the proposal. The Chairman did not elaborate beyond saying they now believe it is a “can-do” proposal.

Chairman Powell suggested that it is all about a better level of service. The Georgia Restaurant Association and the National Association of Convenience Stores would particularly benefit from the measure, as would new hotels. We’ve been supportive of a streamlined permitting process since the bill was introduced last year and commend the Chairman on his efforts.

Trafficking Watch:

HB823, authored by Rep. Houston Gaines (R-Athens), disqualifies someone from driving a commercial motor vehicle if they’ve used a commercial motor vehicle in the commission of a

trafficking crime. This bill would allow the Georgia Department of Driver's Services to revoke a person's commercial driver's license (CDL) as well as permanently disqualify him/her from driving a commercial motor vehicle. This legislation works in tandem with a federal regulation that was created by USDOT in 2019.

[SB 325](#), authored by Sen. Zahra Karinshak (D-Duluth), amends Title 17 to extend the statute of limitations for human trafficking offenses from seven to ten years from the commission of the crime or from when any victim turns 18 years of age. The Georgia Association of Criminal Defense Lawyers expressed its support for the bill. There was no action taken by the Committee on the bill.

[SB 326](#), authored by Sen. Zahra Karinshak (D-Duluth), provides that the court imposing sentence may grant the relief of vacatur for nonviolent convictions and sentences of defendants who obtained such convictions and penalties as a direct result of being victims of trafficking for labor or sexual servitude. There was no action taken by the Committee on the bill.

New Bills Added This Week

[HB874](#) by Rep. Susan Holmes (R-Monticello) Butts County; levy an excise tax - Referred to House Intragovernmental Coordination

[HB879](#) by Rep. Brett Harrell (R-Snellville); Legislative intent of the General Assembly to exercise strict regulatory control over the three-tier system - Referred to House Regulated Industry

[HB884](#) by Rep. Penny Houston (R- Nashville) Tifton, City of; levy an excise tax - Referred to House Intragovernmental Coordination

[HB887](#) by Rep. Ron Stephens (R- Savannah); Alcoholic beverages; the maximum amount of distilled spirits a manufacturer can sell for consumption off the premises per consumer per day - Referred to House Regulated Industry

[HB891](#) by Rep. Matthew Gambill (R-Cartersville); Mission to advance arts in this state shall not be required to be an organization's primary mission in order to obtain an exemption for certain sales of tickets, fees, or charges- Referred to House Ways and Means

[HB915](#) by Rep. Phillip Singleton (R- Sharpsburg); Georgia Anti-Sanctuary Act- House Hopper

[SB 325](#) by Senator Zahra Karinshak (D- Lawrenceville); Extends the statute of limitations for prosecuting of corporations on the basis of human trafficking - Referred to Senate Judiciary

[SB 326](#) by Senator Zahra Karinshak (D- Lawrenceville); Vacatur for nonviolent convictions and sentences of defendants who obtained such convictions and sentences as a direct result of being victims of trafficking for labor or sexual servitude - Referred to Senate Judiciary

[SB368](#) - Senator Marty Harbin (R- Tyrone); Prohibit child-placing agencies from being required to participate in any placement of a child for foster care or adoption when the placement violates certain religious or moral convictions of the child-placing agency - Senate Hopper

Legislative Tracking Update

Please [click here to go to our Legislative tracking page](#) for the complete list of bills we are watching.

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