



LEGISLATIVE UPDATE



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.

Lodging Facilitator Bill Sails Through Subcommittee

The House Ways and Means Subcommittee on Public Policy met on Tuesday, January 28th, in front of a packed room of industry representatives to review a bill that had been a holdover from 2019. The topic of discussion was Representative Matt Dollar's (R- Marietta) Lodging facilitator bill, House Bill 448. HB448 did not pass last year, and Rep. Dollar came to update his colleagues on the changes that have been made since that time. First, he addressed the language that defines an innkeeper, noting that the language ensures that under his bill, a facilitator would be considered an innkeeper should the bill become law. As defined by Chairman Brett Harrell's (R-Snellville) HB276 addressing marketplace facilitators, this would cover the collection and remittance of sales tax on behalf of a seller.

Representative Dollar's bill would level the playing field between online platforms and brick and mortar hotels. Short term rental's inclusion in this bill seeks to increase taxing equity between traditional lodging entities, and the newer short-term rental options such as VRBO and Airbnb. In his proposal, this would consist of \$5 or 10% of the cost of the rental of the unit, whichever value is lower. Chairman Harrell (R-Snellville) clarified that in the case of a rental with more than one room, the entire transaction would only be taxed once.

Voices in the room consisted of the Georgia Hotel and Lodging Association (GHLA), the Georgia Municipal Association (GMA), Expedia, and Airbnb. GMA spoke to the impact of the funds raised by these taxes, which are allocated to tourism and destination marketing. Rep. John Carson (R- Marietta) expressed concern over Georgia's high hotel/motel taxes. He commented that it might be putting the state at a competitive disadvantage.

GHLA provided information to the committee about the tax revenue that Georgia is leaving on the table. The team will continue to work diligently to steward this bill throughout the process. We anticipate this bill will go through the full committee for a vote as early as next week and we will be keeping you updated on the effort for parity in the lodging industry.

Governor Kemp Signs HB276 Into Law

On Thursday, Governor Brian Kemp signed House Bill 276 into law, which will increase sales tax collections from online platforms, including Uber and Airbnb.

The measure is the first significant piece of legislation to cross the finish line during the 2020 session, and legislators made it clear they were motivated to move on the measure quickly. The first few weeks of the session have been dominated by budget discussions where lawmakers are grappling with the reality of the budget cuts for AFY2020 and FY2021 while tax collections are down.

Conservative estimates indicate the bill will bring in an additional \$150 million in revenue per year that has gone uncollected, while other groups have shown much higher projections.

Uber and Lyft will be moving a separate bill that charges a per-ride fee in place of the sales tax.

"Rural Georgia Jobs and Growth Act" Heard in Committee

On Wednesday, January 29th, the Senate Economic Development and Tourism Committee, chaired by Senator Frank Ginn (R-Danielsville), discussed the merits of horse racing in Georgia. SB45, otherwise known as the "Rural Georgia Jobs and Growth Act," creates the Georgia Horse Racing Commission and would require a constitutional amendment (SR84) to be approved by the public.

Several organizations and other opponents of legalized gambling seized on the opportunity to comment publicly on the proposal. Their argument? That racetracks lead to the creation of casinos, which will lead to increased crime. They argued that in some areas of the country, these racetracks had been subsidized with taxpayer support. In a time with some sensitivity to the use of tax credits, Senator Beach (R-Alpharetta) emphasized that his proposal would be privately funded.

An underlying "enabling" bill accompanying the constitutional change calls for the construction of up to three racetracks in Georgia that would be part of mixed-use developments. One track in metro Atlanta would require a minimum investment of \$250 million, while two tracks outside the metro region would need at least \$125 million.

Senate Majority Leader Mike Dugan commented that he did not believe there would be enough support in the Senate to achieve the requisite two-thirds majority vote needed to pass the amendment. The Senate Committee did not take up the measure for a vote after the hearing.

Employer Mandates Introduced

There was a spate of employer mandate bills filed this week that GHLA will be monitoring. These are new additions to our monitoring:

[HB 828](#), authored by Rep. Ron Stephens (R-Savannah), seeks to add a new Chapter 11 in Title 30 to provide for access to employee restroom facilities in a retail establishment when an individual presents written documentation from a healthcare provider that he or she suffers from an "eligible" medical condition.

[HB 804](#), authored by Rep. Carl Gilliard (D-Garden City), creates the "Georgia Equal Employment for Persons With Disabilities Code." The bill seeks to prohibit employers from discriminating against individuals with disabilities concerning the minimum wage.

[HB 805](#), also authored by Rep. Carl Gilliard (D-Garden City), seeks to create the "Georgia Minimum Wage Law," which raises the minimum wage from \$5.15 to \$7.25 per hour.

[SB 327](#), by Sen. Zahra Karinshak (D-Duluth), mandates that employers provide reasonable break time for nursing mothers.

Additional Trafficking Legislation Update

[HB 823](#), by Rep. Houston Gaines (R-Athens) is the first of several bills included in the Governor and First Lady's legislative agenda to combat human trafficking. Rep. Gaines' legislation would impose a lifetime commercial driver's license (CDL) ban in Georgia for those who have been convicted of a human trafficking crime.

The legislation would allow the Georgia Department of Driver's Services to revoke a person's commercial driver's license (CDL) issued in Georgia, as well as permanently disqualify him/her from driving a commercial motor vehicle if he/she is convicted and used a commercial motor vehicle to commit the offense. This legislation would work in accordance with a federal regulation that was created by the U.S. Department of Transportation in 2019.

Additional trafficking-related bills were introduced this week:

- [SB 325](#), by Sen. Zahra Karinshak (D-Duluth), amends O.C.G.A. § 17-3-1 to extend the statute of limitations for crimes related to human trafficking from four years to ten years. If the crime occurs when a victim is under 18, this ten-year period begins once the victim turns 18. This bill was referred to the Senate Judiciary Committee.
- [SB 326](#), by Sen. Zahra Karinshak (D-Duluth), creates O.C.G.A. § 17-10-21 to allow individuals convicted of non-violent offenses directly related to the individual being a victim of human trafficking to petition the court to vacate their conviction and sentence. The bill also stipulates that if a conviction and sentence are vacated subject to the terms of this Code Section, the resulting criminal record shall be restricted. This bill was referred to the Senate Judiciary Committee.

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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