



LEGISLATIVE UPDATE



May 1, 2020

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.

Governor Kemp Eases Stay at Home Order

On Thursday, Governor Brian Kemp signed an updated Executive Order extending the shelter-in-place order for the most vulnerable and easing restrictions on businesses and the general public. Large gatherings (over ten people) are still prohibited. While Kemp has come under fire for the pace at which the restrictions have been lifted, he has been urging citizens to follow strict social distancing and sanitation rules through May 13. Some are crediting the Governor with offering small businesses a fighting chance of surviving the pandemic that is plunging the nation into a recession.

During his Monday address, he emphasized the trust he places in Georgians to take care of themselves and those in the community around them. On Thursday, Georgia had 26,125 confirmed cases of COVID and 1,120 deaths. The administration feels further encouraged by the numbers and the possibility of a flattening curve. Additionally, the state has ramped up hospital infrastructure capacity, testing, and ventilator capacity.

The Governor has made it clear he plans to focus on both the lives and livelihood of Georgians and set the economy on the right path. During his Monday address, he reiterated several times there is no mandate to open; there is simply an option available if a business can safely adhere to the CDC guidelines during this time.

House Leadership Signals June Return to Legislative Session

Legislative leaders continue to discuss a date to return to the Capitol after the mid-March suspension due to COVID-19. Yesterday afternoon, Speaker Ralston announced plans to begin virtual meetings as early as Monday, May 4. These meetings will be available to the public via Livestream. House staff will return to work at the Capitol on May 18, and the House is planning for a tentative session date of June 11.

The House is considering the possibility of in-person committee meetings starting on May 19. Still, the Speaker cautioned that they would be subject to the provisions of any public health directives. Committees will not be able to take formal action but will listen to testimony and discuss legislation.

The Senate has continued to reiterate their desire to return to work in mid-May. They have cited major concerns over developing a new spending plan and feel that time is of the essence. Some have questioned the safety of a mid-May return, and Speaker Ralston has openly favored June, which increases the likelihood that date sticks. Lieutenant Governor Geoff Duncan and Speaker David Ralston must agree on a date for the session to continue. Earlier this month, Speaker Ralston appointed a committee to examine the safest way to resume legislative activity, given the current circumstances. We anticipate that committees will meet during the week of May 4 to provide more guidance on upcoming legislative action.

Agencies Prepare for Billions in Budget Cuts

Earlier today, an article was published in the AJC indicating that state agencies have been instructed to plan for around \$3.6 billion in cuts for the upcoming fiscal year. Shortly after, a memo was sent to all state agencies by House Appropriations Chairman Terry England (R-Auburn), Senate Appropriations Chairman Blake Tillery (R-Vidalia), and Kemp's budget director Kelly Farr preparing them for the likelihood of spending cuts. Budget leaders are approaching the problem aggressively in hopes that they will not have to cut further in January. They have requested that every state agency prepares for a 14% reduction from their FY2020 base. This figure is estimated to be about \$3.8 billion, and unlike previous budget cuts, no state agency will be exempted from the reduction in spending.

Agencies have until May 20 to craft an updated plan. During the last Recession (and for two years

following), Georgia's spending dropped about ten percent. These cuts translate into furloughs and layoffs for state workers and teachers.

The Legislature is up against the clock with its spending plan. They are currently suspended and will need to put together a budget by July 1, their only legal responsibility, according to Georgia's Constitution. State spending was originally intended to hover around \$28.1B, but a 14% cut would bring this down to \$24.3B.

Legislative Tracking Update

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