



LEGISLATIVE UPDATE



July 8, 2020

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

A Historic Legislative Session Comes to an End

Friday June 26, 2020 marked the final day of the 2020 legislative session (Sine Die), making it the longest session in Georgia's history. Governor Kemp now has 40 days from Sine Die to decide whether he will sign or veto the legislation that made it to his desk.

The COVID-19 pandemic has brought unprecedented times with the last two weeks under the gold dome being like nothing we've ever seen before. As we navigated the halls those final days, your GHLA made sure our industry's voice was heard loud and clear. Below is your "End of Session" report with summaries of some key issues that we worked to tackle on behalf of our members. As we move closer to Governor Kemp's signing deadline on August 5th, we will keep you updated on those key measures that materialize into law.

Marketplace Facilitator and Short-Term Rentals:

Our highest priority during the 2020 session was to create further parity between hotels and short-term rentals. Short-term rentals have proliferated in Georgia and have avoided collecting state and local taxes until just this year. There are several related measures that the team worked on to address these issues moving forward that will create a level playing field and several proposed bills that further weaken the state's ability to have meaningful oversight against these de facto hotels.

Early in the session, the team scored a victory regarding marketplace facilitators. The first few weeks of the session were dominated by budget discussions where lawmakers were grappling with the reality of the budget cuts for AFY2020 and FY2021 budgets while tax collections were less than projected. This atmosphere created the perfect window of opportunity for [HB 276](#) by Chairman Brett Harrell (R-Snellville) to pass. The team worked to push this bill to a conference committee where it was adopted soon after. Governor Brian Kemp signed the bill into law, which will increase sales tax collections from online platforms, including Uber and Airbnb.

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.

GHLA advocated in support of [HB 448](#) by Rep. Matt Dollar (R-Marietta) as a supplemental priority to address the remaining tax collections from STRs. This bill seeks to streamline the collection of hotel-motel tax (HMT) for short-term rental platforms. The bill extends the \$5 hotel-motel fee to short-term rentals while creating parity with traditional brick and mortar hotels. The proposal hit some "headwinds" when more conservative members of the House initially characterized the measure as a tax increase, which prevented the bill from passing in the Senate. The bill passed the House by a vote of 105-48 and will continue to be a priority during the 2021 session.

The team was able to defeat [HB 523](#) by Rep. Kasey Carpenter (R-Dalton), a short-term rental preemption measure that had been proposed in the prior session. This legislation seeks to limit local government regulation of STRs that would apply

uniformly to all residential properties. The bill would allow STRs to operate as de-facto hotels with almost no management or oversight. The team worked with allied partners to keep this bill from consideration in Rules Committee. As such, it failed to cross over by Day 28.

The team responded to an additional measure, a substitute to [SB 162](#) by Rep. Barry Fleming (R-Harlem) limiting cities' and counties' ability to regulate short-term rentals. This legislation prevents municipalities from altogether banning STRs in their communities. This bill was ultimately recommitted to House Rules and was not taken up for further consideration.

Additionally, a measure of concern related to short-term rentals managed to cross over just before Day 28. [SB 442](#) by Senator Ligon (R-Brunswick) prohibits amendments to property owners' association instruments and covenants that restrict rental of residential lots and plots. This bill began to travel through the House, and the team worked to amend the legislation to preclude short-term rentals. The final version of the bill contained only language addressing long-term leasing.

Alcohol Three Tier Update:

Chairman Brett Harrell (R-Snellville) of the House Ways & Means Committee worked diligently to update components of dated alcohol laws throughout the session. Finally, Georgians may be able to have alcohol delivered like other home goods with the passage of [HB 879](#), which was passed by the Senate on June 23, 2020, and agreed to by the House on June 25.

The bill proposes to allow customers to order beer or wine via delivery but will enable municipalities to opt-out of the proposal if there are issues in a particular district. This legislation became an alcohol code update during the final days of the session for measures that didn't go the distance before Crossover Day. It also addresses the previously enacted "Brunch Bill" and allows referendums in local jurisdictions to continue but permit sales by restaurants for both on and off-premises consumption. It further permits "tastings" with the language added from SB 146, relaxes the distance requirement between alcohol package stores and college buildings with language from HB 76, and includes language from a bill GHLA advocated for, which was HB647.

[HB 674](#) by Chairman Alan Powell (R-Hartwell) was a priority for GHLA. It will allow the Department of Revenue to create an online application process for streamlined alcohol licensing and permitting. This process is an ongoing issue for retailers, local governments, and hoteliers across Georgia, as it is often bifurcated between state and local requirements. The House agreed to the changes on HB879 with a vote of 114-45 on Day 38 of the session, moving the legislation to the Governor's desk.

There was also an 11th hour attempt to further relax Georgia's blue laws with the introduction of SB 40, carried in the House by Chairman Chuck Efstoration. Formally, legislation relating to sexual harassment in schools, the language in [SB 40](#) was replaced with legislation that would allow for the carry-out and delivery of mixed drinks from restaurants. This bill stalled in the house and did not get a vote.

Safe Harbor Legislation Passes:

[SB 359](#) by Senator Chuck Hufstetler was initially a surprise billing proposal but was later used as a vehicle for the "Georgia COVID-19 Pandemic Business Safety Act." This bill passed both houses and is now on the Governor's desk for further consideration. The legislation as passed provides certain immunities for businesses from liability claims regarding COVID-19, which GHLA has supported since Georgia's economy has reopened. No entity or individual shall be liable for damages in an action involving a COVID-19 liability claim unless the claimant proves that they committed one of the following: gross negligence, willful and wanton misconduct, reckless infliction of harm, or intentional infliction of harm.

A rebuttable presumption of assumption of the risk by a claimant exists if signage containing certain language is posted at a point of entry on the premises of a

healthcare facility, healthcare provider, entity, or individual. Entities or individuals may also establish such rebuttable presumption by providing certain language on tickets or wristbands issued to a claimant for entry on to the premises of the entity or individual. This Act shall apply to causes of action accruing until July 14, 2021, and shall not apply to any causes of action accruing thereafter.

The measure has since passed and is now on the Governor's desk for signature. There were several additional proposals, such as [HB 216](#) Teri Anulewicz (D-Smyrna) and [HB 167](#), which cleared both the House and Senate but failed to receive an agree motion before they adjourned Sine Die. Additionally, Representative Matt Gambill introduced [HB 1188](#) which was referred to the Special Committee on Access to the Civil Justice System. None of these proposals advanced further.

Civil Justice Reform:

While Georgia may consistently be the best state to do business, organizations have long argued that companies in Georgia are subject to lawsuits more often than in other states. Civil courts in Georgia are more likely to hand out more significant judgments in cases of negligence.

Interestingly, the premises liability standard was one of the items contemplated by the study committee over the summer. OCGA Section 51-3-1 provides that “where an owner or occupier of land, by express or implied invitation, induces or leads others to come upon his premises for any lawful purpose, he is liable in damages to such persons for injuries caused by his failure to exercise ordinary care in keeping the premises and approaches safe.”

The bill, [SB 415](#) by Senator Steve Gooch (R-Dahlonega), addressed several wide-ranging items recommended by the study committee report and ran up against lawmakers on both political ends of the spectrum. The bill received a vote to table 27-26 and served as the last significant reform effort of 2020. A separate bill the Senator sponsored was gutted in committee and a similar reform measure stalled in the House.

While GHLA is incredibly supportive of all pro-business measures, an amendment was added onto the bill late into the debate that needed to be reviewed by the team before we could continue to offer support. Amendment three, proposed by Senator Marty Harbin (R-Tyrone) on the floor of the Senate on Day 28, involves premises-liability and human trafficking. Several Senators voiced concern that this section would prevent property owners from being held liable if they knowingly allow drug trafficking or human trafficking to occur on their property. Because the bill was tabled, the team took no further action. No tort reform proposal moved after Crossover Day.

Ride-Sharing/ Hotel-Motel Fees:

[HB 105](#) by Representative Sam Watson (R-Moultrie) was a bill from the last session that addressed hurricane relief and ridesharing fees per ride. This bill excludes federal disaster relief aid from state income taxes following Hurricane Michael. The Senate amended the original version of the bill to include a \$.50 per ride fee on ride-sharing services in Georgia to address previous issues with the marketplace facilitator legislation HB276 that had passed earlier this session.

The bill also amends 48-13-50.3 of the O.C.G.A., relating to the additional tax imposed by innkeepers, forms for reporting, use of funds from additional taxes, and provisions for termination, by changing the definition of "transportation purposes" to mean activities incident to providing and maintaining an adequate system of public roads and bridges in this state and for grants to counties for road construction and maintenance and establishing definitions for "transit" and "transit projects." The bill now allows up to 10 percent of the fees collected from the \$5 per night fee on hotel and motel stays to be appropriated for transit projects. This bill passed and was sent to the Governor's desk for signature.

Human Trafficking Legislation:

The First Lady of Georgia Marty Kemp announced a legislative package at the

beginning of this session to combat human trafficking. The legislation builds upon the work already underway by the Kemp administration and saw several successes this session. GHLA commends First Lady Marty Kemp and her work on human trafficking here in Georgia. The legislation passed during the 2020 session complements the job done during Governor Kemp's first year in office. The proposals addressing human trafficking are as follows:

- Senator Brian Strickland (R-McDonough) introduced [SB 393](#), which would allow district attorneys to request lawyers from the Georgia Bureau of Investigation to help prosecute crimes related to sex trafficking and gangs. Senator Strickland (R-McDonough) also introduced [SB 435](#), otherwise known as "The Debbie Vance Act." The bill creates a mechanism for human trafficking survivors to restrict access to their criminal records when they relate to human trafficking offenses. The legislation was developed in conjunction with WellSpring Living, members of the GRACE Commission, and other advocacy groups.
- [SB 394](#), authored by Senator Brian Strickland (R-McDonough), amends Titles 16, 45, and 49 to allow the Attorney General's Office to investigate and prosecute human trafficking crimes.
- These bills were passed by both houses and will be sent to the Governor's desk for further consideration.
- [HB 823](#), 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. The bill was passed by both houses and will be sent to the Governor's desk for further consideration.
- Additionally, during the first week of the session, the First Lady unveiled a new training program in partnership with DOAS to identify victims of trafficking. The Governor has encouraged all state employees (numbered roughly around 80,000) to take the course designed by members of the GRACE Commission.

Additional trafficking measures were introduced but did not pass:

- [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.
- [SB 326](#), authored by Sen. Zahra Karinshak (D-Duluth), provides that the imposing court 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.

Workplace Sexual Harassment:

This session Representative Chuck Efration (R-Dacula) introduced [HB 1121](#), a late bipartisan workplace sexual harassment bill. This bill was introduced merely a week before Crossover Day. Representative Efration presented the proposal to the Special Committee on Access to Civil Justice twice, taking amendments from Georgia businesses each time.

The bill attempts to protect employers from legal action if they can illustrate that they took steps to prevent and address harassment in the workplace. In keeping with Georgia's pro-business posture, the authors worked to prevent this from being a punitive bill. That being said, it required a training mandate and contained a multitude of issues that would have to be addressed before key business groups could back the measure. This legislation was passed through committee but ultimately did not Cross Over in time for further consideration.

Racing and Gaming:

There were several attempts to allow for racing and casino gaming here in Georgia.

The Senate Economic Development and Tourism Committee chaired by Senator Frank Ginn (R-Danielsville) discussed the merits of horse racing and gambling on several occasions before Crossover Day. [SB 45](#), otherwise known as the “Rural Georgia Jobs and Growth Act,” creates the Georgia Horse Racing Commission and would require a constitutional amendment ([SR 84](#)) to be approved by the public. [SB 45](#) is considered an "enabling" bill that calls for the construction of up to three racetracks in Georgia that would be mixed-use developments. Additional measures were proposed on the matter that were ultimately unsuccessful in passing through committee.

- [HR 378](#), authored by Rep. Ron Stephens (R-Athens), is a proposed Constitutional Amendment regarding gambling in Georgia. The enabling legislation, [HB 570](#), will provide more guidance on gambling and how the state would serve to regulate sports betting in general. HR 378 clarifies what constitutes sports betting and how funds would go towards the HOPE scholarship and pre-k funding. Neither measure crossed over.

Online Sports Betting:

The four professional sports teams in Atlanta worked to tout the benefits of online sports betting throughout the legislative session. The Braves, Falcons, Hawks, and Atlanta United held a joint conference in front of the Atlanta Press Club in January, extolling the virtues of such a move. They claimed it would actively engage fans, and argue that it's already happening in Georgia (illegally). While several online betting measures were introduced in this session, none failed to make it through the Rules Committee to the floor for a vote.

- A substitute to [HB 903](#) was introduced in the Senate Special Judiciary Committee on June 19, 2020. It briefly revived the discussion on sports betting but was ultimately successful in passing through the Senate Rules committee.
- [SB 403](#), authored by Sen. Burt Jones (R-Jackson), amends Title 50 to authorize the Georgia Lottery Corporation to operate and manage a mobile sports wagering program. The bill also creates the Georgia Mobile Sports Wagering Integrity Commission responsible for overseeing and licensing entities that operate mobile sports betting lottery games. Under this bill, net proceeds from lottery games under this program are directed to school improvement and educational enhancements that support school technology grants and pre-k funding. This measure did not move.

Additional Measures Introduced:

- [HR 380](#) by Representative Craig J. Gordon (D-Savannah) proposes a constitutional amendment to provide for sports betting in Georgia.
- [SR 821](#) by Senator Burt Jones (R-Jackson) proposes a constitutional amendment to allow for sports betting in Georgia.

Sports Tourism:

Chairman Ron Stephens (R-Savannah) introduced two bills this session related to sports tourism— [HB 730](#) and [HB 740](#). [HB 730](#) creates a new tax exemption for all personal property used by a host committee tasked with recruiting, planning, and raising funds to host non-recurring major sporting events. This tax exemption would apply to a host of 'major sporting events' including the NFL Championship, MLB Championship, MLS Championship, NBA All-Star Game, and any collegiate semifinal or championship game that is non-recurring.

Within the bill's language, the impact of these events on lodging and other industry was a key consideration. [HB 740](#) would create a Sports Marketing Fund to recognize how many events require initial up-front fees or costs to bid on a sporting event. The sponsor intends to make grants available out of the fund to registered sports commissions. Sports tourism is a rapidly growing niche of the travel industry, and we applaud Chairman Stephens' attention to facilitating growth in the industry.

Employer Prohibitions and Workplace Mandates:

There were a fair number of employer mandates introduced this session, with varying levels of interest from the Georgia General Assembly. Several of the less burdensome proposals were amended significantly and passed while many of the truly unworkable proposals failed to crossover.

[SB 408](#), by Senator Strickland (R-McDonough), seeks to amend Code Section 34-1-10 of the Official Code of Georgia Annotated, relating to the use of sick leave for the care of immediate family members. This code section was intended to sunset on July 1, 2020; the Senator is looking to remove that section to extend the requirements. *This bill was passed and sent to the Governor's desk for further consideration.*

Representative Deborah Silcox (R-Sandy Springs) introduced legislation that ensures employers provide reasonable, private spaces for employees to pump if they are nursing. [HB 1090](#) encourages employers to provide reasonable break times and, to the extent possible, cold storage of milk. This bill was made more employer-friendly through various amendments since the initial proposal was burdensome to smaller businesses. *This bill was passed and sent to the Governor's desk for further consideration.* [SB 327](#) was the original proposal from Senator Zahra Karinshak (D-Duluth) that provided less flexibility. This bill crossed over but did not move further.

[SB 286](#) by Senator Tonya Anderson (D-Lithonia) introduced the Crown Act early this session. The bill would defend Georgians wearing "braids, locks, twists, or other textured hairdressing historically associated with an individual's race." This proposal seeks to define hair discrimination as a criminal act. While the Civil Rights Act of 1964 has banned employment discrimination based on race, color, sex, nationality, origin, or religion, this bill explicitly prohibits discrimination based on hairstyles. Despite media attention on the legislation, it did not Cross Over in time for further consideration.

[SB 288](#) by Senator Tonya Anderson (D-Lithonia) expands the ability of individuals convicted of certain misdemeanors or convicted of non-serious or non-sexual felonies and are later pardoned to petition for the restriction and sealing of their criminal history record information. Specific misdemeanor offenses, along with violent or sexual felonies, are excluded. Exceptions are provided to allow for criminal history record information that was previously restricted and sealed to be unrestricted and unsealed for specific purposes. *This bill was passed and sent to the Governor's desk for further consideration.*

[SB 434](#) by Sen. Sally Harrell (D-Atlanta) would ban plastic bags & polystyrene in food establishments & grocery stores and charge a \$.10 fee for every \$25 worth of merchandise to use paper bags. This bill was referred to Agriculture and Consumer Affairs and did not cross over.

[SB 532](#) was introduced by Senator Mullis at the end of the session, creating the "Georgia Safe Business Act." The legislation seeks to work with the Department of Economic Development in conjunction with the Department of Public Health to implement and promote the program for participant businesses that pledge to abide by specific health and safety protocols. This bill was referred to Senate Government Oversight and didn't advance further.

[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. This mandate would apply when an individual presents written documentation from a healthcare provider that he or she suffers from an "eligible" medical condition. This bill was referred to House Judiciary and did not move.

[HB 950](#), by Rep. Gregg Kennard (D-Lawrenceville), seeks to amend 35-3-37(g) addressing an individual's criminal history record information. The bill revises the handling of arrest-only criminal history record information upon arrest. It seeks to restrict an individual's criminal history record information, including fingerprints or

photographs of an individual taken in conjunction with the arrest to the GCIC unless the case is referred for further prosecution. This bill was referred to House Judiciary Non-Civil and not advance.

[HB 1107](#) by Rep. Viola Davis (D-Stone Mountain) is the Georgia Anti-Corruption Act, which revises provisions regarding whistleblowers and broadens the scope of persons who may report information to public employers. The bill also extends the statute of limitations regarding public employer retaliation. This bill was referred to the Governmental Affairs Committee and did not cross over.

[HB 1072](#) by Rep. Kim Schofield (D-Atlanta) relates to safety limitations and regulations. Prohibits the use of chemical flame retardants. This bill was referred to Public Safety and did not cross over.

Social Issues:

Hate Crimes Legislation was finally passed in Georgia during the final days in response to recent events. [HB 426](#) by Rep. Chuck Efstrotation (R-Dacula) requires that the prosecution must give notice to the defendant that an enhanced penalty is being sought as a result of a hate crime. If the court determines beyond a reasonable doubt that the victim, group of victims, or any property is the object of the offense because of the victim's actual or perceived race, color, religion, national origin, sex, sexual orientation, gender, mental disability, or physical disability then the court can apply an enhanced penalty. Georgia has been one of four states without a Hate Crimes Law, which has been the recent subject of national media attention.

The business community worked to oppose [SB 221](#) by Rep. Marty Harbin, otherwise known as the "The Religious Freedom Restoration Act." This legislation was modeled on the federal Religious Freedom Restoration Act. The federal RFRA only applies to the federal government, not to the state or local governments. GHLA, along with allied businesses, opposed RFRA during the 2019 session, and prevented the measure from coming up in 2020.

[HB 1083](#), by Rep. Jesse Petrea (R-Savannah), seeks to amend Title 17 to require a peace officer to take certain actions upon verification that a suspect is an illegal alien. The legislation briefly made headlines in Georgia as it was reminiscent of past efforts that were controversial. This bill was referred to the House Judiciary (Non-Civil) Committee and passed by a substitute in March. It was not brought up in the Rules committee and failed to cross over.

[HB 915](#), by Rep. Philip Singleton (R-Sharpsburg), seeks to address immigration policies and enact the "Georgia Anti-Sanctuary Act" in a new Chapter 36A of Title 50. In part, it adds in OCGA § 50-36A-4 "(a) a state entity, local governmental entity, or law enforcement agency shall not adopt or have in effect a sanctuary policy." It also provides the Attorney General investigation and enforcement powers for violations and to defend suits against certain entities in certain instances. This bill was referred to Judiciary and did not move.

[SB 368](#), authored by Sen. Marty Harbin (R-Tyrone), creates a new Code Section at OCGA 49-5-25 to allow child-placing agencies in Georgia to avoid making placements that violate their written religious or moral convictions or policies. The bill prevents any state entity from denying a license to a child-placing agency based on said agency's rejection of placements for these reasons. This bill was referred to Senate Judiciary and did not move.

[HB 440](#), authored by Rep. Mandi Ballinger (R-Canton), amends Title 15 to change the jurisdiction of the juvenile court to include children under the age of 18. The bill was reported favorably by a substitute in the House Juvenile Justice Committee but ultimately did not cross over.

Legislative Action on Miscellaneous Items of Interest

The Budget: The only constitutionally required legislative action is to pass a balanced budget each year. After much debate, the [conference committee report on](#)

[HB793](#) passed out of the Senate on legislative day 39 and was agreed to by the House in the 11th hour on Sine Die. This year's budget included roughly 10% in cuts in nearly every department, including tourism, with further reduction of funds for marketing. It also included 70 million dollars in bond revenue for expansion of the Savannah Convention Center and 12 million for the Georgia World Congress Center.

Elevator Inspections: [SB 377](#), by Senator Burt Jones (R-Jackson), related to allowing the Department of Insurance to inspect elevators on a less frequent basis. DOI will have the authority to push an inspection out a year as opposed to every six months. This bill passed and was sent to the governor.

Surprise Billing: [HB 888](#), by Representative Lee Hawkins (R-Gainesville), seeks to protect consumers from surprise billing and would require that patients pay no more than their deductible and co-pay, or other payment determined by their insurance plan. Additionally, [HB 789](#), by Representative Mark Newton (R-Augusta), will create a surprise billing rating system based upon the number of certain physician specialty groups contracted with a hospital within a health insurer's network. Both bills passed and have been sent to the governor.

Tax Credits: [HB 1035](#) would reduce the value of all existing tax credits and exemptions by 10 percent for a one-year period including those that GHLA had long advocated for and hotels had benefited from. This bill failed to pass the Senate.

GA Film Industry Audits: [HB 1037](#), by Representative Matt Dollar, relating to the "Georgia Entertainment Industry Investment Act," would add mandatory audits. This bill passed and has been sent to the governor.

Local HMT changes this session are as follows: [HB 706](#): Oconee County, [HB 753](#): Franklin City, [HB 874](#): Butts County, [HB 884](#): Tifton City, [HB 942](#): Flowery Branch City, [HB 943](#): Oakwood City, [HB 1000](#): Braselton City, [HB 1005](#): Forsyth City, [HB 1042](#): Fannin County, [HB 1162](#): Blue Ridge City, [HB 1183](#): Pine Mountain City, [HB 1227/SB 527](#): Cusseta-Chattahoochee County CG, [SB 328](#): Jackson City

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