



LEGISLATIVE UPDATE



May 29, 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 Updates Plans for Businesses

On Thursday, Governor Kemp renewed the State of Emergency for Georgia while providing further details on how Georgia's businesses may safely continue to roll out their operations. DPH Commissioner Dr. Kathleen Toomey joined the Governor along with General Tom Carden of the National Guard and GEMA Director Homer Bryson during this comprehensive update.

Georgia's State of Emergency has been renewed until July 12, 2020, and allows for enhanced partnership between the public and private sectors. These relationships serve to support the supply chain, our healthcare infrastructure, and help stand up crucial programming such as contact tracing. The Shelter in Place is still in effect for Georgians over the age of sixty-five as well as those that are medically fragile.

With an eye to public health, the Governor has signed a new executive order outlining specific safety precautions for bars, summer camps, summer school, and importantly – clarifying guidance on hotel banquet and event facilities. In Georgia, hotel banquet service and event facilities may use restaurant guidelines when assessing capacity, which is ten people per 300 square feet.

On June 1, gatherings of more than 25 people will be allowed, but the state still expects social distancing to occur. This is an increase from 10 people per group that was outlined in the prior Executive Order. Please see pages 7 through 10 of the Executive Order for details. From the EO: That for the purposes of Section IV of this Order, titled "Restaurants & Dining Services," the term "Single Location" as used in the definition of "Gatherings" in Section I of this Order shall mean 300 square feet of public space. This formula shall only apply to patrons. Therefore, for restaurants, no more than ten (10) patrons should be allowed in the facility per 300 square feet of public space. In calculating the total number of public space square feet, such calculation shall include waiting and bar areas as well as patios or any outdoor dining space, if any, but shall not include hallways, restrooms, and spaces closed to patrons. Click here to download the [Executive Order 5.28.20.02 Providing ongoing guidance for reviving a healthy Georgia in response to COVID-19](#).

Bars and nightclubs can also open if they limit 25 people or 35 percent of occupancy while adhering to over 30 additional requirements."

While the first few weeks of reopening the economy are still under evaluation, there are signs that the economy has picked up slightly during April. GHLA appreciates Governor Kemp's measured approach to reviving the economy and the Administration's work to provide clarity when needed. Other states are now looking at Georgia as a model for reopening.

Senate Appropriators Meet on State's Economic Development Budget

Several weeks ago, state agencies were directed to prepare adjusted spending plans by May 20 to trim 14% out of the State's FY2021 budget. Their goal was to find \$3.8 billion in total reductions, which is no easy feat. This week, the Senate Economic Development Subcommittee met to discuss proposed cuts for the Department of Community Affairs (DCA), the Department of Economic Development, and the Public Service Commission, among others.

The Department of Community Affairs (DCA) indicated their cut would equate to about \$4,850,000, and they have achieved these savings by reducing grants, eliminating some redundant programming, and renegotiating vendor contracts. Commissioner Pat Wilson, with the Department of Economic Development, followed DCA's presentation and took much of the remainder of the subcommittee to walk through their budget proposal. Wilson commented that they are already a lean agency with about 159 people, and will be prioritizing cuts that do not impact personnel. Their budget is roughly \$35 million when counting federal dollars provided for the Georgia Council for the Arts.

Unfortunately, the agency has had to reduce marketing funds for tourism, film, video, and music industries in Georgia, a decision that the Commissioner did not take lightly. Senator Butch Miller (R-Gainesville) asked him to explain his top priorities moving into FY2021, after the presentation. Wilson indicated that his priorities would reverse when revenue picks back up. Currently, he's worked to protect his employees, to pull marketing in-house, and preserve Georgia's international offices. Those offices build relationships, enhance attendance at trade shows, and are credited with moving major industry players to Georgia.

He noted that marketing will take an initial hit, but he plans to work on restoring the funding as his main priority as the economy stabilizes post-COVID.

House Passes PPP Bill Improvements

Yesterday, the House of Representatives took a critical step toward enhancing the Paycheck Protection Program (PPP) with the passage of **H.R. 7010 - the Paycheck Protection Program Flexibility Act** with a vote of 417-1.

Introduced by Representatives Dean Phillips (D-MN-3) and Chip Roy (R-TX-21) with a considerable show of bipartisan support, this legislation includes PPP enhancements to provide the much-needed flexibility to the program. It includes critical provisions that AHLA advocated for including:

- Allowing forgiveness for expenses beyond the eight weeks to 24 weeks;
- Amending the restrictive 75/25 rule on loan proceeds to 60/40;
- Expanding the loan term from 2 years to 5;
- Ensuring full access to payroll tax deferment for businesses that take PPP loans; and,
- Extending the June 30 rehiring deadline to December 31.

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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