

The House Committee on Economic Development and Tourism offers the following substitute to HB 235:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 36 of the Official Code of Georgia Annotated, relating to local government,
2 so as to provide for the establishment of job creation and convention services areas within
3 certain parts of the state; to provide criteria for the determination of such areas based on the
4 existence of convention and tourist attraction facilities; to authorize the levy of state sales and
5 use taxation within such areas for the purpose of enhanced infrastructure upon approval by
6 the commissioner of community affairs; to provide an exemption from other sales and use
7 taxation for sales and uses subject to such state taxation; to provide an exemption from state
8 and local sales and use taxation for the construction of new tourist attraction facilities in or
9 adjacent to a convention services area and certain expansions of existing facilities; to provide
10 for other related matters; to provide for effective dates and applicability; to repeal conflicting
11 laws; and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 **SECTION 1.**

14 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended
15 by adding a new Chapter 77 to read as follows:

16 "CHAPTER 77

17 36-77-1.

18 This chapter shall be known and may be cited as the 'Job Creation and Convention Services
19 Area Act of 2011.'

20 36-77-2.

21 As used in this chapter, the term:

22 (1) 'Expansion' means an increase of at least 15,000 square feet of floor space.

23 (2) 'Infrastructure' means parking, roadways, bridges, pedestrian access, public
 24 transportation or transit facilities, or utility facilities.

25 (3) 'Job creation and convention services area' or 'convention area' means an area
 26 established as provided in Code Section 36-77-3.

27 (4) 'Previously existing tourist attraction' means a tourist attraction in existence prior to
 28 January 1, 2012.

29 (5) 'Tourist attraction' means a cultural or historical site; a recreation or entertainment
 30 facility; a convention hotel; or an entertainment destination center designed to attract
 31 tourists or persons attending conventions which contains at least 30,000 square feet of
 32 floor space and attracts, or in the case of a proposed tourist attraction is reasonably
 33 calculated to attract, at least 400,000 visits per year by members of the public.

34 36-77-3.

35 (a) Under the authority of Article IX, Section II, Paragraph VI(a) of the Constitution there
 36 is created one or more job creation and convention services areas for the provision of local
 37 government services within each part of the state within which there can be drawn a
 38 boundary defining a territory of 4 square miles or less which contains:

39 (1) At least 1.3 million square feet of floor space used for convention hall purposes under
 40 the control of a state authority; and

41 (2) Two or more tourist attractions.

42 (b) Within 90 days after the effective date of this chapter the commissioner of community
 43 affairs shall determine the existence of each such convention area in the state and shall
 44 prepare a plat or plan reflecting the boundaries of each convention area. In following years,
 45 the commissioner shall during the final calendar quarter of each calendar year similarly
 46 determine the existence and boundaries of any new convention area having met the criteria
 47 of this Code section during that calendar year. In each following year, the commissioner
 48 shall likewise during the final calendar quarter of each calendar year determine whether
 49 each existing convention area continues to meet the criteria of this Code section and, if so,
 50 shall make any adjustments to the boundaries of the convention area required by the
 51 creation or removal of convention hall space or attractions.

52 (c) Each convention area shall include:

53 (1) The entire tract or parcel of real property on which is located each convention facility
 54 containing floor space used to meet the criteria of this Code section;

55 (2) The entire tract or parcel of real property on which is located each tourist attraction
 56 used to meet the criteria of this Code section;

57 (3) The entire tract or parcel of real property on which is located any hotel where the
 58 straight line distance between the hotel parcel and any parcel described in paragraph (1)
 59 or (2) of this subsection is less than 1,500 feet;

60 (4) Any public park or public transit facility where the straight line distance between the
 61 park or transit facility and any parcel described in paragraph (1) or (2) of this subsection
 62 is less than 1,500 feet;

63 (5) All tracts or parcels of real property within 1,500 feet of any parcel described in
 64 paragraphs (1), (2), (3) and (4) of this subsection; and

65 (6) Any real property which is within an area surrounded on all sides by parcels
 66 described in paragraphs (1) through (5) of this subsection.

67 36-77-4.

68 (a) For a convention area created under this chapter, the state may levy within the
 69 convention area a convention area sales and use tax. Except for the fact that such tax is a
 70 convention area tax rather than a state tax, the tax shall be identical to the state sales and
 71 use tax, shall apply to the same subjects of taxation, and shall be administered and collected
 72 in the same manner. The rate of any such tax shall be equal to the state sales tax rate which
 73 would be in effect within the convention area but for the exemption specified in Code
 74 Section 36-77-5.

75 (b) A tax imposed under this chapter shall apply only to sales within the convention area
 76 by:

77 (1) New tourist attractions commencing operation in the convention area on or after
 78 January 1, 2012; and

79 (2) Expansions of previously existing tourist attractions which expansions commence
 80 operations in the convention area on or after January 1, 2012.

81 (c) A tax under this chapter shall be imposed on a calendar year basis and shall be imposed
 82 or renewed at least 30 days prior to the commencement of the calendar year.

83 (d) The proceeds of a tax imposed under this chapter shall be used exclusively for the
 84 purpose of enhancing infrastructure for the convention area. The commissioner of
 85 community affairs shall certify that the proceeds will be so used and shall certify a detailed
 86 plan for the use of such proceeds.

87

88 36-77-5.

89 Any sale or use which is subject to the convention area sales and use tax provided for in
 90 this chapter shall be exempt from the state sales and use tax provided for in Article 1 of
 91 Chapter 8 of Title 48.

92 36-77-6.

93 (a) Any planned tourist attraction or an expansion of a previously existing tourist attraction
94 which is located in a convention area or on a tract or parcel of real property adjoining a
95 convention area shall, upon certification by the commissioner of community affairs as
96 meeting the requirements of this Code section, receive an exemption from all state and
97 local sales and use taxes during its construction. The exemption shall apply to the sale and
98 use of all tangible personal property used in or for the new construction of the planned
99 tourist attraction or the expansion of a previously existing tourist attraction.

100 (b) Any person making a sale of tangible personal property for the purpose specified in
101 this Code section shall collect the tax imposed on this sale unless the purchaser furnishes
102 such person with an exemption determination letter issued by the commissioner of
103 community affairs certifying that the purchaser is entitled to purchase the tangible personal
104 property without paying the tax.

105 (c) The exemption provided for under this Code section shall not apply to sales of tangible
106 personal property that occur after the tourist attraction or the expansion of a previously
107 existing tourist attraction is opened to the public.

108 (d) The exemption provided for under this Code section shall cease to apply on January
109 1, 2017."

110

SECTION 2.

111 (a) This Act shall become effective upon its approval by the Governor or upon its becoming
112 law without such approval for administrative purposes of determining and establishing
113 convention areas and taking the administrative actions in preparation for implementation of
114 tax provisions in calendar year 2012.

115 (b) The first tax year affected by this Act shall be the tax year beginning January 1, 2012.

116

SECTION 3.

117 All laws and parts of laws in conflict with this Act are repealed.