

House Bill 342

By: Representatives Efration of the 104<sup>th</sup>, Powell of the 171<sup>st</sup>, Rhodes of the 120<sup>th</sup>, and Rogers of the 10<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 88 of Title 36 of the Official Code of Georgia Annotated, relating to  
2 enterprise zones, so as to provide that certain urban redevelopment zones may be designated  
3 as enterprise zones; to provide for a sales tax exemption in such enterprise zones; to provide  
4 for procedures, conditions, and limitations; to provide for related matters; to repeal  
5 conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 88 of Title 36 of the Official Code of Georgia Annotated, relating to enterprise  
9 zones, is amended by adding a new paragraph to Code Section 36-88-3, relating to  
10 definitions relative to enterprise zones, as follows:

11 "(8.1) 'Sales and use tax' means sales and use taxes applicable to sales transactions within  
12 the boundaries of an area designated as an enterprise zone pursuant to subsection (g) of  
13 Code Section 36-88-6, not to include a sales tax for educational purposes levied under the  
14 provisions of Part 2 of Article 3 of Chapter 8 of Title 48."

15 **SECTION 2.**

16 Said chapter is further amended by revising subsection (a) of Code Section 36-88-4, relating  
17 to available incentives, qualifying businesses, and exemptions, as follows:

18 "(a) The following incentives are available to qualifying business and service enterprises  
19 to encourage revitalization within enterprise zones:

- 20 (1) The enterprise zone property tax exemption provided in Code Section 36-88-8; ~~and~~  
21 (2) The occupational tax, regulatory fee, and business inspection fee abatement or  
22 reduction provided in Code Section 36-88-9; and  
23 (3) For enterprise zones created pursuant to subsection (g) of Code Section 36-88-6, the  
24 sales and use tax exemption provided in such subsection pursuant to the authority granted  
25 by Article IX, Section II, Paragraph VII(c) of the Constitution of Georgia."

26 **SECTION 3.**

27 Said chapter is further amended by revising subsection (a) and adding a new subsection to  
28 Code Section 36-88-6, relating to criteria for enterprise zone, as follows:

29 "(a) In order to be designated as an enterprise zone, a nominated area shall meet at least  
30 three of the five criteria specified in subsections (b), (c), (d), (e), and (f), or the criteria  
31 specified in subsection (g) of this Code section. In determining whether an area suffers  
32 from poverty, unemployment, or general distress, the governing body shall use data from  
33 the most current United States decennial census and from other information published by  
34 the United States Bureau of the Census, the Federal Bureau of Labor Statistics, and the  
35 Georgia Department of Labor. In determining whether an area suffers from  
36 underdevelopment, the governing body shall use the data specified in subsection (e) of this  
37 Code section. The data shall be comparable in point or period of time and methodology  
38 employed."

39 "(g)(1) A nominated area under this subsection shall:

40 (A) Be included in an urban redevelopment area as defined by paragraph (23) of Code  
41 Section 36-61-2; and

42 (B) Contain within its borders the site for a redevelopment project having a minimum  
43 of \$400 million in projected capital investment for the redevelopment of an area  
44 certified by the commissioner to have been chronically underdeveloped for a period of  
45 20 years or more.

46 (2) Any nominated area meeting the criteria in paragraph (1) of this subsection may be  
47 designated as an enterprise zone. Any redevelopment project used to qualify an area for  
48 designation as an enterprise zone under this subsection shall, upon approval of such  
49 designation, qualify for an exemption of state sales and use tax levied within the  
50 boundaries of such project. By resolution, at the discretion of the local governing body  
51 or bodies where the project is located, an exemption may be granted from all or any part  
52 of the local sales and use taxes under the same terms and conditions as the exemption  
53 from state sales and use taxes.

54 (3) Any variation in the sales price of goods and services within any redevelopment  
55 project used to qualify an area for designation as an enterprise zone under this subsection  
56 attributable to lease arrangements between a retailer and the owner of the project shall be  
57 a permitted practice under Parts 1 and 2 of Article 15 of Chapter 1 of Title 10.

58 (4) This subsection shall not apply to projects involving or related to casino gambling."

59 **SECTION 4.**

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