

Senate Bill 366

By: Senators Hufstetler of the 52nd, Tillery of the 19th, Dolezal of the 27th, Albers of the 56th, Still of the 48th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 28 of the Official Code of Georgia Annotated, relating to the General
2 Assembly, so as to revise provisions related to the adoption and contents of general
3 appropriations bills; to revise provisions for certain economic analyses; to revise the
4 legislative review of taxation; to provide a definition; to establish the Joint Committee on
5 Taxation and Economic Development; to provide for membership, officers, meetings,
6 authority, reports, cooperation, and expenses; to provide for a short title; to provide for an
7 effective date; to provide for related matters; to repeal conflicting laws; and for other
8 purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 This Act shall be known and may be cited as the "Tax Expenditures Transparency Act of
12 2024."

13

SECTION 2.

14 Title 28 of the Official Code of Georgia Annotated, relating to the General Assembly, is
15 amended by revising Code Section 28-5-4, relating to consideration of general appropriations
16 bill, as follows:

17 "28-5-4.

18 (a) The general appropriations bill shall be referred by the Speaker to the Appropriations
19 Committee of the House of Representatives. In the event such bill is reported out of the
20 Appropriations Committee as 'do pass by substitute' or 'do pass as amended,' neither the
21 committee of the whole nor the House of Representatives shall consider the bill until at
22 least 24 hours after the substitute or the amendments, as the case may be, have been printed
23 and placed on the desk of each member.

24 (b) The general appropriations bill, upon its first reading in the Senate, shall be referred
25 by the President of the Senate to the Appropriations Committee of the Senate. In the event
26 such bill is reported out of the Appropriations Committee as 'do pass by substitute' or 'do
27 pass as amended,' neither the committee of the whole nor the Senate shall consider the bill
28 until at least 24 hours after the substitute or the amendments, as the case may be, have been
29 printed and placed on the desk of each member.

30 (c) In addition to making and providing for appropriations, the general appropriations bill
31 shall contain the following information:

32 (1) A list of all then-existing revenue sources;

33 (2) The net amount of revenue expected to be generated by each such revenue source and
34 available for appropriation by the General Assembly in the fiscal year; and

35 (3) A summary of the tax expenditure review provided to the General Assembly as part
36 of the Governor's budget report pursuant to paragraph (8) of Code Section 45-12-75.

37 Such summary shall include, for each tax expenditure item, a brief description of the
38 expenditure, the amount of tax revenue projected to be forgone in the fiscal year as a

39 result of the expenditure, and a citation of the statutory or other legal authority for the
40 expenditure."

41 **SECTION 3.**

42 Said title is further amended by revising Code Section 28-5-41.1, relating to economic
43 analysis of certain tax benefits of law or proposed law and analysis on performance and
44 outcomes of Code Section 33-1-25, as follows:

45 "28-5-41.1.

46 (a) An economic analysis shall include, but not be limited to, a good faith estimate as a
47 result of the law or proposed law, on an annual basis for five years thereafter, of the
48 following, on both a direct and indirect basis:

49 (1) Net change in state revenue;

50 (2) Net change in state expenditures, which shall include, but not be limited to, costs of
51 administering the bill;

52 (3) Net change in economic activity; and

53 (4) If applicable, any net change in public benefit.

54 (b) On or before May 1 of each year, the chairperson of the House Committee on Ways
55 and Means and the chairperson of the Senate Finance Committee may each request up to
56 ~~five~~ six economic analyses, which requests shall be transmitted to the Department of
57 Audits and Accounts. Each such request shall be limited to one existing provision of law
58 or proposed law and shall specify one particular exemption, exclusion, or deduction from
59 the base of a tax; credit against a tax; deferral of a tax; rebate of taxes paid; tax abatement;
60 or preferential tax rate to be analyzed. The Department of Audits and Accounts shall
61 contract with one or more independent auditors to complete ~~all such analyses~~ a preliminary
62 analysis in response to any such request within six months of the request. Upon the
63 completion of a preliminary analysis, the Department of Audits and Accounts shall publish
64 such analysis to its public website and afford to all interested persons a reasonable

65 opportunity to submit data, views, or arguments, orally or in writing, regarding the
 66 preliminary analysis. The Department of Audits and Accounts shall compile such written
 67 and oral submissions and publish a final analysis which includes a summary of such
 68 submissions on or before December 15 of the year in which such analysis was requested.
 69 ~~Each such request shall be limited to one existing provision of law or proposed law and~~
 70 ~~shall specify one particular exemption, exclusion, or deduction from the base of a tax;~~
 71 ~~credit against a tax; deferral of a tax; a rebate of taxes paid; tax abatement; or preferential~~
 72 ~~tax rate to be analyzed.~~

73 (c) Copies of each completed economic analysis shall be provided to the Speaker of the
 74 House of Representatives, the President of the Senate, the House Budget and Research
 75 Office, and the Senate Budget and Evaluation Office.

76 (d) If a fiscal note is requested pursuant to Code Section 28-5-42 and a relevant economic
 77 analysis has been conducted within one year of such request, the Office of Planning and
 78 Budget may prepare a summary of such economic analysis and attach it with the requested
 79 fiscal note.

80 ~~(e) An economic analysis shall be conducted on the performance and outcomes of Code~~
 81 ~~Section 33-1-25, which shall be completed by December 1, 2021."~~

82 **SECTION 4.**

83 Said title is further amended by revising Chapter 12, relating to legislative review of taxation,
 84 as follows:

85 "CHAPTER 12

86 28-12-1.

87 ~~On or before May 1, 2023, the House Ways and Means Committee and the Senate~~
 88 ~~Committee on Finance shall jointly undertake a thorough review of any and all state tax~~
 89 ~~credits, deductions, and exemptions. No later than December 1, 2023, said committees~~

90 ~~shall submit a report of their findings and recommendations to the presiding officers of~~
91 ~~their respective chambers.~~

92 (a) As used in this chapter, the term 'joint committee' means the Joint Committee on
93 Taxation and Economic Development created by subsection (b) of this Code section.

94 (b) There is created the Joint Committee on Taxation and Economic Development to be
95 composed of the following members of the General Assembly:

96 (1) The chairperson of the Senate Finance Committee;

97 (2) The chairperson of the House Committee on Ways and Means;

98 (3) The chairperson of the Senate Appropriations Committee;

99 (4) The chairperson of the House Committee on Appropriations;

100 (5) The chairperson of the Senate Economic Development and Tourism Committee;

101 (6) The chairperson of the House Committee on Economic Development and Tourism;

102 (7) One member of the majority party of the Senate to be appointed by the President of
103 the Senate;

104 (8) One member of the majority party of the House of Representatives to be appointed
105 by the Speaker of the House of Representatives;

106 (9) One member of the minority party of the Senate to be appointed by the President of
107 the Senate; and

108 (10) One member of the minority party of the House of Representatives to be appointed
109 by the Speaker of the House of Representatives.

110 (c) The appointed members of the joint committee shall serve two-year terms concurrent
111 with their terms as members of the General Assembly.

112 (d) The chairpersons of the Senate Finance Committee and the House Committee on Ways
113 and Means shall serve as co-chairpersons of the joint committee.

114 28-12-2.

115 (a) The joint committee shall meet from time to time between May 1 and December 1 in
116 odd-numbered years at the call of the co-chairpersons.

117 (b) The joint committee shall have the authority to investigate and review the fiscal and
118 economic impact of the exemptions, exclusions, deductions, credits, deferrals, rebates,
119 abatements, or preferential tax rates that have been the subject of an economic analysis
120 requested pursuant to Code Section 28-5-41.1 in the prior calendar year and the year in
121 which the joint committee meets.

122 (c) No later than December 1 of each odd-numbered year, the joint committee shall submit
123 a report to the President of the Senate and the Speaker of the House of Representatives.
124 Such report shall summarize any testimony, data, or other information received by the joint
125 committee as part of its investigation and review and outline any findings or
126 recommendations of the joint committee.

127 28-12-3.

128 The Office of Planning and Budget, the Department of Revenue, the Department of
129 Economic Development, the Department of Community Affairs, and the state auditor shall
130 promptly furnish to the joint committee all information requested relative to state revenue,
131 tax administration, economic analysis, or any other matter relevant to the work of the joint
132 committee.

133 28-12-4.

134 For all meetings of the joint committee held when the General Assembly is not in session,
135 the members of the joint committee shall receive the expense, mileage, and travel
136 allowances authorized by law for legislative members of interim study committees. The
137 funds necessary to carry out this chapter shall come from funds appropriated to and
138 available to the legislative branch of government."

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SECTION 5.

140 This Act shall become effective on January 1, 2025.

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SECTION 6.

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