

The Senate Committee on Finance offered the following substitute to HB 461:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 1 of Chapter 13 of Title 48 of the Official Code of Georgia Annotated,  
2 relating to general provisions regarding specific, business, and occupation taxes, so as to  
3 require that the proceeds of local government regulatory fees be used to pay for regulatory  
4 activity and not general operations; to revise the list of professions which shall not be subject  
5 to such regulatory fees; to remove and revise certain provisions authorizing calculation of  
6 regulatory fees for renovation and other construction projects; to provide for a definition; to  
7 provide for related matters; to provide for an effective date; to repeal conflicting laws; and  
8 for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Article 1 of Chapter 13 of Title 48 of the Official Code of Georgia Annotated, relating to  
12 general provisions regarding specific, business, and occupation taxes, is amended in Code  
13 Section 48-13-9, relating to limitation on authority of local government to impose regulatory  
14 fee, examples of those which may be subject to fees, individuals and entities not subject to  
15 fees, and general laws not repealed, by revising subsections (a), (c), and (e) as follows:

"(a) A local government is authorized to require a business or practitioner of a profession or occupation to pay a regulatory fee only if the local government customarily performs investigation or inspection of such businesses or practitioners of such profession or occupation as protection of the public health, safety, or welfare or in the course of enforcing a state or local building, health, or safety code, but no local government is authorized to use regulatory fees as a means of raising revenue for general purposes, provided that the amount of a regulatory fee shall approximate the reasonable cost of the actual regulatory activity performed by the local government and the proceeds of such regulatory fee shall be used to fund such regulatory activity and not the general operations of the local government, and further provided that the local government shall not be required to establish separate accounts for such proceeds."

"(c) Examples of businesses and practitioners of professions and occupations which local governments are not authorized to subject to regulatory fees include, but are expressly not limited to, the following:

- (1) Lawyers;
- (2) Physicians licensed under Chapter 34 of Title 43;
- (3) Osteopaths licensed under Chapter 34 of Title 43;
- (4) Chiropractors;
- (5) Podiatrists;
- (6) Dentists;
- (7) Optometrists;
- (8) Psychologists;
- (9) Veterinarians;
- (10) Landscape architects;
- (11) Land surveyors;
- (12) Practitioners of physiotherapy;
- (13) Public accountants;

43     (13.1) Registered investment advisors;

44     (14) Embalmers;

45     (15) Funeral directors;

46     (16) Civil, mechanical, hydraulic, or electrical engineers;

47     (17) Architects;

48     (18) Marriage and family therapists, social workers, and professional counselors;

49     (19) Dealers of motor vehicles, as defined in paragraph (1) of Code Section 10-1-622;

50     (20) Owners or operators of bona fide coin operated amusement machines, as defined  
51     in Code Section 50-27-70, and owners or operators of businesses where bona fide coin  
52     operated amusement machines are available for commercial use and play by the public,  
53     provided that such amusement machines have affixed current stickers showing payment  
54     of annual permit fees, in accordance with Code Section 50-27-78;

55     (21) Merchants or dealers as defined in Code Section 48-5-354 as to their deliveries to  
56     businesses and practitioners of professions and occupations in areas zoned for  
57     commercial use; and

58     (22) Any other business, profession, or occupation for which state licensure or  
59     registration is required by state law, unless the state law regulating such business,  
60     profession, or occupation specifically allows for regulation by local governments."

61     "(e) For each business, profession, or occupation, local governments are authorized to  
62     determine the amount of a regulatory fee imposed in accordance with this article only by  
63     one of the following methods:

64     (1) A flat fee for each business or practitioner of a profession or occupation doing  
65     business in the jurisdiction as authorized by Code Section 48-13-8;

66     (2) A flat fee for each type of permit or inspection requested;

67     (3) An hourly rate determined by the hourly wage or salary, including employee benefits,  
68     of the person or persons assigned to investigate or inspect multiplied by the number of  
69     hours estimated for the investigation or inspection to be performed;

(4) An hourly rate as determined by paragraph (3) of this subsection with the addition of other expenses reasonably related to such regulatory activity, such as administrative and travel expenses, multiplied by the number of hours estimated for the investigation or inspection to be performed; or

(5) For construction projects that are classified as new construction or for extensive renovation projects, the number of square feet of construction or the number of square feet of construction to be served by the system to be installed, in conjunction with ~~and limited by the building valuation data, as established from time to time by the~~ International Code Council or by similar data, and in conjunction with and limited by the hourly rate described in paragraph (3) or (4) of this subsection. As used in this paragraph, the term 'extensive renovation project' means a project valued at \$75,000.00 or more to renovate an existing structure., or

~~(6) For construction projects that are classified as renovation and all other construction projects other than those classified as new construction, the cost of the project in conjunction with and limited by the building valuation data that conforms with the principles and methods established from time to time by the International Code Council or by similar data, and in conjunction with and limited by the hourly rate described in paragraph (3) or (4) of this subsection."~~

## SECTION 2.

This Act shall become effective on July 1, 2024.

## SECTION 3.

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