

House Bill 1129

By: Representatives Seabaugh of the 34th, Gambill of the 15th, Wade of the 9th, Efstoration of the 104th, Hong of the 103rd, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 36-88-6 of the Official Code of Georgia Annotated, relating to
2 criteria for enterprise zone, so as to provide for designation of enterprise zones; to provide
3 that enterprise zones shall not qualify for exemption from state sales and use tax; to provide
4 for an exception; to provide for collection and assessment of fees; to provide for the use of
5 the principal of revenue bonds; to limit the number of enterprise zones in urban
6 redevelopment areas; to provide for related matters; to provide for an effective date and
7 applicability; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Code Section 36-88-6 of the Official Code of Georgia Annotated, relating to criteria for
11 enterprise zone, is amended by revising subsection (g) as follows:

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

13 (A) Be included in an urban redevelopment area as defined in Code Section 36-61-2;
14 and

15 (B) Contain within its borders the site for a redevelopment project having a minimum
16 of \$400 million in capital investment for the redevelopment of an area certified by the

17 commissioner to have been chronically underdeveloped for a period of 20 years or
18 more.

19 (2)(A) The commissioner of the department may designate a nominated area satisfying
20 the criteria in paragraph (1) of this subsection as an enterprise zone. Any nominated
21 area meeting the criteria in paragraph (1) of this subsection may be designated as an
22 enterprise zone. Any redevelopment project used to qualify an area for designation as
23 an enterprise zone under this subsection shall, upon approval of such designation,
24 qualify for an exemption of any local sales and use tax levied by a local governing body
25 within the boundaries of such project.

26 (B) Any redevelopment project used to qualify an area for designation as an enterprise
27 zone under this subsection shall not, upon approval of such designation, qualify for an
28 exemption of any state sales and use tax levied by this state within the boundaries of
29 such project unless such exemption is approved by the Governor or his or her designee.

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

34 (4)(A) By resolution or ordinance, the local governing body designating and creating
35 that nominated an enterprise zone under this subsection may, after designation as an
36 enterprise zone by the commissioner of the department, assess and collect annual
37 enterprise zone infrastructure fees from each retailer that is a qualifying business or
38 service enterprise making sales transactions exempted from sales and use tax under
39 paragraph (2) of this subsection in an amount not to exceed, in aggregate, the amount
40 of sales and use tax on transactions of such retailer exempted under paragraph (2) of
41 this subsection, which fees may be pledged by such local governing body, directly or
42 indirectly, as security for revenue bonds issued for development or infrastructure within
43 the enterprise zone.

44 (B) The principal of the revenue bonds provided for under subparagraph (A) of this
45 paragraph shall not be used, directly or indirectly, to satisfy any obligation on or
46 otherwise provide a return of the capital investment contemplated by subparagraph (B)
47 of paragraph (1) of this subsection.

48 (5) No more than four enterprise zones under this subsection shall simultaneously exist
49 in an urban redevelopment area as such term is defined in Code Section 36-61-2.

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

51 **SECTION 2.**

52 This Act shall become effective on July 1, 2026, and shall apply to contracts entered into or
53 renewed on or after such date.

54 **SECTION 3.**

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