

The Senate Committee on Finance offered the following substitute to HB 1129:

MOOT

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 for designation of enterprise zones; to provide that
3 enterprise zones shall not qualify for exemption from state sales and use tax; to provide for
4 an exception; to provide for collection and assessment of fees; to provide for the use of the
5 principal of revenue bonds; to limit the number of enterprise zones in urban redevelopment
6 areas; to provide a sunset date; to make allowances for enterprise zones in existence and
7 those in the process of being approved prior to such sunset date; to provide for related
8 matters; to provide for an effective date and applicability; to repeal conflicting laws; and for
9 other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Chapter 88 of Title 36 of the Official Code of Georgia Annotated, relating to enterprise
13 zones, is amended by revising Code Section 36-88-5, relating to designation of enterprise
14 zones, as follows:

15 "36-88-5.

16 (a) A local governing body or bodies may designate one or more geographic areas as
17 enterprise zones. In such enterprise zone, local ad valorem taxes, occupation taxes, license
18 fees, and other local fees and taxes, except local sales and use taxes or any combination
19 thereof, may be exempted or reduced from applying to qualified business and service
20 enterprises in accordance with the provisions of this chapter. A joint resolution by a county
21 and one or more municipalities may provide such exemptions for jointly designated
22 enterprise zones. Any areas designated as an enterprise zone may be redesignated as an
23 enterprise zone after the expiration of its initial term as an enterprise zone if the area
24 continues to meet the criteria for an enterprise zone contained in this chapter.

25 (b) On and after July 1, 2031, no local governing body or bodies shall designate or
26 redesignate a geographic area as an enterprise zone; provided, however, that the time
27 limitations provided under Code Section 36-88-10 shall remain in effect for any area
28 designated as an enterprise zone prior to such date and that any geographic area in the
29 process of being approved for such designation prior to such date shall not be barred from
30 receiving such designation to the extent that such geographic area meets the criteria set
31 forth under Code Section 36-88-6.

32

SECTION 2.

33 Said chapter is further amended in Code Section 36-88-6, relating to criteria for enterprise
34 zone, by revising subsection (g) as follows:

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

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

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

40 commissioner to have been chronically underdeveloped for a period of 20 years or
41 more.

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

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

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

56 (4)(A) By resolution or ordinance, the local governing body designating and creating
57 that nominated an enterprise zone under this subsection may, after designation as an
58 enterprise zone by the commissioner of the department, assess and collect annual
59 enterprise zone infrastructure fees from each retailer that is a qualifying business or
60 service enterprise making sales transactions exempted from sales and use tax under
61 paragraph (2) of this subsection in an amount not to exceed, in aggregate, the amount
62 of sales and use tax on transactions of such retailer exempted under paragraph (2) of
63 this subsection, which fees may be pledged by such local governing body, directly or
64 indirectly, as security for revenue bonds issued for development or infrastructure within
65 the enterprise zone.

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

70 (5) No area shall be nominated to become an enterprise zone and no enterprise zone shall
71 be designated under this subsection in an urban redevelopment area, as such term is
72 defined in Code Section 36-61-2, in which four enterprise zones are wholly or partially
73 located.

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

75 **SECTION 3.**

76 This Act shall become effective on July 1, 2026, and shall apply to enterprise zones
77 designated on or after such date.

78 **SECTION 4.**

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