

House Bill 1129 (AS PASSED HOUSE AND SENATE)

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 Chapter 88 of Title 36 of the Official Code of Georgia Annotated, relating to
2 enterprise zones, so as to provide that enterprise zones shall not qualify for exemption from
3 state sales and use tax; to provide for an exception; to provide for collection and assessment
4 of fees; to provide for the use of the principal of revenue bonds; to limit the number of
5 enterprise zones in urban redevelopment areas; to provide a sunset date; to make allowances
6 for enterprise zones in existence and those in the process of being approved prior to such
7 sunset date; to provide for related matters; to provide for an effective date and applicability;
8 to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

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

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

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

16 and

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

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

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

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

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

43 indirectly, as security for revenue bonds issued for development or infrastructure within
44 the enterprise zone.

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

49 (5) No enterprise zone shall be designated under this subsection in a county in which
50 four enterprise zones under this subsection are wholly or partially located, regardless of
51 which local governing body or bodies nominated such existing enterprise zones under this
52 subsection.

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

54 **SECTION 2.**

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

57 **SECTION 3.**

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