

House Bill 416 (AS PASSED HOUSE AND SENATE)

By: Representatives Efration of the 104th, Blackmon of the 146th, and Kelley of the 16th

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 revise the class of retailer from which fees may be collected; to
3 revise the period of existence of enterprise zones; to provide for related matters; to repeal
4 conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

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

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

11 (A) Be included in an urban redevelopment area as defined by paragraph (23) of in
12 Code Section 36-61-2; and

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

(2) Any nominated area meeting the criteria in paragraph (1) of this subsection may be designated as an enterprise zone. Any redevelopment project used to qualify an area for designation as an enterprise zone under this subsection shall, upon approval of such designation, qualify for an exemption of any sales and use tax levied within the boundaries of such project.

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

(4) By resolution or ordinance, the local governing body designating and creating an enterprise zone under this subsection may assess and collect annual enterprise zone infrastructure fees from each retailer ~~operating within the boundaries of the project that~~ is a qualifying business or service enterprise making sales transactions exempted from sales and use tax under paragraph (2) of this subsection in an amount not to exceed, in aggregate, the amount of sales and use tax on transactions of such retailer exempted under paragraph (2) of this subsection, which fees may be pledged by such local governing body, directly or indirectly, as security for revenue bonds issued for development or infrastructure within the enterprise zone.

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

SECTION 2.

Said chapter is further amended by revising Code Section 36-88-10, relating to time limitations, as follows:

"36-88-10.

An area designated as an enterprise zone shall remain in existence for ten years from the first day of the calendar year immediately following its designation as an enterprise zone; provided, however, that an area designated as an enterprise zone under subsection (g) of

43 Code Section 36-88-6 shall remain in existence for 30 years from ~~such day or until the~~
44 ~~redevelopment project required in subparagraph (g)(1)(B) of Code Section 36-88-6 is~~
45 ~~complete and the first issuance of~~ any revenue bonds issued under paragraph (4) of
46 subsection (g) of Code Section 36-88-6 ~~are retired, whichever first occurs~~ with a principal
47 amount in excess of \$100,000.00. Municipal and county governments may enter into
48 agreements with qualifying business or service enterprises in designated enterprise zones
49 to provide for modification or termination of the tax and fee exemptions and abatements.
50 Property tax incentives available to a qualified business or service enterprise in an
51 enterprise zone shall remain in effect for the full ten-year period established by Code
52 Section 36-88-8, regardless of the termination of the designation of the enterprise zone."

53 **SECTION 3.**

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