

SESSION REPORT

2023

Thanks to the support of our member retailers, the 2023 Session of the Georgia General Assembly was a success for Georgia's retail industry. The Georgia Retailers team worked with the Governor's office, legislative leadership, and our coalition partners to secure important improvements in policy that ensure retail industry growth and help protect the industry from business mandates that contribute to rising costs.

This was a unique session with a new Speaker of the House, Lt. Governor, and an incumbent Governor coming off a substantial victory. The session began slowly with all parties seeming to be in unison as we saw the passage of a complete 40-day legislative calendar for the first time in decades. As the session progressed politics and chamber posturing set the tone with several pieces of high-profile legislation getting caught in the crossfire including the state's annual budget. Governor Kemp and the General Assembly once again provided tax relief to families and individuals in the form of an immediate tax refund for 2022 filers and provided pay raises for law enforcement, teachers, and state employees. The state budget of \$32.4 billion fully funded the state formula for K-12 education, provided \$6.3 million for free breakfast and lunch for school children, and funding for 100 percent of tuition for eligible students on the HOPE Scholarship. Although, the University System of Georgia and Georgia Public Broadcasting took large cuts. Governor Kemp and his team will review the budget compromise passed by the House and Senate as he still has veto power over what makes it into the final FY24 budget before signing it into law.

Georgia Retailers will be keeping you informed on the signing of impactful legislation as Governor Kemp now turns to his attention to the 40-day period he has for signing, vetoing, or taking no action on legislation passed by the Georgia General Assembly. With so many new legislators this year, Georgia Retailers will be busy this Summer and Fall educating legislators on the retail industry, the role it plays in our state's economy, and priority issues for the 2024 Session. Legislation to prohibit card processing fees on sales tax that was introduced this year will require an educational campaign in the interim. After two committee hearings and expert testimony, several legislators still have some confusion about the issue and the implementation of the legislation. Retail pharmacy issues, changes to Georgia's tax policy, and business mandates are likely to be seen next session. This being the first year of a two-year biennium, legislation that did not pass this session will be available for consideration during the 2024 legislative session.

What follows is a summary of the legislation that Georgia Retailers was actively monitoring and lobbying. Please don't hesitate to reach out with any questions. It is a pleasure to serve the retail industry and we thank you for your membership and support.

Ben Cowart Vice President, Government Affairs

SWIPE FEES ON SALES TAX

<u>SB 126</u> - THE CONSUMER INFLATION REDUCTION AND TAX FAIRNESS ACT SEN. BILLY HICKMAN (R-STATESBORO)

This session saw the introduction of the Consumer Inflation Reduction and Tax Fairness Act. This legislation was introduced at the request of Georgia Retailers and a coalition of businesses and associations, the Georgia Alliance for Inflation Reduction (AIR). The legislation would have prohibited card networks from charging swipe fees on any amount other than the base purchase price of goods and services, thereby barring swipe fees on sales, alcohol, tobacco and state motor fuel taxes.

GR worked hard with our partners on this legislation this session conducting multiple meetings with leadership and both chambers. The legislation was assigned to the Senate Banking and Financial Instructions Committee where it received two hearings. GR along with several coalition partners testified in favor of SB 126. The first committee heard over an hour of testimony from supporters and opposition with no vote on the measure. Payments experts testified in the second hearing clearing up a lot of the questions and misinformation surrounding the issue. SB 126 never received a committee vote and failed to move forward.

This legislation was controversial with the credit card companies and banks in strong opposition. GR will continue to educate legislators on this issue and fight to bring relief to retailers by removing swipe fees on the tax portion of transactions.

PHARMACY

<u>HB 416</u> - PHARMACIES; AUTHORIZE QUALIFIED PHARMACY TECHNICIANS TO ADMINISTER CERTAIN VACCINES



REPRESENTATIVE DEBORAH SILCOX (R-SANDY SPRINGS).

HB 416 was introduced at the request of Georgia Retailers and its partners. It allows pharmacy technicians to administer all ACIP vaccinations to persons 18 years of age and older and clarifies that this expanded authority to pharmacy technicians is not mandatory and will include the pharmacy technician immunization training requirements currently required under the Public Readiness and Emergency Preparedness Act (PREP Act). HB 416 passed out of the House and Senate Health Committees unanimously, passed the House by a vote of 164 to 2 and the Senate on Sine Die by a vote of 49 to 3, and is awaiting Governor Kemp's signature.

During the COVID-19 pandemic, under the federal PREP Act, pharmacy technicians were given the authorization to administer all ACIP and COVID-19 immunizations. This legislation was so important this year because the temporary authority is set to expire after the COVID-19 public health emergency ends on May 11, 2023. HB 416 ensures that all Georgia citizens have access to necessary vaccines from their local pharmacy increasing access to healthcare.

This legislation was the culmination of several years' work with our partners and the Medical Association of Georgia to craft this legislation. Even though the legislation moved through with little legislative opposition there were citizen activists working against the bill. It required a coordinated team effort with our partners to educate legislators on the issue and urgency to ensure final passage.

HB 546 - GEORGIA PHARMACY PRACTICE ACT

REP. RICK JASPERSE (R-JASPER)

This bill would have allowed a pharmacist to adapt a prescription drug order in the exercise of his or her professional judgment if they document the adaptation in the patient's record and obtain the patient's consent prior to making the adaptation. This legislation was introduced on behalf of the Georgia Pharmacy Association and supported by GR. HB 546 passed out of the House Health Committee but failed to get a House vote before Crossover Day.

RETAIL SALE OF ELECTRICITY FOR EV CHARGING

<u>SB 146</u> - GEORGIA PUBLIC SERVICE COMMISSION; REGULATION AND TAXATION OF THE PROVISION OF CERTAIN ELECTRICITY USED AS A MOTOR FUEL IN ELECTRIC VEHICLES



SEN. STEVE GOOCH (R-DAHLONEGA)

This bill provides that the sale of electricity provided by an EV charger is not subject to the Georgia Territorials Services Act, allows for the retail sale of electricity by the kilowatt hour, puts regulatory and inspection authority over EV Chargers under the Commissioner of Agriculture, and creates a tax structure and funding mechanism, like the state's motor fuel tax for EV charging to ensure all of Georgia's drivers pay their fair share to keep our roads maintained. The bill includes language that any publicly available EV charging station provided, owned, operated, or maintained by an electric utility, except for community charging equipment, shall be provided, owned, operated, or maintained by a separate legal entity not subject to the authority of and regulation by the Public Service Commission. It also states that an electric utility's rates, terms, and conditions of service for the provider of any EV charging services shall be the same as the rates, terms, and conditions of service for any EV charging stations. SB 146 passed the Senate by a vote of 55 to 1 and the House by a vote of 175 to 1, and is awaiting Governor Kemp's signature.

${ m HB~406}$ - GEORGIA PUBLIC SERVICE COMMISSION; REGULATION OF THE PROVISION OF CERTAIN ELECTRICITY USED AS A MOTOR FUEL IN ELECTRIC VEHICLES

REP. RICK JASPERSE (R-JASPER)

This bill, like SB 146, comes from a study committee over the summer and would have provided that the sale of electricity provided by an EV charger is not subject to the Georgia Territorials Services Act, allows for the retail sale of electricity by the kilowatt hour, puts regulatory and inspection authority over EV Chargers under the Commissioner of Agriculture, and creates a tax structure and funding mechanism. HB 406 passed the House by a vote of 161 to 7 but never received a vote in the Senate because of the movement of SB 146.

TRUCK WEIGHTS

HB 189 - HIGHWAYS, BRIDGES, AND FERRIES; ALLOWABLE VARIANCE FOR WEIGHT LIMITATIONS UPON A VEHICLE OR LOAD



REP. STEVEN MEEKS (R-SCREVEN)
BUSINESS PRACTICES, ALLOWABLE VEHICLE LOAD INCREASE

This legislation saw multiple committee hearings in both the House and the Senate, and several different iterations of the legislation throughout the session. The House version passed by a vote of 93 to 81, and the Senate version passed by a vote of 44 to 5. The House and the Senate could not agree, so the legislation went to a conference committee on Sine Die. The conference committee report was agreed to by a House vote of 95 to 75 and a Senate vote of 37 to 16. This bill is awaiting Governor Kemp's signature.

The final compromise allows for heavier trucks on Georgia roads for two years. The variance is set at 10 percent, increasing the allowable weight from 84,000 pounds to 88,000 pounds. This applies to any agricultural or farm product from a farm to the first point of marketing or processing, which is hauling agricultural finished goods for distribution or for retail sale and purchase by consumers, or which is hauling recovered materials from points of generation to a processing facility within a 150-mile radius of the farm or point of origin and outside of a nonattainment area.

<u>SB 165</u> - DIMENSIONS AND WEIGHT OF VEHICLES AND LOADS; ALLOWABLE VARIANCE FOR WEIGHT LIMITATIONS UPON A VEHICLE OR LOAD

SENATOR RUSS GOODMAN (R-HOMERVILLE)

This legislation, like the original HB 189, would have increased the truck weight variance in the state from 84,000 pounds to 90,000 pounds. The bill received a committee hearing but failed to move forward.

TAXATION

SB 56 - AD VALOREM TAXATION; STATE REVENUE COMMISSIONER TO CONTRACT WITH THE BOARD OF THE EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA TO OFFER CERTAIN COUNTY TAX COMMISSIONERS THE OPTION TO PARTICIPATE IN A STATE ADMINISTERED DEFERRED COMPENSATION PLAN



REP. CHUCK HUFSTETLER (R-ROME)

The bill taxes electronic sales in the same manner as those made in brick-and-mortar establishments making Georgia's sales tax more equitable. The legislation extends state and local sales taxes to digital goods and services, beginning in January 2024. State estimators project the legislation would raise approximately \$86 million in new revenues in the first year of implementation.

The digital products and services tax language from <u>HB 170</u> by Rep. Kasey Carpenter (R-Dalton) was added to SB 56 after the legislation stalled in the Senate. The Senate agreed to the House substitute by a vote of 49 to 5 on Sine Die, and the bill now awaits Governor Kemp's signature.

HB 191 - REVENUE AND TAXATION; PACK OF CIGARETTES; INCREASE RATE OF TAX REP. RON STEPHENS (R-191)

This legislation would have raised the tax on each pack of cigarettes from 37 cents to 57 cents and requires state proceeds derived from 20¢ of the per pack tax on cigarettes are to be appropriated annually to address healthcare issues affecting Georgia residents. This legislation received hearings in the House Ways and Means Committee but did not move forward.

HB 192 - REVENUE AND TAXATION; CONSUMABLE VAPOR PRODUCTS; INCREASE RATE OF TAX

REP. RON STEPHENS (R-191)

This legislation would have increased the excise tax to 15 percent of the wholesale cost price on consumable vapor products. Also proceeds derived from any increase be appropriated annually to address healthcare issues affecting Georgia residents. This legislation received hearings in the House Ways and Means Committee but did not move forward.

TORT/LAWSUIT REFORM

<u>SB 74</u> - COMMERCE AND TRADE, COURTS, AND TORTS; THE DISCLOSURE OF THE NATURE AND PRACTICES OF BUSINESSES THAT PROVIDE LEGAL SERVICES (APEX DOCTRINE)



SEN. BLAKE TILLERY (R-VIDALIA)

The bill creates a process by which a high-level corporate officer can petition a court to show that a requested deposition is unnecessary or overly burdensome. The officer must show that they lack relevant personal knowledge on the pending litigation and have a unique and busy schedule, after which a judge may protect the officer from the deposition or limit the deposition as is reasonable.

The original SB 74 addressed advertising for legal services and passed the Senate by a 54-1 vote. A substitute was presented and passed the House by a vote of 158 to 5 that included the Apex Doctrine language. The Senate's move to amend SB 74 to mirror SB 200 failed and the Senate agreed to the House substitute. This bill is awaiting Governor Kemp's signature.

Six legal relief bills were introduced this year in the Senate with the support of Senate leadership. Several of the bills passed out of committee but failed to make it out of the Senate. GR supports changes to the civil justice system which limit costly and frivolous lawsuits and is very appreciative of Senate leadership and the sponsors for introducing these pro-business measures.

<u>SB 196</u> - SAFETY BELTS; FAILURE TO WEAR SAFETY RESTRAINTS FOR CHILDREN AS ADMISSIBLE EVIDENCE IN CIVIL ACTIONS.

SEN. BEN WATSON (R-SAVANNAH)

This bill would have allowed for evidence as to whether the plaintiff in a civil action involving a vehicle accident was or was not wearing their seatbelt to inform the jury in their understanding of the factors contributing to an injury and thus, damages.

SB 186 - GEORGIA LANDOWNERS PROTECTION ACT

SEN GREG DOLEZAL (R- ALPHARETTA)

This legislation would have provided that no landowner shall be held liable in a premises liability action to any trespasser who is injured on the landowner's property as the result of the willful, wanton, or intentionally tortious conduct of any third party who is not a director, officer, employee, or agent of the landowner.

SB 191 - MOTOR VEHICLES AND TRAFFIC; AUTHORIZING JOINDER OF MOTOR CARRIERS AND THEIR INSURANCE CARRIERS IN TORT AND CONTRACT CAUSES OF ACTION SEN. SHAWN STILL (R-NORCROSS)

This bill would have repealed authorizing joinder of motor carriers and their insurance carriers in tort and contract causes of action.

<u>SB 192</u> - TORTS; EMPLOYERS AND INSURANCE PROVIDERS OF COMMERCIAL MOTOR VEHICLE OPERATORS BASED UPON HISTORY OF DRIVING INCIDENTS SEN. LEE ANDERSON (R-GROVETOWN)

The bill would have limited liability of employers and insurance providers of commercial motor vehicle operators based upon history of driving incidents. Negligent retention criteria in trucking cases.

SB 200 - CIVIL PRACTICE ACT

SEN. BILL COWSERT (R-ATHENS)

This bill would have created a process by which a high-level corporate officer can petition a court to show that a requested deposition is unnecessary or overly burdensome and the officer does not have unique knowledge of the case.

SB 203- TRUCKING OPPORTUNITY ACT OF 2023

SEN. JASON ANAVITARTE

The bill would have taken several steps to make improvements to Georgia's trucking laws. Upon the appropriation of funds, the bill would allow veterans to access tuition-free training programs. It repeals a provision that allows for lawsuits to be brought against motor carriers and their insurance companies as co-defendants. Provides standard maximum driving hours for motor carriers in intrastate commerce and makes clear that a person issued a commercial driver's license in accordance with state law is considered to have the necessary qualifications for such commercial vehicle operation.

BUSINESS MANDATES THAT FAILED TO ADVANCE

SB 25 - EMPLOYMENT PRACTICES, INCREASED MINIMUM WAGE

SEN. GLORIA BUTLER (D-STONE MOUNTAIN)

This legislation proposed that beginning on January 1, 2025, minimum wage will be required to be adjusted to reflect the cost-of-living increase determined by the GA Department of Labor and CPI data.

<u>SB 49</u> - WASTE MANAGEMENT; THE DISTRIBUTION OF CERTAIN BAGS MADE OF PLASTIC FILM AND ITEMS MADE OF POLYSTYRENE FOAM BY CERTAIN RETAIL ESTABLISHMENTS SEN. DONZELLA JAMES (D-ATLANTA)

This legislation would have prohibited retailers from distributing any bag made of plastic film or item made of extruded polystyrene foam after January 1, 2026.

HB 26 - RIGHT TO BREATH ACT

REP. MANDISHA THOMAS (D-SOUTH FULTON)

This bill proposed that Department of Community Affairs, with the approval of the board, shall amend applicable state minimum standard codes to require the installation of indoor air quality equipment and utilization of best practices in new constructions permitted on or after July 1, 2024.

HB 78 - PAID SICK LEAVE ACT

REP. KIMBERLY ALEXANDER (D-HIRAM)

This legislation would have required employers to implement a sick time policy that allows an employee that works at least 30 hours a week to earn and accrue at least 56 hours of paid sick leave per year. Paid sick leave shall accrue at the rate of one hour of paid sick leave for every 30 hours worked.

HB 149 - FAIR BUSINESS PRACTICES ACT OF 1975

REP. MESHA MAINOR (D-ATLANTA)

This bill would have required merchants to distribute cash overpayments in the form of store credit if they do not have exact change.

HB 241 - MINIMUM WAGE; PROVIDE INCREASE

REP. DEWEY MCCLAIN (D-LILBURN)

This bill would have raised the minimum wage to \$15 an hour and allows employers of employees that meet the eligibility requirements for the tip credit may credit tips toward the satisfaction of up to 50 percent of the minimum wage.

OTHER BILLS OF INTEREST

<u>SB 73</u> - TELEPHONE SERVICES; CLASS ACTION SUITS AND FOR DAMAGES AGAINST CERTAIN PERSONS FOR VIOLATING PROVISIONS RELATING TO TELEPHONE SOLICITATIONS

The legislation would have allowed citizens to seek injunctive relief and damages against companies in violation or a third-party vendor calling on behalf of the company that is in violation of Georgia's do not call list.

GR has been opposed to similar bills in the past, but language was added to this year that gives safe harbor to companies with policies and procedures in place regarding the do not call list. SB 73 had all 53 senators signed on as cosponsors and passed the Senate unanimously. The House provided a substitute that removed problematic language and passed by a vote of 162 to 7. The bill never received a final agreement for passage by both chambers.