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Georgia Legislative Update

General Assembly

Legislative days 5-8 (of 40)

- House passes amended budget
- State of the Judiciary
- Casino legislation introduced
- Fantasy sports legislation introduced and heard in committee
- Alcohol bills introduced

This week, the Georgia General Assembly worked in session Monday through Thursday, legislative days 5-8 respectively.

Alcohol

SB 85, relating to malt beverages, allows:

- the off-premise sale of wine or malt beverage at a brew pub,
- manufacturers of malt beverages to sell up to 3000 barrels per year to individuals on premise and 288 ounces of off premise per person per day, and it
- removes the brewery tour language (compromise from 2015)

The bill appears to be a compromise bill, notably having the support of the Beer Wholesalers. Notably, the bill is scheduled to be considered in Senate Regulated Industries on Monday.

HB 60, related to distilleries:

- affords them the opportunity to get a retail liquor store license,
- provides that they can sell only the product they manufacture,
- allows them to sell up to 10% or 1,000 barrels (53,000 gal) of product in any calendar year,
- authorizes a restaurant with on premises sales, and
- increases the sample size permitted during tours.

Gaming/Gambling

It was a week of speculation and ultimately the unveiling of highly anticipated legislation related to lottery, fantasy sports, and casinos.

SB 5, Senator Cowser's bill placing new requirements on the Georgia Lottery Corporation related to the percentage of lottery proceeds that support the Lottery for Education account. The bill proposes to mandate increases in the percentage starting in 2018 (26%)



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and increasing annually through 2020 (30%). The bill has a trigger allowing the percentage to drop back down to 26% should there be a 5% or more reduction in net sales revenues.

HB 118, the Fantasy Sports Act, proposes that fantasy sports is a game of skill and therefore should require registration under the Secretary of State's office. The registration fee required would be based on gross revenues for the previous year and run between \$10k to \$50k per year. Additionally, companies would remit a 6% tax.

Two identical bills authorizing casinos were introduced, one in the House and one in the Senate.

The bills, HB 158 and SB 79 propose:

1. Regulation under a Gaming Commission not Lottery,
2. An authorization of 2 resorts,
 - a. One License: in a county with a population over 900k Min \$2B investment in the same county as and a convention center district. It shall have a hotel with a minimum of 1000 rooms.
 - b. The Second location must have a population of at least 250k and not more than 900,000. It also must be located in the same county as and in a convention center district. The min investment is \$450M.
3. No one company can own both licenses,
4. Encouraging the casino's use of Georgia vendors and employing Georgian's,
5. Allocation of 70% to HOPE and 30% for needs based scholarships,
6. Disclosure of the names of and fees paid to any attorney, lobbyist, employee, consultant, or other person who has represented the applicant in the 3 years previous to the passage of the bill and during the application process,
7. \$1M application fee,
8. 1 time licensing fee of \$50M with an annual license of \$5M,
9. 20% tax on annual gross receipts,
10. \$250K to support problem gambling,
11. Licensed Suppliers are required to furnish gaming equipment, devices, or supplies. (\$5K license fee annual), and
12. A mandatory minimum prize payout of 85%, and

Notably, the bill is silent on alcohol hours

General

Representative Turner introduced HB 137, prohibiting any attorney appointed by the AG or DA to be compensated on an hourly basis. Additionally, compensation is capped by the value of the assets with arise or are realized. It also requires a written contract be filed with the clerk of court as well as copies provided to the presiding judge and Prosecuting Attorney's Council of GA.



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The House passed HB 43, the 'amended' or 'supplemental' budget. The bill made only small modifications to the Governor's proposed budget. Notable facts and inclusions in the \$23.4 billion dollars include:

- \$660 million in new revenue,
- \$111 million for schools due to population growth,
- \$27 million supporting pay raises for law enforcement, and
- \$5 million for emergency assistance for the South Georgia tornado and storm areas.

A number of employment related bills were introduced by Democrats.

- SB 28, increases the minimum wage to \$15 per hour
- SB 60, Georgia Equal Pay Act, prohibits employers paying different wages based on sex and allows employees to discuss wages, salary etc with other employees.
- SB 63, Georgia Family Medical Leave Act, creates a FMLA 'insurance' fund to be paid through a wage tax split by employees and employers (1.5%)

State of the Judiciary

This week legislators heard from the Chief Justice the State of the Judiciary. Chief Justice Hines outlined the accomplishments of the past year and articulated the challenges to come. Georgia has the highest probation rate in the country. In fact, it we have four times more adults on probation than the national average. Many of our probationers are on probation for minor violation due to a lack of ability to pay fines. Additionally, he commented on the need to provide legal assistance for individuals who are in the gap between being able to afford an attorney and qualifying for legal aid.

Schedule

Next week, legislators will again be in session Monday through Thursday, legislative days 9-12. We anticipate a new schedule to be unveiled next week.

Please let me know if you have any questions or concerns.

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