



LEGISLATIVE Update

January 13, 2020

2020 Legislative Preview

We expect the state budget to be the big issue in 2020. Despite robust tax collections in Fiscal Year 2019, the first months of FY2020 have already seen lagging revenue collections. In response, Governor Brian Kemp called on all state agencies to present budget cuts of 4% this year and 6% next year in their September requests. However, he exempted the budgets for K-12, higher education, Medicaid, and transportation infrastructure from the required spending cuts.

This week, the Governor will unveil his budget recommendations to the General Assembly and present his State of the State speech on Thursday.

Also, the legislature is expected to consider lowering the state income tax an additional quarter of percent this session from 5.75 percent to 5.5 percent after lowering the sales tax from 6 percent to 5.75 percent during the 2018 session. Additionally, a discussion of the benefit and viability of existing tax credits, including the film tax credit, is expected.

Because 2020 is an election year, the conventional wisdom is that the legislature will be working fast and seeking to adjourn by then end of March. However, we have been monitoring the House and Senate study committees that have met throughout the interim, examining a variety of specific issues, and will report on any legislation from these efforts.

Election years tend to produce several bills addressing political issues. While many of these issues will not advance, we expect a lot of noise on these types of issues. One of the most contentious potential legislative issues for this session is gaming. While the topic of gaming has been around the Capitol for the last several years, the prediction of a mild economic recession has brought to the forefront the need to

increase revenues. Part of the discussion has centered on what type of gaming to allow, if any- sports betting, casinos, and horseracing are all part of the conversation. Governor Kemp has weighed in on the matter as much as saying while he does not support gaming, he would not oppose any resolution calling for the required constitutional amendment.

Other topics of discussion and investigation from the interim include vaping, tort reform, improving higher education outcomes, and Georgia's dual enrollment program. Additionally, supporting rural Georgia has been a priority for both Governor Kemp and the House Rural Development Council, and while the House Rural Development Council will continue their work through the end of 2020, legislation benefitting rural Georgia is likely for this session.

Our team of Mark, Lynne, Hannah and Brooke look forward to working with you in the 2020 General Assembly.