ABC of Georgia Weekly Legislative Report - 3.9.20

By Rusty Paul

The legislature spent the week preparing for an important deadline ahead as the 25th legislative day – the point at which a bill must pass at least one chamber to become law this session. Any bill not becoming law this session must be refiled in 2021 when the new legislature comes to town.

While the number of floor votes has increased, most of the work has remained in committee where bills are reviewed and “perfected” before moving to a floor vote. The quotation marks around the word “perfected,” is clearly an indication that perfection is a matter of perspective.

Regardless, the legislature is in session three days this week culminating on Thursday with the infamous Crossover Day where a cavalcade of bills will move across both the House and Senate floors in quick procession as each chamber clears out its own bills and prepares to start working on the other body’s bills for the final 15 legislative days.

**ABC Under the Gold Dome Meeting at the Capitol** – The annual visit to the Gold Dome is set for 8 a.m. Tuesday, March 10 in Capitol Mezzanine 2, which is a conference room between the 3rd and 4th floors on the Senate side of the building. We have four legislators lined up to brief us: Rep. Deborah Silcox, Rep. John Carson, Rep. David Knight and Sen. Blake Tillery.

This is the last session before Crossover Day, which means legislators are fighting to ensure their bills reach the floor by Thursday (the session is in recess Wednesday). So, our conversations with legislators may be briefer than normal, but these four legislators are confirmed for our meeting.

**Budget** – The Senate passed the Supplemental Budget, which is the midyear adjustment to the current year’s spending plan, that passed the House earlier in the session. The two Appropriations Committees will be meeting in conference to resolve their differences and quickly thereafter move to the FY 2021 budget, which is the main spending plan for the coming year.

**House Civil Justice Reform Committee** – the Senate has been working on three bills that incorporate the first significant tort reform legislation in over ten years. This week, House Speaker David Ralston created a special committee to look into the state of civil justice and report in the 2021 session. While business leaders are applauding the Speaker’s move, they also see this decision by the House as forestalling the Senate’s civil justice reforms for the 2020 session, which is a major disappointment for business groups that have been working on updating the state’s civil justice laws for more than a year.
**Meanwhile in the Senate** – In spite of that news from the House, the Senate has plowed ahead with three bills designed to update civil justice procedures to rebalance the scales of justice when it comes to the courts.

**SB 415** is a comprehensive, pro-business bill designed to reduce insurance rates for businesses. A complex bill dealing with several areas of civil procedure and practice, the bill addresses litigation involving premises liability, trucking lawsuits, seat belt admissibility in injury claims, asbestos litigation and truth in medical damages suits.

The bill passed the Senate Insurance & Labor Committee this week and is awaiting a Senate floor vote.

Another piece of the civil justice reform initiative is SB 374 which deals with complex settlement offers that have acquired a certain “gotcha” quality due to recent court rulings. This bill clarifies that a request for more information about a proposed settlement offer is not tantamount to a rejection of that offer. These requests for clarification have been deemed to be “bad faith” rejections when the insurance company may truly need additional information to understand the proposed settlement offer.

This bill requires settlement offers to be reasonable, limited in scope, professional and clearly drawn. This bill passed the Senate Monday and is pending in the House Insurance Committee.

**SB 390**, the third reform bill, was approved by Senate Judiciary Committee Thursday. It deals with civil practice by lawyers and judges during litigation to prevent abuses in the litigation process.

**HB 715** – A bill favored by several construction groups had made it to the House floor Tuesday only to be kicked back Committee for further work. This bill changed how local governments charge for business licenses. Currently, business licenses, except for a handful of professions, are based on the “gross receipts” of a business after subcontractor costs and out-of-state revenues are subtracted.

The bill has two parts: 1) requires permit fees to be based solely on the cost of providing the inspections related to the projects; and 2) ending the gross receipts calculations that local governments use to assess business license fees.

The bill was pulled because doctors, lawyers, accountants, engineers and other professionals won a special provision almost 30 years ago that is colloquially called “The $400 Club.” These professionals pay business license fees of $400 per practitioner and they objected to the proposed changes.

The bill is now being split, with the part one, the aspect dealing with permit fees, being incorporated into a new bill clarifying existing state law that says permit fees must be tied to the services rendered. The business license portion will be a separate bill, but unlikely to be brought forward in 2020.

**Lien Law Revisions** – **SB 315**, Sen. Lindsey Tippens bill to restore traditional lien waiver rights and standards has passed the Senate, is now in the House Regulated Industries Committee where it will be heard after Crossover Day.
The bill is needed to correct a Georgia Appeals Court ruling which held that waivers signed during the billing/payment process do, in effect, waive a contractor’s lien rights even if the contractor subsequently goes unpaid and the waiver is canceled.

**Construction Warranties – HB 968** also corrects a Georgia Appeals Court ruling that, in effect, capped construction warranties at eight years. This bill exempts contractual warranties from caps for recovery for damages related to construction at eight years. It has passed the House and is awaiting action in the Senate Judiciary Committee.

**HB 486** - This proposed change prohibits someone who lacks a valid license from the Division of Master Plumbers and Journeymen Plumbers from advertising that they are either a master plumber or journeyman plumber was approved by the House this week and is now in the Senate Regulated Industries & Utilities Committee.

**HB 914** – The House passed this proposition this week to automatically extend Georgia professional and business licenses to military spouses stationed in the state who hold an equivalent license in another state. As passed by the House, the bill contains a provision that the originating state must require comparable training, experience and testing as Georgia for the spouse to qualify for our state license. The bill is now in the Senate Veterans, Military & Veterans Affairs Committee.