



## House Budget and Research Office

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### 2025 SESSION: ECONOMIC DEVELOPMENT BUDGET AND LEGISLATIVE HIGHLIGHTS

Georgia remains the #1 state in which to do business for 11 consecutive years as named by *Area Development Magazine*. According to the Department of Economic Development<sup>1</sup>, Georgia experienced \$186.3 billion in total trade in FY 2024, \$49.7 billion in Georgia exports, and \$43.6 billion in visitor spending, an almost \$4 billion increase from 2022.

#### Budget Highlights

- HB 67, the Amended FY 2025 budget, provides \$501.7 million to the Georgia Environmental Finance Authority to support the development and construction of additional surface water resources for Georgia's coastal region to meet growth in demand.
- The Amended FY 2025 budget provides \$200 million to the Georgia Fund for low-interest loans for water and wastewater infrastructure development in local communities not benefitting from the additional surface water resource funding; \$250 million was also provided in the Amended FY 2024 budget, for a total investment of \$450 million over two years. An additional \$66.1 million is included for state direct investment in water and sewer infrastructure.
- HB 67 includes \$28 million to provide grants and loans for rural workforce housing. The program provides funding for projects that address current workforce housing needs by the expansion or improvement of the housing stock.
- The Amended FY 2025 budget includes \$20 million for grants for rural site development. The Rural Site Development program supports local economic development and is used to help communities establish development-ready sites.
- The General Assembly provides \$5 million to the Department of Community Affairs to recapitalize the Downtown Development Revolving Loan Fund. The program assists local communities revitalize and enhance historic downtown areas.
- HB 67 provides \$32.4 million to the Department of Agriculture for renovations and repairs to the Atlanta Farmers Market, \$420,000 to expand the Georgia Hemp Program, and \$90,228 for the Poultry Veterinary Diagnostic Lab to purchase additional equipment related to Avian Influenza.

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<sup>1</sup>Most recently available numbers provided by the Georgia Department of Economic Development are for FY 2024.

- To keep pace with the growing interest financial institutions have shown in the state, the General Assembly supports the governor's recommendation in HB 67 to provide the Department of Banking and Finance with \$227,411 for two positions and software to address the increased workload expected from new charters. HB 68, the FY 2026 budget, provides \$423,935 to annualize these positions.
- HB 68 provides \$450,000 to the Department of Agriculture for equipment needed to combat the Highly Pathogenic Avian Influenza (HPAI) and \$125,000 for an emergency management specialist position. The General Assembly also provides \$490,873 to annualize positions added in the Amended FY 2025 budget for the Georgia Hemp Program pursuant to SB 494 (2024 Session).
- The FY 2026 budget provides \$2.3 million for the Center for Rural Prosperity and Innovation and reflects the transfer of this program from the Board of Regents to the Department of Agriculture.
- The FY 2026 budget includes an additional \$1.8 million in new funding provided in the Department of Behavioral Health and Developmental Disabilities (DBHDD) for various programs that address homelessness, including 100 new housing voucher slots, outreach services for those with severe mental illness, and a community action team. In the Department of Community Affairs, \$2 million is provided to the State Housing Trust Fund to improve homelessness and \$750,000 is added to the budget to expand the Accountable Housing Initiative.
- HB 68 provides the Georgia Forestry Commission with \$975,420 to aid in preventing and combating wildfires.

### **Legislative Highlights**

- [HB 129](#) (Rep. Chas Cannon, 172<sup>nd</sup>) amends O.C.G.A. 48-5-7.4, related to bona fide conservation use property, to allow property leased by a corporation, partnership, general partnership, limited partnership or corporation, or a limited liability company to qualify as bona fide conservation use property if it meets the following conditions: entity is owned by at least one natural or naturalized citizen, and the primary purpose of the property is related to production of agricultural or timber products. The bill amends O.C.G.A. 48-7-40.26A, relating to tax credits for postproduction expenditures, by extending the programs effective date to January 1, 2026 until January 1, 2031.
- [HB 153](#) (Rep. Beth Camp, 135<sup>th</sup>) amends O.C.G.A. 48-8-3.2, relating to sales and use tax exemptions for certain manufacturing equipment, by extending the sunset date for an exemption on maintenance and replacement parts of machinery or equipment used with mixed concrete from June 30, 2026 to June 30, 2031.
- [HB 216](#) (Rep. Vance Smith, 138<sup>th</sup>) establishes the 'Richard H. Smith Georgia CHIPS Advancement in Research and Development Act.' The bill creates a commission to attract and support semiconductor companies to Georgia by assembling private and public stakeholders, identifying workforce development and training opportunities, and establishing a system for attracting investments. The commission will consist of three members appointed by the governor, two members appointed by the president of the Senate, two members appointed by the speaker of the House, the chancellor of the University System of Georgia or their designee, and the president of the Technical College System of Georgia or their designee.
- [HB 233](#) (Rep. Rick Townsend, 179<sup>th</sup>) designates Brunswick stew as the official state stew, cornbread as the official bread, and the fourth Friday in November of each year as "National Sugarcane Syrup Day" in Georgia. It also prohibits companies of foreign countries from submitting contract proposals to a state agency.

- [HB 416](#) (Rep. Chuck Efstration, 104<sup>th</sup>) amends O.C.G.A. 36-88-6, relating to enterprise zone criteria, to restrict annual enterprise zone infrastructure fees assessed by local governing bodies to being assessed only on retailers that are qualifying businesses or service enterprises receiving a sales and use tax exemption for being located within a designated enterprise zone. The bill amends O.C.G.A. 36-88-10, relating to time limitations for enterprise zones, to change the start of the 30-year duration of an enterprise zone authorized by O.C.G.A. 36-88-6 from beginning to the completion of the redevelopment project, and retiring of any revenue bonds related to the project to the first issuance of a bond with a principal amount of at least \$100,000.
- [HR 557](#) (Rep. Dar'shun Kendrick, 95<sup>th</sup>) creates the House Study Committee on Georgia's Investment Funds. The committee will be comprised of five members of the House of Representatives appointed by the speaker, of which two will be of the Minority Caucus. The committee will stand abolished on December 31, 2025.
- [SB 13](#) (Sen. Carden Summers, 13<sup>th</sup>) allows the Georgia Environmental Finance Authority to provide loans for the supply, distribution, and storage of natural gas. The bill provides for the transition from electrical lines aboveground to underground.