

House Bill 655

By: Representative Stephens of the 164<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 8 of Title 33 of the Official Code of Georgia Annotated, relating to fees  
2 and taxes, so as to provide for tax credits to be used by insurance companies against state  
3 insurance premium tax liability for contributing money to a nonlapsing flood disaster fund  
4 of an eligible county, municipal, or county-municipal consolidated government; to provide  
5 for definitions; to provide for conditions and limitations; to provide for governmental  
6 transparency and accountability; to provide for reporting, rules, and regulations; to provide  
7 for related matters; to provide for an effective date and applicability; to repeal conflicting  
8 laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Chapter 8 of Title 33 of the Official Code of Georgia Annotated, relating to fees and taxes,  
12 is amended by adding a new Code section to read as follows:

13 "33-8-8.7.

14 (a) As used in this Code section, the term:

15 (1) 'Eligible locality' means a county, municipal, or county-municipal consolidated  
16 government in this state that has experienced a flood disaster or is projected likely to

17 experience a flood disaster within its jurisdiction, as determined and updated annually by  
18 the Commissioner.

19 (2) 'Flood disaster fund' means a nonlapsing fund established by an eligible locality and  
20 to which an insurer and others may contribute cash resources to the eligible locality in  
21 order to cover flood disaster recovery expenses and flood disaster risk reduction  
22 expenses.

23 (3) 'Flood disaster recovery expense' means an expense that is caused by or related to a  
24 flood disaster, including, but not limited to, any funds required for the receipt of any and  
25 all available matching funds, from federal or other sources, for flood recovery and related  
26 work; opportunity and financing costs for emergency debt financing of extraordinary  
27 expenses; costs for the restoration of utility services in affected locations; costs for the  
28 restoration of the usability of roads, bridges, transit, and other physical public  
29 infrastructure; costs for the removal of flood-borne waste and debris that prevents or  
30 impairs immediate recovery work; costs for the safe impoundment and disposal of  
31 flood-borne materials; costs for the inventory and evaluation of restoration or  
32 replacement of public and vital private properties needed to restore minimal public health  
33 and safety; cash and other grants for emergency living expenses for victims impacted by  
34 a flood disaster; and extraordinary law enforcement and public safety expenditures.

35 (4) 'Flood disaster risk reduction expense' means an expense incurred by an eligible  
36 locality in order to mitigate the risks of and damages caused by or related to a potential  
37 flood disaster, including, but not limited to, any funds required for the receipt of any and  
38 all available matching funds, from federal or other sources, for flood risk reduction or  
39 mitigation and related work; expenses to establish, operate, or maintain a storm-water  
40 management program, a municipal separate storm sewer system, or infrastructure  
41 improvement to reduce the impact of a potential flood disaster; expenses to take structural  
42 and nonstructural measures to reduce potential flood damage; expenses to install a  
43 disaster warning system or other public information programs; expenses to provide for

44 flood hazard mitigation grants; funds to be used to develop a feasibility study on  
45 storm-water utilities; and funding for grants to explore public-private partnerships.

46 (5) 'Insurer' means a foreign, alien, or domestic insurance company doing business in this  
47 state and having state insurance premium tax liability.

48 (6) 'State insurance premium tax liability' means the state taxes levied on the gross direct  
49 premiums of insurers as provided for in Code Section 33-8-4.

50 (b)(1) An insurer shall be allowed a state insurance premium tax credit in an amount up  
51 to 75 percent of the insurer's state insurance premium tax liability toward an eligible  
52 locality for contributions to such eligible locality's flood disaster fund.

53 (2) The amount of state insurance premium tax credit per eligible locality shall not  
54 exceed \$10 million per annum. The amount of state insurance premium tax credit  
55 provided for under this Code section, alone or in combination with any other credits,  
56 abatements, or refunds, shall not exceed an insurer's state insurance premium tax liability.

57 (3) Any unused state insurance premium tax credit under this Code section shall be  
58 allowed to be carried forward to apply to the insurer's state insurance premium tax  
59 liability up to the succeeding five years; provided, however, that such unused state  
60 insurance premium tax credit shall not exceed 75 percent of the insurer's state insurance  
61 premium tax liability as provided for in paragraph (1) of this subsection. No such state  
62 insurance premium tax credit shall be allowed for the insurer against any prior year's state  
63 insurance premium tax liability. No such state insurance premium tax credit shall be  
64 allowed to be assigned, sold, or transferred.

65 (c) To receive a state insurance premium tax credit under this Code section, the insurer  
66 shall make the contribution to the eligible locality's flood disaster fund and shall submit  
67 documentation specified by the department. If an insurer fails to provide satisfactory  
68 documentation, the Commissioner shall not authorize the requested state insurance  
69 premium tax credit.

70 (d)(1) An eligible locality is authorized, but not required, to establish and maintain a  
71 separate account for its flood disaster fund. At least 80 percent of such fund, excluding  
72 any interest earned, shall be obligated and used for flood disaster recovery expenses and  
73 flood disaster risk reduction expenses. Up to 20 percent of such fund and any interest  
74 earned shall be held in reserve for potential flood disaster recovery expenses. Such  
75 reserved funds shall be available for expenditure upon the declaration of a flood disaster  
76 in the eligible locality.

77 (2) In the adoption of the budget utilizing the flood disaster fund, the governing authority  
78 of the eligible locality shall specify in such budget the amount of such funds expended  
79 annually.

80 (3) An eligible locality shall post annually on its website, or other location with 24 hour  
81 accessibility and visibility to the public, the amount of money retained in and expended  
82 from the flood disaster fund and shall include the itemized uses of such fund.

83 (e) Plans and projects funded by flood risk recovery expenses or flood risk reduction  
84 expenses shall conform with state and federal laws and regulations and shall be in  
85 accordance with best management practices established by the Georgia Emergency  
86 Management and Homeland Security Agency and the State Soil and Water Conservation  
87 Commission.

88 (f) The Commissioner shall determine and update annually a list of eligible localities and  
89 shall post such list on the department's website. The Commissioner shall require reports,  
90 promulgate regulations, and gather relevant data necessary and advisable for the evaluation  
91 of the state insurance premium tax credits provided for in this Code section."

92 **SECTION 2.**

93 This Act shall become effective on January 1, 2024, and shall be applicable to all taxable  
94 years beginning on or after that date.

95

**SECTION 3.**

96 All laws and parts of laws in conflict with this Act are repealed.