

House Resolution 900

By: Representatives Richardson of the 19th, Keen of the 179th, Burkhalter of the 50th, O`Neal of the 146th, Fleming of the 117th, and others

A RESOLUTION

1 Proposing an amendment to the Constitution so as to provide for the comprehensive revision
 2 of provisions regarding taxation and finance and abolish most state and local taxes; to
 3 provide for a comprehensive flat tax to be known as the fair tax; to provide for procedures,
 4 conditions, and limitations; to provide for local revenue guarantee proceeds; to provide for
 5 applicability of prior tax provisions; to change certain provisions regarding certain defaulters;
 6 to change certain provisions regarding specific powers and limitations of powers of the
 7 General Assembly; to change certain provisions regarding other or supplementary
 8 appropriations; to change certain provisions regarding appropriations; to eliminate certain
 9 provisions regarding the motor fuel tax; to change certain provisions regarding firemen´s
 10 pension systems; to change certain provisions regarding special schools; to change certain
 11 provisions regarding educational assistance programs; to change certain provisions regarding
 12 revenue bond limitations; to eliminate and abolish the positions of tax commissioner, tax
 13 collector, or tax receiver; to change certain provisions regarding special districts; to change
 14 certain provisions regarding tax allocation bonds; to change certain provisions regarding
 15 enterprise zones; to eliminate community redevelopment tax incentive programs; to eliminate
 16 certain provisions regarding insurance premium taxes; to change certain provisions regarding
 17 tax allocation with respect to certain regional facilities; to change certain provisions
 18 regarding limitations on local debt; to change certain provisions regarding taxation power of
 19 counties and municipal governments; to change certain provisions regarding development
 20 authorities; to change certain provisions regarding community improvement districts; to
 21 provide for the submission of this amendment for ratification or rejection; and for other
 22 purposes.

23 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

24 SECTION 1.

25 Article II, Section II of the Constitution is amended by revising Paragraph III as follows:

26 "Paragraph III. *Persons not eligible to hold office.* No person who is not a registered
 27 voter; who has been convicted of a felony involving moral turpitude, unless that person´s

1 civil rights have been restored and at least ten years have elapsed from the date of the
 2 completion of the sentence without a subsequent conviction of another felony involving
 3 moral turpitude; who is a defaulter for any federal; or state; taxes or who is a defaulter of
 4 county, municipal, or school system taxes which became due and payable prior to January
 5 1, 2009, required of such officeholder or candidate if such person has been finally
 6 adjudicated by a court of competent jurisdiction to owe those taxes, but such ineligibility
 7 may be removed at any time by full payment thereof, or by making payments to the tax
 8 authority pursuant to a payment plan, or under such other conditions as the General
 9 Assembly may provide by general law; or who is the holder of public funds illegally shall
 10 be eligible to hold any office or appointment of honor or trust in this state. Additional
 11 conditions of eligibility to hold office for persons elected on a write-in vote and for persons
 12 holding offices or appointments of honor or trust other than elected offices created by this
 13 Constitution may be provided by law."

14 SECTION 2.

15 Article III, Section VI of the Constitution is amended by revising Paragraph II as follows:

16 "Paragraph II. *Specific powers.* (a) Without limitation of the powers granted under
 17 Paragraph I, the General Assembly shall have the power to provide by law for:

18 (1) Restrictions upon land use in order to protect and preserve the natural resources,
 19 environment, and vital areas of this state.

20 (2) A militia and for the trial by courts-martial and nonjudicial punishment of its
 21 members, the discipline of whom, when not in federal service, shall be in accordance
 22 with law and the directives of the Governor acting as commander in chief.

23 (3) The participation by the state and political subdivisions and instrumentalities of the
 24 state in federal programs and the compliance with laws relating thereto, including but not
 25 limited to the powers, which may be exercised to the extent and in the manner necessary
 26 to effect such participation and compliance, to tax to the extent specifically authorized
 27 under this Constitution, to expend public money, to condemn property, and to zone
 28 property.

29 (4) The continuity of state and local governments in periods of emergency resulting
 30 from disasters caused by enemy attack including but not limited to the suspension of all
 31 constitutional legislative rules during such emergency.

32 (5) The participation by the state with any county, municipality, nonprofit organization,
 33 or any combination thereof in the operation of any of the facilities operated by such
 34 agencies for the purpose of encouraging and promoting tourism in this state.

35 (6) The control and regulation of outdoor advertising devices adjacent to federal aid
 36 interstate and primary highways and for the acquisition of property or interest therein for

1 such purposes and may exercise the powers of taxation and provide for the expenditure
2 of public funds in connection therewith.

3 (b) The General Assembly shall have the power to implement the provisions of Article
4 I, Section III, Paragraph I(2.); Article IV, Section VIII, Paragraph II; Article IV, Section
5 VIII, Paragraph III; and Article X, Section II, Paragraph XII of the Constitution of 1976
6 in force and effect on June 30, 1983; and all laws heretofore adopted thereunder and valid
7 at the time of their enactment shall continue in force and effect until modified or repealed.

8 (c) The distribution of tractors, farm equipment, heavy equipment, new motor vehicles,
9 and parts therefor in the State of Georgia vitally affects the general economy of the state
10 and the public interest and public welfare. Notwithstanding the provisions of Article I,
11 Section I, Paragraphs I, II, and III or Article III, Section VI, Paragraph V(c) of this
12 Constitution, the General Assembly in the exercise of its police power shall be authorized
13 to regulate tractor, farm equipment, heavy equipment, and new motor vehicle
14 manufacturers, distributors, dealers, and their representatives doing business in Georgia,
15 including agreements among such parties, in order to prevent frauds, unfair business
16 practices, unfair methods of competition, impositions, and other abuses upon its citizens.
17 Any law enacted by the General Assembly shall not impair the obligation of an existing
18 contract but may apply with respect to the renewal of such a contract after the effective
19 date of such law."

20 SECTION 3.

21 Article III, Section VI of the Constitution is amended by revising Paragraph V as follows:

22 "Paragraph V. *Specific limitations.* (a) The General Assembly shall not have the power
23 to grant incorporation to private persons but shall provide by general law the manner in
24 which private corporate powers and privileges may be granted.

25 (b) The General Assembly shall not forgive the forfeiture of the charter of any
26 corporation existing on August 13, 1945, nor shall it grant any benefit to or permit any
27 amendment to the charter of any corporation except upon the condition that the acceptance
28 thereof shall operate as a novation of the charter and that such corporation shall thereafter
29 hold its charter subject to the provisions of this Constitution.

30 (c) The General Assembly shall not have the power to authorize any contract or
31 agreement which may have the effect of or which is intended to have the effect of defeating
32 or lessening competition, or encouraging a monopoly, which are hereby declared to be
33 unlawful and void.

34 (d) The General Assembly shall not have the power to regulate or fix charges of public
35 utilities owned or operated by any county or municipality of this state, except as authorized
36 by this Constitution.

1 (e) No municipal or county authority which is authorized to construct, improve, or
 2 maintain any road or street on behalf of, pursuant to a contract with, or through the use of
 3 ~~taxes~~ an allocation of the local revenue guarantee proceeds or other revenues of a county
 4 or municipal corporation shall be created by any local Act or pursuant to any general Act
 5 nor shall any law specifically relating to any such authority be amended unless the creation
 6 of such authority or the amendment of such law is conditioned upon the approval of a
 7 majority of the qualified voters of the county or municipal corporation affected voting in
 8 a referendum thereon. This subparagraph shall not apply to or affect any state authority."

9 SECTION 4.

10 Article III, Section IX of the Constitution is amended by revising Paragraph V as follows:

11 "Paragraph V. *Other or supplementary appropriations.* In addition to the appropriations
 12 made by the general appropriations Act and amendments thereto, the General Assembly
 13 may make additional appropriations by Acts, which shall be known as supplementary
 14 appropriation Acts, provided no such supplementary appropriation shall be available unless
 15 there is an unappropriated surplus in the state treasury or the revenue necessary to pay such
 16 appropriation shall have been provided by a ~~tax laid for such purpose~~ the fair tax under
 17 Article VII and collected into the general fund of the state treasury. Neither house shall
 18 pass a supplementary appropriation bill until the general appropriations Act shall have been
 19 finally adopted by both houses and approved by the Governor."

20 SECTION 5.

21 Article III, Section IX of the Constitution is amended by revising Paragraph VI as follows:

22 "Paragraph VI. *Appropriations to be for specific sums.* (a) Except as hereinafter
 23 provided, the appropriation for each department, officer, bureau, board, commission,
 24 agency, or institution for which appropriation is made shall be for a specific sum of money;
 25 and no appropriation shall allocate to any object the proceeds of ~~any particular~~ the fair tax
 26 or of any particular fund or a part or percentage thereof.

27 ~~(b) An amount equal to all money derived from motor fuel taxes received by the state in~~
 28 ~~each of the immediately preceding fiscal years, less the amount of refunds, rebates, and~~
 29 ~~collection costs authorized by law, is hereby appropriated for the fiscal year beginning July~~
 30 ~~1, of each year following, for all activities incident to providing and maintaining an~~
 31 ~~adequate system of public roads and bridges in this state, as authorized by laws enacted by~~
 32 ~~the General Assembly of Georgia, and for grants to counties by law authorizing road~~
 33 ~~construction and maintenance, as provided by law authorizing such grants. Said sum is~~
 34 ~~hereby appropriated for, and shall be available for, the aforesaid purposes regardless of~~
 35 ~~whether the General Assembly enacts a general appropriations Act; and said sum need not~~

~~be specifically stated in any general appropriations Act passed by the General Assembly in order to be available for such purposes. However, this shall not preclude the General Assembly from appropriating for such purposes an amount greater than the sum specified above for such purposes. The expenditure of such funds shall be subject to all the rules, regulations, and restrictions imposed on the expenditure of appropriations by provisions of the Constitution and laws of this state, unless such provisions are in conflict with the provisions of this paragraph. And provided, however, that the proceeds of the tax hereby appropriated shall not be subject to budgetary reduction. In the event of invasion of this state by land, sea, or air or in case of a major catastrophe so proclaimed by the Governor, said funds may be utilized for defense or relief purposes on the executive order of the Governor.~~

~~(c)~~(b) A trust fund for use in the reimbursement of a portion of an employer's workers' compensation expenses resulting to an employee from the combination of a previous disability with subsequent injury incurred in employment may be provided for by law. As authorized by law, revenues raised for purposes of the fund may be paid into and disbursed from the trust without being subject to the limitations of subparagraph (a) of this Paragraph or of Article VII, Section III, Paragraph II.

~~(d)~~(c) As provided by law, additional penalties may be assessed in any case in which any court in this state imposes a fine or orders the forfeiture of any bond in the nature of the penalty for all offenses against the criminal and traffic laws of this state or of the political subdivisions of this state. The proceeds derived from such additional penalty assessments may be allocated for the specific purpose of meeting any and all costs, or any portion of the cost, of providing training to law enforcement officers and to prosecuting officials.

~~(e)~~(d) The General Assembly may by general law approved by a three-fifths' vote of both houses designate any part or all of the proceeds of any state tax now or hereafter levied and collected on alcoholic beverages to be used for prevention, education, and treatment relating to alcohol and drug abuse.

~~(f)~~(e) The General Assembly is authorized to provide by law for the creation of a State Children's Trust Fund from which funds shall be disbursed for child abuse and neglect prevention programs. The General Assembly is authorized to appropriate moneys to such fund and such moneys paid into the fund shall not be subject to the provisions of Article III, Section IX, Paragraph IV~~(e)~~(b), relative to the lapsing of funds.

~~(g)~~(f) The General Assembly is authorized to provide by law for the creation of a Seed-Capital Fund from which funds shall be disbursed at the direction of the Advanced Technology Development Center of the University System of Georgia to provide equity and other capital to small, young, entrepreneurial firms engaged in innovative work in the areas of technology, manufacturing, or agriculture. Funds shall be disbursed in the form

1 of loans or investments which shall provide for repayment, rents, dividends, royalties, or
2 other forms of return on investments as provided by law. Moneys received from returns
3 on loans or investments shall be deposited in the Seed-Capital Fund for further
4 disbursement. The General Assembly is authorized to appropriate moneys to such fund
5 and such moneys paid into the fund shall not be subject to the provisions of Article III,
6 Section IX, Paragraph IV~~(c)~~(b) relative to the lapsing of funds. The General Assembly
7 shall be authorized to provide by law for any matters relating to the purpose or provisions
8 of this subparagraph.

9 ~~(tr)~~(g) The General Assembly is authorized to provide by general law for additional
10 penalties or fees in any case in any court in this state in which a person is adjudged guilty
11 of an offense against the criminal or traffic laws of this state or an ordinance of a political
12 subdivision of this state. The General Assembly is authorized to provide by general law
13 for the allocation of such additional penalties or fees for the construction, operation, and
14 staffing of jails, correctional institutions, and detention facilities by counties.

15 ~~(t)~~(h) The General Assembly is authorized to provide by general law for the creation of
16 an Indigent Care Trust Fund. Any hospital, hospital authority, county, or municipality is
17 authorized to contribute or transfer moneys to the fund and any other person or entity
18 specified by the General Assembly may also contribute to the fund. The General Assembly
19 may provide by general law for the dedication and deposit of revenues raised from
20 specified sources for the purposes of the fund into the fund. Moneys in the fund shall be
21 exclusively used for primary health care programs for medically indigent citizens and
22 children of this state, for expansion of Medicaid eligibility and services, or for programs
23 to support rural and other health care providers, primarily hospitals, who disproportionately
24 serve the medically indigent. Any other appropriation from the Indigent Care Trust Fund
25 shall be void. Contributions and revenues deposited to the fund shall not lapse and shall
26 not be subject to the limitations of subparagraph (a) of this Paragraph or of Article VII,
27 Section III, Paragraph II. Contributions in the fund which are not appropriated as required
28 by this subparagraph shall be refunded pro rata to the contributors thereof, as provided by
29 the General Assembly.

30 ~~(j)~~(i) The General Assembly is authorized to provide by general law for the creation of
31 an emerging crops fund from which to pay interest on loans made to farmers to enable such
32 farmers to produce certain crops on Georgia farms and thereby promote economic
33 development. The General Assembly is authorized to appropriate moneys to such fund and
34 moneys so appropriated shall not be subject to the provisions of Article III, Section IX,
35 Paragraph IV~~(c)~~(b), relative to the lapsing of appropriated funds. Interest on loans made
36 to farmers shall be paid from such fund pursuant to such terms, conditions, and
37 requirements as the General Assembly shall provide by general law. The General

1 Assembly may provide by general law for the administration of such fund by such state
2 agency or public authority as the General Assembly shall determine.

3 ~~(k)~~(j) The General Assembly is authorized to provide by general law for additional
4 penalties or fees in any case in any court in this state in which a person is adjudged guilty
5 of an offense involving driving under the influence of alcohol or drugs. The General
6 Assembly is authorized to provide by general law for the allocation of such additional
7 penalties or fees to the Brain and Spinal Injury Trust Fund, as provided by law, for the
8 specified purpose of meeting any and all costs, or any portion of the costs, of providing
9 care and rehabilitative services to citizens of the state who have survived neurotrauma with
10 head or spinal cord injuries. Moneys appropriated for such purposes shall not lapse. The
11 General Assembly may provide by general law for the administration of such fund by such
12 authority as the General Assembly shall determine.

13 ~~(j)~~(k) The General Assembly is authorized to provide by general law for the creation of
14 a roadside enhancement and beautification fund from which funds shall be disbursed for
15 enhancement and beautification of public rights of way; for allocation and dedication of
16 revenue from tree and other vegetation trimming or removal permit fees, other related
17 assessments, and special and distinctive wildflower motor vehicle license plate fees to such
18 fund; that moneys paid into the fund shall not lapse, the provisions of Article III, Section
19 IX, Paragraph IV~~(c)~~(b) notwithstanding; and for any matters relating to the purpose or
20 provisions of this subparagraph. An Act creating such fund and making such provisions
21 effective January 1, 1999, or later may originate or have originated in the Senate or the
22 House of Representatives.

23 ~~(m)~~(l) There shall be within the Department of Agriculture a dog and cat reproductive
24 sterilization support program to control dog and cat overpopulation and thereby reduce the
25 number of animals housed and killed in animal shelters, which program shall be
26 administered by the Commissioner of Agriculture. In order to fund the program, there shall
27 be issued beginning in 2003 specially designed license plates promoting the program. The
28 General Assembly shall provide by law for the issuance of such license plates and for
29 dedication of certain revenue derived from fees for such plates to the support of the
30 program. All such dedicated revenue derived from special license plate fees, any funds
31 appropriated to the department for such purposes, and any voluntary contributions or other
32 funds made available to the department for such purposes and all interest thereon shall be
33 deposited in a special fund for support of the program, shall not be used for any purpose
34 other than support of the program, and shall not lapse. The General Assembly may provide
35 by law for all matters necessary or appropriate to the implementation of this paragraph.

36 ~~(n)~~(m) The General Assembly may provide by law for the issuance and renewal of
37 special motor vehicle license plates that motor vehicle owners may optionally purchase and

1 renew for additional fees. The General Assembly may provide for all or a portion of the
 2 net revenue, as defined by the General Assembly, derived from the additional fees charged
 3 for any such special license plate to be dedicated to an agency, fund, or nonprofit
 4 corporation to implement or support programs related to the nature of the special license
 5 plate, as intended by the authorizing statute. Any dedication of funds enacted pursuant to
 6 the authority of this subparagraph may be in whole or in part for the ultimate use of a
 7 nonprofit corporation, without limitation by Article III, Section VI, Paragraph VI, if the
 8 General Assembly determines that the license plate program and such appropriation will
 9 benefit both the state and the nonprofit corporation. Any law enacted pursuant to the
 10 authority of this subparagraph may provide that funds dedicated pursuant to such law shall
 11 not lapse as otherwise required by Article III, Section IX, Paragraph IV(e)(b). Any law
 12 enacted pursuant to the authority of this subparagraph shall be required to receive a two
 13 thirds' majority vote in both the Senate and the House of Representatives."

14 SECTION 6.

15 Article III, Section X of the Constitution is amended by revising Paragraph IV as follows:

16 "Paragraph IV. *Firemen's Pension System.* ~~The powers of taxation may be exercised by~~
 17 ~~the state through the General Assembly and the~~ state proceeds of the fair tax and the local
 18 revenue guarantee proceeds of counties and municipalities may be expended for the
 19 purpose of paying pensions and other benefits and costs under a firemen's pension system
 20 or systems. ~~The taxes so levied~~ Such proceeds may be collected by such firemen's pension
 21 system or systems and disbursed therefrom by authority of the General Assembly for the
 22 purposes therein authorized."

23 SECTION 7.

24 The Constitution is amended by revising Article VII as follows:

25 "ARTICLE VII.

26 TAXATION AND FINANCE

27 SECTION 1.

28 POWER OF TAXATION

29 Paragraph I. *Taxation; limitations on grants of tax powers.* The state may not suspend
 30 or irrevocably give, grant, limit, or restrain the right of taxation and all laws, grants,
 31 contracts, and other acts to effect any of these purposes are null and void. Except as

1 otherwise provided in this Constitution, the right of taxation shall always be under the
2 complete control of the state.

3 Paragraph II. *Taxing power limited.* (a) ~~The annual levy of state ad valorem taxes on~~
4 ~~tangible property for all purposes, except for defending the state in an emergency, shall not~~
5 ~~exceed one-fourth mill on each dollar of the assessed value of the property. On and after~~
6 ~~January 1, 2009, the following taxes are abolished and repealed and shall not be reenacted~~
7 ~~or reimposed:~~

8 (1) All state, county, municipal, school district, special district, or any other ad valorem
9 taxes on real or personal property;

10 (2) All state and local sales taxes, use taxes, or sales and use taxes whether imposed
11 pursuant to general law or local constitutional amendment;

12 (3) All motor fuel taxes;

13 (4) All unemployment and workers' compensation taxes;

14 (5) All income taxes except as otherwise provided for in Paragraph III of this section;

15 (6) All gross receipts taxes;

16 (7) All insurance premium taxes;

17 (8) All estate taxes;

18 (9) All specific, business, and occupation taxes including but not limited to those taxes
19 levied and collected pursuant to Chapter 13 of Title 48 of the Official Code of Georgia
20 Annotated;

21 (10) All intangible taxes or other documentation and stock transfer taxes; and

22 (11) All utilities taxes.

23 (b) ~~So long as the method of taxation in effect on December 31, 1980, for the taxation~~
24 ~~of shares of stock of banking corporations and other monied capital coming into~~
25 ~~competition with such banking corporations continues in effect, such shares and other~~
26 ~~monied capital may be taxed at an annual rate not exceeding five mills on each dollar of~~
27 ~~the assessed value of the property. A local revenue guarantee is established to provide that~~
28 ~~each local taxing jurisdiction shall not be impaired financially as a result of subparagraph~~
29 ~~(a) of this Paragraph. The local revenue guarantee will ensure that each local taxing~~
30 ~~jurisdiction receives an annual share of revenue essentially equivalent to the amount of~~
31 ~~revenue it received in the 2006 tax year from the taxes specified in subparagraph (a) of this~~
32 ~~Paragraph from which it received proceeds. The total revenue guarantee proceeds a local~~
33 ~~taxing jurisdiction shall be calculated by dividing the total local revenues in 2006 by the~~
34 ~~total state and local revenues in 2006. The resulting quotient shall be multiplied by the fair~~
35 ~~tax on personal income and business value added tax rates of 5.75 percent. The resulting~~
36 ~~product shall equal such jurisdiction's share of local revenue guarantee proceeds.~~

1 (c) Each local taxing jurisdiction shall apply its local revenue guarantee proceeds to
 2 retire any outstanding public debt or bonds or obligations and may use its local revenue
 3 guarantee proceeds to secure or incur future debt or obligations.

4 Paragraph III. *Uniformity; classification of property; assessment of agricultural land;*
 5 *utilities.* ~~(a) All taxes shall be levied and collected under general laws and for public~~
 6 ~~purposes only. Except as otherwise provided in subparagraphs (b), (c), (d), and (e), all~~
 7 ~~taxation shall be uniform upon the same class of subjects within the territorial limits of the~~
 8 ~~authority levying the tax.~~

9 ~~(b)(1) Except as otherwise provided in this subparagraph (b), classes of subjects for~~
 10 ~~taxation of property shall consist of tangible property and one or more classes of~~
 11 ~~intangible personal property including money; provided, however, that any taxation of~~
 12 ~~intangible personal property may be repealed by general law without approval in a~~
 13 ~~referendum effective for all taxable years beginning on or after January 1, 1996.~~

14 ~~(2) Subject to the conditions and limitations specified by law, each of the following~~
 15 ~~types of property may be classified as a separate class of property for ad valorem property~~
 16 ~~tax purposes and different rates, methods, and assessment dates may be provided for such~~
 17 ~~properties:~~

18 ~~(A) Trailers.~~

19 ~~(B) Mobile homes other than those mobile homes which qualify the owner of the~~
 20 ~~home for a homestead exemption from ad valorem taxation.~~

21 ~~(C) Heavy-duty equipment motor vehicles owned by nonresidents and operated in~~
 22 ~~this state.~~

23 ~~(3) Motor vehicles may be classified as a separate class of property for ad valorem~~
 24 ~~property tax purposes, and such class may be divided into separate subclasses for ad~~
 25 ~~valorem purposes. The General Assembly may provide by general law for the ad~~
 26 ~~valorem taxation of motor vehicles including, but not limited to, providing for different~~
 27 ~~rates, methods, assessment dates, and taxpayer liability for such class and for each of its~~
 28 ~~subclasses and need not provide for uniformity of taxation with other classes of property~~
 29 ~~or between or within its subclasses. The General Assembly may also determine what~~
 30 ~~portion of any ad valorem tax on motor vehicles shall be retained by the state. As used~~
 31 ~~in this subparagraph, the term 'motor vehicles' means all vehicles which are~~
 32 ~~self-propelled.~~

33 ~~(e) Tangible real property, but no more than 2,000 acres of any single property owner,~~
 34 ~~which is devoted to bona fide agricultural purposes shall be assessed for ad valorem~~
 35 ~~taxation purposes at 75 percent of the value which other tangible real property is assessed.~~
 36 ~~No property shall be entitled to receive the preferential assessment provided for in this~~
 37 ~~subparagraph if the property which would otherwise receive such assessment would result~~

1 in any person who has a beneficial interest in such property, including any interest in the
2 nature of stock ownership, receiving the benefit of such preferential assessment as to more
3 than 2,000 acres. No property shall be entitled to receive the preferential assessment
4 provided for in this subparagraph unless the conditions set out below are met:

5 (1) The property must be owned by:

6 (A)(i) One or more natural or naturalized citizens;

7 (ii) An estate of which the devisee or heirs are one or more natural or naturalized
8 citizens; or

9 (iii) A trust of which the beneficiaries are one or more natural or naturalized
10 citizens; or

11 (B) A family-owned farm corporation, the controlling interest of which is owned by
12 individuals related to each other within the fourth degree of civil reckoning, or which
13 is owned by an estate of which the devisee or heirs are one or more natural or
14 naturalized citizens, or which is owned by a trust of which the beneficiaries are one or
15 more natural or naturalized citizens, and such corporation derived 80 percent or more
16 of its gross income from bona fide agricultural pursuits within this state within the year
17 immediately preceding the year in which eligibility is sought.

18 (2) The General Assembly shall provide by law:

19 (A) For a definition of the term 'bona fide agricultural purposes,' but such term shall
20 include timber production;

21 (B) For additional minimum conditions of eligibility which such properties must
22 meet in order to qualify for the preferential assessment provided for herein, including,
23 but not limited to, the requirement that the owner be required to enter into a covenant
24 with the appropriate taxing authorities to maintain the use of the properties in bona fide
25 agricultural purposes for a period of not less than ten years and for appropriate penalties
26 for the breach of any such covenant.

27 (3) In addition to the specific conditions set forth in this subparagraph (c), the General
28 Assembly may place further restrictions upon, but may not relax, the conditions of
29 eligibility for the preferential assessment provided for herein.

30 (d)(1) The General Assembly shall be authorized by general law to establish as a
31 separate class of property for ad valorem tax purposes any tangible real property which
32 is listed in the National Register of Historic Places or in a state historic register
33 authorized by general law. For such purposes, the General Assembly is authorized by
34 general law to establish a program by which certain properties within such class may be
35 assessed for taxes at different rates or valuations in order to encourage the preservation
36 of such historic properties and to assist in the revitalization of historic areas.

1 ~~(2) The General Assembly shall be authorized by general law to establish as a separate~~
 2 ~~class of property for ad valorem tax purposes any tangible real property on which there~~
 3 ~~have been releases of hazardous waste, constituents, or substances into the environment.~~
 4 ~~For such purposes, the General Assembly is authorized by general law to establish a~~
 5 ~~program by which certain properties within such class may be assessed for taxes at~~
 6 ~~different rates or valuations in order to encourage the cleanup, reuse, and redevelopment~~
 7 ~~of such properties and to assist in the revitalization thereof by encouraging remedial~~
 8 ~~action.~~

9 ~~(e) The General Assembly shall provide by general law:~~

10 ~~(1) For the definition and methods of assessment and taxation, such methods to include~~
 11 ~~a formula based on current use, annual productivity, and real property sales data, of: 'bona~~
 12 ~~fide conservation use property' to include bona fide agricultural and timber land not to~~
 13 ~~exceed 2,000 acres of a single owner; and 'bona fide residential transitional property,' to~~
 14 ~~include private single-family residential owner-occupied property located in transitional~~
 15 ~~developing areas not to exceed five acres of any single owner. Such methods of~~
 16 ~~assessment and taxation shall be subject to the following conditions:~~

17 ~~(A) A property owner desiring the benefit of such methods of assessment and~~
 18 ~~taxation shall be required to enter into a covenant to continue the property in bona fide~~
 19 ~~conservation use or bona fide residential transitional use; and~~

20 ~~(B) A breach of such covenant within ten years shall result in a recapture of the tax~~
 21 ~~savings resulting from such methods of assessment and taxation and may result in other~~
 22 ~~appropriate penalties;~~

23 ~~(2) That standing timber shall be assessed only once, and such assessment shall be~~
 24 ~~made following its harvest or sale and on the basis of its fair market value at the time of~~
 25 ~~harvest or sale. Said assessment shall be two and one-half times the assessed percentage~~
 26 ~~of value fixed by law for other real property taxed under the uniformity provisions of~~
 27 ~~subparagraph (a) of this Paragraph but in no event greater than its fair market value; and~~
 28 ~~for a method of temporary supplementation of the property tax digest of any county if the~~
 29 ~~implementation of this method of taxing timber reduces the tax digest by more than 20~~
 30 ~~percent, such supplemental assessed value to be assigned to the properties otherwise~~
 31 ~~benefiting from such method of taxing timber.~~

32 ~~(f) The General Assembly may provide for a different method and time of returns,~~
 33 ~~assessments, payment, and collection of ad valorem taxes of public utilities, but not on a~~
 34 ~~greater assessed percentage of value or at a higher rate of taxation than other properties;~~
 35 ~~except that property provided for in subparagraph (c), (d), or (e): *Fair tax.* (a) The~~
 36 ~~General Assembly shall provide by general law for a comprehensive flat tax which shall~~
 37 ~~be known as the fair tax. Such tax shall replace the state income tax laws of this state and~~

1 shall consist of a personal income tax at the initial rate of 5.75 percent and a business value
 2 added tax at the initial rate of 5.75 percent. Such initial tax rates may be increased or
 3 reduced as determined by general law.

4 (b) The fair tax for individuals other than independent contractors shall include taxable
 5 income from all sources. Exclusions from such tax shall only include charitable
 6 contributions; mortgage interest; social security benefits, unemployment benefits, and other
 7 designated tax-exempt benefits; and rental payments with respect for primary shelter. The
 8 resulting income after exclusions shall be multiplied by 5.75 percent.

9 (c) The fair tax for independent contractors possessing a taxpayer identification number
 10 shall include taxable income from the total dollar value of sales, including, but not limited
 11 to, personal services, but excluding purchases from other businesses and independent
 12 contractors possessing taxpayer identification numbers of items used exclusively to
 13 generate sales and revenues; purchases from other businesses and independent contractors
 14 possessing taxpayer identification numbers of imported goods or services used exclusively
 15 to generate sales and revenues; and depreciation of pre-flat tax rate depreciable assets at
 16 their regular depreciation schedules. The same exclusions from such tax as specified in
 17 subparagraph (b) of this Paragraph shall also apply with respect to this subparagraph. The
 18 resulting income after exclusions shall be multiplied by 5.75 percent.

19 (d) The fair tax for business value added for all entities possessing a taxpayer
 20 identification number, including independent contractors, shall be the total dollar value of
 21 all sales during the year less all purchases from entities that possess a taxpayer
 22 identification number including independent contractors; all purchases from entities that
 23 possess a taxpayer identification number of imported goods; depreciation of pre-flat tax
 24 rate depreciable assets at their regular depreciation schedules; bad debts incurred; and
 25 charitable contributions. The resulting income after exclusions shall be multiplied by 5.75
 26 percent.

27 **SECTION II.**

28 **EXEMPTIONS FROM AD VALOREM TAXATION**

29 Paragraph I. *Unauthorized tax exemptions void.* Except as authorized in or pursuant to
 30 this Constitution, all laws exempting property from ad valorem taxation are void.

31 Paragraph II. *Exemptions from taxation of property.* (a) (1) Except as otherwise
 32 provided in this Constitution, no property shall be exempted from ad valorem taxation
 33 unless the exemption is approved by two-thirds of the members elected to each branch
 34 of the General Assembly in a roll-call vote and by a majority of the qualified electors of
 35 the state voting in a referendum thereon.

1 ~~(2) Homestead exemptions from ad valorem taxation levied by local taxing~~
 2 ~~jurisdictions may be granted by local law conditioned upon approval by a majority of the~~
 3 ~~qualified electors residing within the limits of the local taxing jurisdiction voting in a~~
 4 ~~referendum thereon.~~

5 ~~(3) Laws subject to the requirement of a referendum as provided in this subparagraph~~
 6 ~~(a) may originate in either the Senate or the House of Representatives.~~

7 ~~(4) The requirements of this subparagraph (a) shall not apply with respect to a law~~
 8 ~~which codifies or recodifies an exemption previously authorized in the Constitution of~~
 9 ~~1976 or an exemption authorized pursuant to this Constitution.~~

10 ~~(b) The grant of any exemption from ad valorem taxation shall be subject to the~~
 11 ~~conditions, limitations, and administrative procedures specified by law.~~

12 ~~Paragraph III. *Exemptions which may be authorized locally.* (a) (1) The governing~~
 13 ~~authority of any county or municipality, subject to the approval of a majority of the~~
 14 ~~qualified electors of such political subdivision voting in a referendum thereon, may~~
 15 ~~exempt from ad valorem taxation, including all such taxation levied for educational~~
 16 ~~purposes and for state purposes, inventories of goods in the process of manufacture or~~
 17 ~~production, and inventories of finished goods.~~

18 ~~(2) Exemptions granted pursuant to this subparagraph (a) may only be revoked by a~~
 19 ~~referendum election called and conducted as provided by law. The call for such~~
 20 ~~referendum shall not be issued within five years from the date such exemptions were first~~
 21 ~~granted and, if the results of the election are in favor of the revocation of such~~
 22 ~~exemptions, then such revocation shall be effective only at the end of a five-year period~~
 23 ~~from the date of such referendum.~~

24 ~~(3) The implementation, administration, and revocation of the exemptions authorized~~
 25 ~~in this subparagraph (a) shall be provided for by law. Until otherwise provided by law,~~
 26 ~~the grant of the exemption shall be subject to the same conditions, limitations, definitions,~~
 27 ~~and procedures provided for the grant of such exemption in the Constitution of 1976 on~~
 28 ~~June 30, 1983.~~

29 ~~(b) Repealed.~~

30 ~~Paragraph IV. *Current property tax exemptions preserved.* Those types of exemptions~~
 31 ~~from ad valorem taxation provided for by law on June 30, 1983, are hereby continued in~~
 32 ~~effect as statutory law until otherwise provided for by law. Any law which reduces or~~
 33 ~~repeals any homestead exemption in existence on June 30, 1983, or created thereafter must~~
 34 ~~be approved by two-thirds of the members elected to each branch of the General Assembly~~
 35 ~~in a roll-call vote and by a majority of the qualified electors of the state or the affected local~~
 36 ~~taxing jurisdiction voting in a referendum thereon. Any law which reduces or repeals~~
 37 ~~exemptions granted to religious or burial grounds or institutions of purely public charity~~

1 must be approved by two-thirds of the members elected to each branch of the General
2 Assembly.

3 Paragraph V. ~~*Disabled veteran's homestead exemption.*~~ Except as otherwise provided
4 in this paragraph, the amount of the homestead exemption granted to disabled veterans
5 shall be the greater of \$32,500.00 or the maximum amount which may be granted to a
6 disabled veteran under Section 802 of Title 38 of the United States Code as hereafter
7 amended. Such exemption shall be granted to: those persons eligible for such exemption
8 on June 30, 1983; to disabled American veterans of any war or armed conflict who are
9 disabled due to loss or loss of use of one lower extremity together with the loss or loss of
10 use of one upper extremity which so affects the functions of balance or propulsion as to
11 preclude locomotion without the aid of braces, crutches, canes, or a wheelchair; and to
12 disabled veterans hereafter becoming eligible for assistance in acquiring housing under
13 Section 801 of the United States Code as hereafter amended. The General Assembly may
14 by general law provide for a different amount or a different method of determining the
15 amount of or eligibility for the homestead exemption granted to disabled veterans. Any
16 such law shall be enacted by a simple majority of the votes of all the members to which
17 each house is entitled and may become effective without referendum. Such law may
18 provide that the amount of or eligibility for the exemption shall be determined by reference
19 to laws enacted by the United States Congress.

20 SECTION II.

21 PRIOR TAX LAWS

22 Paragraph I. *Applicability.* State and local tax, penalty, and interest liabilities and
23 refund eligibility for tax years on periods prior to January 1, 2009, shall be governed by the
24 provisions of this Constitution and general laws as they existed immediately prior to
25 January 1, 2009.

26 Paragraph II. *Exemptions from taxation of property.* All state and local exemptions
27 from ad valorem taxation of real or personal property are hereby repealed.

28 SECTION III.

29 HOMEOWNER'S INCENTIVE ADJUSTMENT

30 Paragraph I. ~~*State grants; adjustment amount.*~~ For each taxable year, a homeowner's
31 incentive adjustment may be applied to the return of each taxpayer claiming such
32 state-wide homestead exemption as may be specified by general law. The amount of such
33 adjustment may provide a taxpayer with a benefit equivalent to a homestead exemption of

1 ~~up to \$18,000.00 of the assessed value of a taxpayer's homestead or the taxpayer's ad~~
 2 ~~valorem property tax liability on the homestead, whichever is lower. The General~~
 3 ~~Assembly may appropriate such amount each year for grants to local governments and~~
 4 ~~school districts as homeowner tax relief grants. The adjustments and grants authorized by~~
 5 ~~this Paragraph shall be made in such manner and shall be subject to the procedures and~~
 6 ~~conditions as may be specified by general law heretofore or hereafter enacted.~~

7 SECTION III.

8 PURPOSES AND METHOD OF STATE TAXATION

9 Paragraph I. *Taxation; purposes for which powers may be exercised.* (a) Except as
 10 otherwise provided in this Constitution, the power of taxation over the whole state may be
 11 exercised for any purpose authorized by general law. Any purpose for which the powers
 12 of taxation over the whole state could have been exercised on June 30, 1983, shall continue
 13 to be a purpose for which such powers may be exercised.

14 ~~(b) Subject to conditions and limitations as may be provided by law, the power of~~
 15 ~~taxation may be exercised to make grants for tax relief purposes to persons for sales tax~~
 16 ~~paid and not otherwise reimbursed on prescription drugs. Credits or relief provided~~
 17 ~~hereunder may be limited only to such reasonable classifications of taxpayers as may be~~
 18 ~~specified by law.~~

19 Paragraph II. *Revenue to be paid into general fund.* (a) Except as otherwise provided
 20 in this Constitution, all revenue collected from taxes, fees, and assessments for state
 21 purposes, as authorized by revenue measures enacted by the General Assembly, shall be
 22 paid into the general fund of the state treasury.

23 (b)(1) As authorized by law providing for the promotion of any one or more types of
 24 agricultural products, fees, assessments, and other charges collected on the sale or
 25 processing of agricultural products need not be paid into the general fund of the state
 26 treasury. The uniformity requirement of this article shall be satisfied by the application
 27 of the agricultural promotion program upon the affected products.

28 (2) As used in this subparagraph, 'agricultural products' includes, but is not limited to,
 29 registered livestock and livestock products, poultry and poultry products, timber and
 30 timber products, fish and seafood, and the products of the farms and forests of this state.

31 Paragraph III. *Grants to counties and municipalities.* State funds may be granted to
 32 counties and municipalities within the state. The grants authorized by this Paragraph shall
 33 be made in such manner and form and subject to the procedures and conditions specified
 34 by law. The law providing for any such grant may limit the purposes for which the grant
 35 funds may be expended.

SECTION IV.**STATE DEBT**

Paragraph I. *Purposes for which debt may be incurred.* The state may incur:

(a) Public debt without limit to repel invasion, suppress insurrection, and defend the state in time of war.

(b) Public debt to supply a temporary deficit in the state treasury in any fiscal year created by a delay in collecting the taxes of that year. Such debt shall not exceed, in the aggregate, 5 percent of the total revenue receipts, less refunds, of the state treasury in the fiscal year immediately preceding the year in which such debt is incurred. The debt incurred shall be repaid on or before the last day of the fiscal year in which it is incurred out of taxes levied for that fiscal year. No such debt may be incurred in any fiscal year under the provisions of this subparagraph (b) if there is then outstanding unpaid debt from any previous fiscal year which was incurred to supply a temporary deficit in the state treasury.

(c) General obligation debt to acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, buildings, structures, equipment, or facilities of the state, its agencies, departments, institutions, and of those state authorities which were created and activated prior to November 8, 1960.

(d) General obligation debt to provide educational facilities for county and independent school systems and to provide public library facilities for county and independent school systems, counties, municipalities, and boards of trustees of public libraries or boards of trustees of public library systems, and, when the construction of such educational or library facilities has been completed, the title to such facilities shall be vested in the respective local boards of education, counties, municipalities, or public library boards of trustees for which such facilities were constructed.

(e) General obligation debt in order to make loans to counties, municipal corporations, political subdivisions, local authorities, and other local government entities for water or sewerage facilities or systems or for regional or multijurisdictional solid waste recycling or solid waste facilities or systems. It shall not be necessary for the state or a state authority to hold title to or otherwise be the owner of such facilities or systems. General obligation debt for these purposes may be authorized and incurred for administration and disbursement by a state authority created and activated before, on, or after November 8, 1960.

(f) Guaranteed revenue debt by guaranteeing the payment of revenue obligations issued by an instrumentality of the state if such revenue obligations are issued to finance:

(1) Toll bridges or toll roads.

1 (2) Land public transportation facilities or systems.

2 (3) Water facilities or systems.

3 (4) Sewage facilities or systems.

4 (5) Loans to, and loan programs for, citizens of the state for educational purposes.

5 (6) Regional or multijurisdictional solid waste recycling or solid waste facilities or
6 systems.

7 Paragraph II. ***State general obligation debt and guaranteed revenue debt; limitations.***

8 (a) As used in this Paragraph and Paragraph III of this section, 'annual debt service
9 requirements' means the total principal and interest coming due in any state fiscal year.
10 With regard to any issue of debt incurred wholly or in part on a term basis, 'annual debt
11 service requirements' means an amount equal to the total principal and interest payments
12 required to retire such issue in full divided by the number of years from its issue date to its
13 maturity date.

14 (b) No debt may be incurred under subparagraphs (c), (d), and (e) of Paragraph I of this
15 section or Paragraph V of this section at any time when the highest aggregate annual debt
16 service requirements for the then current year or any subsequent year for outstanding
17 general obligation debt and guaranteed revenue debt, including the proposed debt, and the
18 highest aggregate annual payments for the then current year or any subsequent fiscal year
19 of the state under all contracts then in force to which the provisions of the second
20 paragraph of Article IX, Section VI, Paragraph I(a) of the Constitution of 1976 are
21 applicable, exceed 10 percent of the total revenue receipts, less refunds of the state treasury
22 in the fiscal year immediately preceding the year in which any such debt is to be incurred.

23 (c) No debt may be incurred under subparagraphs (c) and (d) of Paragraph I of this
24 section at any time when the term of the debt is in excess of 25 years.

25 (d) No guaranteed revenue debt may be incurred to finance water or sewage treatment
26 facilities or systems when the highest aggregate annual debt service requirements for the
27 then current year or any subsequent fiscal year of the state for outstanding or proposed
28 guaranteed revenue debt for water facilities or systems or sewage facilities or systems
29 exceed 1 percent of the total revenue receipts less refunds, of the state treasury in the fiscal
30 year immediately preceding the year in which any such debt is to be incurred.

31 (e) The aggregate amount of guaranteed revenue debt incurred to make loans for
32 educational purposes that may be outstanding at any time shall not exceed \$18 million, and
33 the aggregate amount of guaranteed revenue debt incurred to purchase, or to lend or deposit
34 against the security of, loans for educational purposes that may be outstanding at any time
35 shall not exceed \$72 million.

36 Paragraph III. ***State general obligation debt and guaranteed revenue debt; conditions***
37 ***upon issuance; sinking funds and reserve funds.*** (a) (1) General obligation debt may

1 not be incurred until legislation is enacted stating the purposes, in general or specific
2 terms, for which such issue of debt is to be incurred, specifying the maximum principal
3 amount of such issue and appropriating an amount at least sufficient to pay the highest
4 annual debt service requirements for such issue. All such appropriations for debt service
5 purposes shall not lapse for any reason and shall continue in effect until the debt for
6 which such appropriation was authorized shall have been incurred, but the General
7 Assembly may repeal any such appropriation at any time prior to the incurring of such
8 debt. The General Assembly shall raise by taxation and appropriate each fiscal year, in
9 addition to the sum necessary to make all payments required under contracts entitled to
10 the protection of the second paragraph of Paragraph I(a), Section VI, Article IX of the
11 Constitution of 1976, such amounts as are necessary to pay debt service requirements in
12 such fiscal year on all general obligation debt.

13 (2)(A) The General Assembly shall appropriate to a special trust fund to be designated
14 'State of Georgia General Obligation Debt Sinking Fund' such amounts as are necessary
15 to pay annual debt service requirements on all general obligation debt. The sinking
16 fund shall be used solely for the retirement of general obligation debt payable from the
17 fund. If for any reason the monies in the sinking fund are insufficient to make, when
18 due, all payments required with respect to such general obligation debt, the first
19 revenues thereafter received in the general fund of the state shall be set aside by the
20 appropriate state fiscal officer to the extent necessary to cure the deficiency and shall
21 be deposited by the fiscal officer into the sinking fund. The appropriate state fiscal
22 officer may be required to set aside and apply such revenues at the suit of any holder
23 of any general obligation debt incurred under this section.

24 (B) The obligation to make sinking fund deposits as provided in subparagraph (2)(A)
25 shall be subordinate to the obligation imposed upon the fiscal officers of the state
26 pursuant to the provisions of the second paragraph of Paragraph I(a) of Section VI of
27 Article IX of the Constitution of 1976.

28 (b)(1) Guaranteed revenue debt may not be incurred until legislation has been enacted
29 authorizing the guarantee of the specific issue of revenue obligations then proposed,
30 reciting that the General Assembly has determined such obligations will be
31 self-liquidating over the life of the issue (which determination shall be conclusive),
32 specifying the maximum principal amount of such issue and appropriating an amount at
33 least equal to the highest annual debt service requirements for such issue.

34 (2)(A) Each appropriation made for the purposes of subparagraph (b)(1) shall be paid
35 upon the issuance of said obligations into a special trust fund to be designated 'State of
36 Georgia Guaranteed Revenue Debt Common Reserve Fund' to be held together with all
37 other sums similarly appropriated as a common reserve for any payments which may

1 be required by virtue of any guarantee entered into in connection with any issue of
2 guaranteed revenue obligations. No appropriations for the benefit of guaranteed
3 revenue debt shall lapse unless repealed prior to the payment of the appropriation into
4 the common reserve fund.

5 (B) If any payments are required to be made from the common reserve fund to meet
6 debt service requirements on guaranteed revenue obligations by virtue of an
7 insufficiency of revenues, the amount necessary to cure the deficiency shall be paid
8 from the common reserve fund by the appropriate state fiscal officer. Upon any such
9 payment, the common reserve fund shall be reimbursed from the general funds of the
10 state within ten days following the commencement of any fiscal year of the state for any
11 amounts so paid; provided, however, the obligation to make any such reimbursements
12 shall be subordinate to the obligation imposed upon the fiscal officers of the state
13 pursuant to the second paragraph of Paragraph I(a) of Section VI, Article IX of the
14 Constitution of 1976 and shall also be subordinate to the obligation to make sinking
15 fund deposits for the benefit of general obligation debt. The appropriate state fiscal
16 officer may be required to apply such funds as provided in this subparagraph (b)(2)(B)
17 at the suit of any holder of any such guaranteed revenue obligations.

18 (C) The amount to the credit of the common reserve fund shall at all times be at least
19 equal to the aggregate highest annual debt service requirements on all outstanding
20 guaranteed revenue obligations entitled to the benefit of the fund. If at the end of any
21 fiscal year of the state the fund is in excess of the required amount, the appropriate state
22 fiscal officer, as designated by law, shall transfer the excess amount to the general
23 funds of the state free of said trust.

24 (c) The funds in the general obligation debt sinking fund and the guaranteed revenue debt
25 common reserve fund shall be as fully invested as is practicable, consistent with the
26 requirements to make current principal and interest payments. Any such investments shall
27 be restricted to obligations constituting direct and general obligations of the United States
28 government or obligations unconditionally guaranteed as to the payment of principal and
29 interest by the United States government, maturing no longer than 12 months from date of
30 purchase.

31 Paragraph IV. *Certain contracts prohibited.* The state, and all state institutions,
32 departments and agencies of the state are prohibited from entering into any contract, except
33 contracts pertaining to guaranteed revenue debt, with any public agency, public
34 corporation, authority, or similar entity if such contract is intended to constitute security
35 for bonds or other obligations issued by any such public agency, public corporation, or
36 authority and, in the event any contract between the state, or any state institution,
37 department or agency of the state and any public agency, public corporation, authority or

1 similar entity, or any revenues from any such contract, is pledged or assigned as security
2 for the repayment of bonds or other obligations, then and in either such event, the
3 appropriation or expenditure of any funds of the state for the payment of obligations under
4 any such contract shall likewise be prohibited.

5 Paragraph V. ***Refunding of debt.*** The state may incur general obligation debt or
6 guaranteed revenue debt to fund or refund any such debt or to fund or refund any
7 obligations issued upon the security of contracts to which the provisions of the second
8 paragraph of Paragraph I(a), Section VI, Article IX of the Constitution of 1976 are
9 applicable. The issuance of any such debt for the purposes of said funding or refunding
10 shall be subject to the 10 percent limitation in Paragraph II(b) of this section to the same
11 extent as debt incurred under Paragraph I of this section; provided, however, in making
12 such computation the annual debt service requirements and annual contract payments
13 remaining on the debt or obligations being funded or refunded shall not be taken into
14 account. The issuance of such debt may be accomplished by resolution of the Georgia
15 State Financing and Investment Commission without any action on the part of the General
16 Assembly and any appropriation made or required to be made with respect to the debt or
17 obligation being funded or refunded shall immediately attach and inure to the benefit of the
18 obligations to be issued in connection with such funding or refunding Debt incurred in
19 connection with any such funding or refunding shall be the same as that originally
20 authorized by the General Assembly, except that general obligation debt may be incurred
21 to fund or refund obligations issued upon the security of contracts to which the provisions
22 of the second paragraph of Paragraph I(a), Section VI, Article IX of the Constitution of
23 1976 are applicable and the continuing appropriations required to be made under this
24 Constitution shall immediately attach and inure to the benefit of the obligation to be issued
25 in connection with such funding or refunding with the same force and effect as though said
26 obligations so funded or refunded had originally been issued as a general obligation debt
27 authorized hereunder. The term of a funding or refunding issue pursuant to this Paragraph
28 shall not extend beyond the term of the original debt or obligation and the total interest on
29 the funding or refunding issue shall not exceed the total interest to be paid on such original
30 debt or obligation. The principal amount of any debt issued in connection with such
31 funding or refunding may exceed the principal amount being funded or refunded to the
32 extent necessary to provide for the payment of any premium thereby incurred.

33 Paragraph VI. ***Faith and credit of state pledged debt may be validated.*** The full faith,
34 credit, and taxing power of the state are hereby pledged to the payment of all public debt
35 incurred under this article and all such debt and the interest on the debt shall be exempt
36 from taxation. Such debt may be validated by judicial proceedings in the manner provided
37 by law. Such validation shall be incontestable and conclusive.

1 Paragraph VII. **Georgia State Financing and Investment Commission; duties.** (a) There
2 shall be a Georgia State Financing and Investment Commission. The commission shall
3 consist of the Governor, the President of the Senate, the Speaker of the House of
4 Representatives, the State Auditor, the Attorney General, the director, Fiscal Division,
5 Department of Administrative Services, or such other officer as may be designated by law,
6 and the Commissioner of Agriculture. The commission shall be responsible for the
7 issuance of all public debt and for the proper application, as provided by law, of the
8 proceeds of such debt to the purposes for which it is incurred; provided, however, the
9 proceeds from guaranteed revenue obligations shall be paid to the issuer thereof and such
10 proceeds and the application thereof shall be the responsibility of such issuer. Debt to be
11 incurred at the same time for more than one purpose may be combined in one issue without
12 stating the purpose separately but the proceeds thereof must be allocated, disbursed and
13 used solely in accordance with the original purpose and without exceeding the principal
14 amount authorized for each purpose set forth in the authorization of the General Assembly
15 and to the extent not so used shall be used to purchase and retire public debt. The
16 commission shall be responsible for the investment of all proceeds to be administered by
17 it and, as provided by law, the income earned on any such investments may be used to pay
18 operating expenses of the commission or placed in a common debt retirement fund and
19 used to purchase and retire any public debt, or any bonds or obligations issued by any
20 public agency, public corporation or authority which are secured by a contract to which the
21 provisions of the second paragraph of Paragraph I(a) of Section VI, Article IX of the
22 Constitution of 1976 are applicable. The commission shall have such additional
23 responsibilities, powers, and duties as are provided by law.

24 (b) Notwithstanding subparagraph (a) of this Paragraph, proceeds from general
25 obligation debt issued for making loans to local government entities for water or sewerage
26 facilities or systems or for regional or multijurisdictional solid waste recycling or solid
27 waste facilities or systems as provided in Paragraph I(e) of this section shall be paid or
28 transferred to and administered and invested by the unit of state government or state
29 authority made responsible by law for such activities, and the proceeds and investment
30 earnings thereof shall be applied and disbursed by such unit or authority.

31 Paragraph VIII. **State aid forbidden.** Except as provided in this Constitution, the credit
32 of the state shall not be pledged or loaned to any individual, company, corporation, or
33 association. The state shall not become a joint owner or stockholder in or with any
34 individual, company, association, or corporation.

35 Paragraph IX. **Construction.** Paragraphs I through VIII of this section are for the purpose
36 of providing an effective method of financing the state's needs and their provisions and any
37 law now or hereafter enacted by the General Assembly in furtherance of their provisions

1 shall be liberally construed to effect such purpose. Insofar as any such provisions or any
 2 such law may be inconsistent with any other provisions of this Constitution or of any other
 3 law, the provisions of such Paragraphs and laws enacted in furtherance of such Paragraphs
 4 shall be controlling; provided, however, the provisions of such Paragraphs shall not be so
 5 broadly construed as to cause the same to be unconstitutional and in connection with any
 6 such construction such Paragraphs shall be deemed to contain such implied limitations as
 7 shall be required to accomplish the foregoing.

8 Paragraph X. *Assumption of debts forbidden; exceptions.* The state shall not assume the
 9 debt, or any part thereof, of any county, municipality, or other political subdivision of the
 10 state, unless such debt be contracted to enable the state to repel invasion, suppress civil
 11 disorders or insurrection, or defend itself in time of war and except as may be otherwise
 12 required under Paragraph III of Section I of this article.

13 Paragraph XI. *Section not to unlawfully impair contracts or revive obligations*
 14 *previously voided.* The provisions of this section shall not be construed so as to:

15 (a) Unlawfully impair the obligation of any contract in effect on June 30, 1983.

16 (b) Revive or permit the revival of the obligation of any bond or security declared to be
 17 void by the Constitution of 1976 or any previous Constitution of this state."

18 SECTION 8.

19 Article VIII, Section V of the Constitution amended by revising Paragraph VII as follows:

20 "Paragraph VII. *Special schools.* (a) The General Assembly may provide by law for the
 21 creation of special schools in such areas as may require them and may provide for the
 22 participation of local boards of education in the establishment of such schools under such
 23 terms and conditions as it may provide; but no bonded indebtedness may be incurred nor
 24 ~~a school tax levied~~ for the support of special schools without the approval of a majority of
 25 the qualified voters voting thereon in each of the systems affected. Any special schools
 26 shall be operated in conformity with regulations of the State Board of Education pursuant
 27 to provisions of law. The state ~~is authorized to~~ shall expend funds for the support and
 28 maintenance of special schools in such amount and manner as may be provided by general
 29 law.

30 ~~(b) Nothing contained herein shall be construed to affect the authority of local boards of~~
 31 ~~education or of the state to support and maintain special schools created prior to June 30,~~
 32 ~~1983."~~

33 SECTION 9.

34 Article VIII is amended by revising Section VI as follows:

~~voters residing within the limits of the local taxing jurisdiction voting in a referendum thereon. This tax shall be at the rate of 1 percent and shall be imposed for a period of time not to exceed five years, but in all other respects, except as otherwise provided in this Paragraph, shall correspond to and be levied in the same manner as the tax provided for by Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to the special county 1 percent sales and use tax, as now or hereafter amended. Proceedings for the reimposition of such tax shall be in the same manner as proceedings for the initial imposition of the tax, but the newly authorized tax shall not be imposed until the expiration of the tax then in effect.~~

~~(b) The purpose or purposes for which the proceeds of the tax are to be used and may be expended include:~~

~~(1) Capital outlay projects for educational purposes;~~

~~(2) The retirement of previously incurred general obligation debt with respect only to capital outlay projects of the school system; provided, however, that the tax authorized under this Paragraph shall only be expended for the purpose authorized under this subparagraph (b)(2) if all ad valorem property taxes levied or scheduled to be levied prior to the maturity of any such then outstanding general obligation debt to be retired by the proceeds of the tax imposed under this Paragraph shall be reduced by a total amount equal to the total amount of proceeds of the tax imposed under this Paragraph to be applied to retire such bonded indebtedness. In the event of failure to comply with the requirements of this subparagraph (b)(2), as certified by the Department of Revenue, no further funds shall be expended under this subparagraph (b)(2) by such county or independent board of education and all such funds shall be maintained in a separate, restricted account and held solely for the expenditure for future capital outlay projects for educational purposes; or~~

~~(3) A combination of the foregoing.~~

~~(c) The resolution calling for the imposition of the tax and the ballot question shall each describe:~~

~~(1) The specific capital outlay projects to be funded, or the specific debt to be retired, or both, if applicable;~~

~~(2) The maximum cost of such project or projects and, if applicable, the maximum amount of debt to be retired, which cost and amount of debt shall also be the maximum amount of net proceeds to be raised by the tax; and~~

~~(3) The maximum period of time, to be stated in calendar years or calendar quarters and not to exceed five years.~~

1 ~~(d) Nothing in this Paragraph shall prohibit a county and those municipalities located in~~
2 ~~such county from imposing as additional taxes local sales and use taxes authorized by~~
3 ~~general law.~~

4 ~~(e) The tax imposed pursuant to this Paragraph shall not be subject to and shall not count~~
5 ~~with respect to any general law limitation regarding the maximum amount of local sales~~
6 ~~and use taxes which may be levied in any jurisdiction in this state.~~

7 ~~(f) The tax imposed pursuant to this Paragraph shall not be subject to any sales and use~~
8 ~~tax exemption with respect to the sale or use of food and beverages which is imposed by~~
9 ~~law.~~

10 ~~(g) The net proceeds of the tax shall be distributed between the county school district and~~
11 ~~the independent school districts, or portion thereof, located in such county according to the~~
12 ~~ratio the student enrollment in each school district, or portion thereof, bears to the total~~
13 ~~student enrollment of all school districts in the county or upon such other formula for~~
14 ~~distribution as may be authorized by local law. For purposes of this subparagraph, student~~
15 ~~enrollment shall be based on the latest FTE count prior to the referendum on imposing the~~
16 ~~tax.~~

17 ~~(h) Excess proceeds of the tax which remain following expenditure of proceeds for~~
18 ~~authorized projects or purposes for education shall be used solely for the purpose of~~
19 ~~reducing any indebtedness of the school system. In the event there is no indebtedness, such~~
20 ~~excess proceeds shall be used by such school system for the purpose of reducing its millage~~
21 ~~rate in an amount equivalent to the amount of such excess proceeds.~~

22 ~~(i) The tax authorized by this Paragraph may be imposed, levied, and collected as~~
23 ~~provided in this Paragraph without further action by the General Assembly, but the General~~
24 ~~Assembly shall be authorized by general law to further define and implement its provisions~~
25 ~~including, but not limited to, the authority to specify the percentage of net proceeds to be~~
26 ~~allocated among the projects and purposes for which the tax was levied.~~

27 ~~(j)(1) Notwithstanding any provision of any constitutional amendment continued in force~~
28 ~~and effect pursuant to Article XI, Section I, Paragraph IV(a) and except as otherwise~~
29 ~~provided in subparagraph (j)(2) of this Paragraph, any political subdivision whose ad~~
30 ~~valorem taxing powers are restricted pursuant to such a constitutional amendment may~~
31 ~~receive the proceeds of the tax authorized under this Paragraph or of any local sales and~~
32 ~~use tax authorized by general law, or any combination of such taxes, without any~~
33 ~~corresponding limitation of its ad valorem taxing powers which would otherwise be~~
34 ~~required under such constitutional amendment.~~

35 ~~(2) The restriction on and limitation of ad valorem taxing powers described in~~
36 ~~subparagraph (j)(1) of this Paragraph shall remain applicable with respect to proceeds~~
37 ~~received from the levy of a local sales and use tax specifically authorized by a~~

1 constitutional amendment in force and effect pursuant to Article XI, Section I, Paragraph
 2 IV(a), as opposed to a local sales and use tax authorized by this Paragraph or by general
 3 law."

4 SECTION 10.

5 Article VIII, Section VII of the Constitution is amended by revising Paragraph I as follows:

6 "Paragraph I. *Educational assistance programs authorized.* (a) Pursuant to laws now or
 7 hereafter enacted by the General Assembly, public funds may be expended for any of the
 8 following purposes:

9 (1) To provide grants, scholarships, loans, or other assistance to students and to parents
 10 of students for educational purposes.

11 (2) To provide for a program of guaranteed loans to students and to parents of students
 12 for educational purposes and to pay interest, interest subsidies, and fees to lenders on
 13 such loans. ~~The General Assembly is authorized to provide such tax exemptions to~~
 14 ~~lenders as shall be deemed advisable in connection with such program.~~

15 (3) To match funds now or hereafter available for student assistance pursuant to any
 16 federal law.

17 (4) To provide grants, scholarships, loans, or other assistance to public employees for
 18 educational purposes.

19 (5) To provide for the purchase of loans made to students for educational purposes who
 20 have completed a program of study in a field in which critical shortages exist and for
 21 cancellation of repayment of such loans, interest, and charges thereon.

22 ~~(b) Contributions made in support of any educational assistance program now or~~
 23 ~~hereafter established under provisions of this section may be deductible for state income~~
 24 ~~tax purposes as now or hereafter provided by law.~~

25 ~~(c)~~(b) The General Assembly shall be authorized by general law to provide for an
 26 education trust fund to assist students and parents of students in financing postsecondary
 27 education and to provide for contracts between the fund and purchasers for the advance
 28 payment of tuition by each purchaser for a qualified beneficiary to attend a state institution
 29 of higher education. Such general law shall provide for such terms, conditions, and
 30 limitations as the General Assembly shall deem necessary for the implementation of this
 31 subparagraph. Notwithstanding any provision of this Constitution to the contrary, the
 32 General Assembly shall be authorized to provide for the guarantee of such contracts with
 33 state revenues."

34 SECTION 11.

35 Article IX, Section I of the Constitution is amended by revising Paragraph III as follows:

1 "Paragraph III. *County officers; election; term; compensation.* (a) The clerk of the
 2 superior court, judge of the probate court, and sheriff, ~~tax receiver, tax collector, and tax~~
 3 ~~commissioner, where such office has replaced the tax receiver and tax collector,~~ shall be
 4 elected by the qualified voters of their respective counties for terms of four years and shall
 5 have such qualifications, powers, and duties as provided by general law.

6 (b) County officers listed in subparagraph (a) of this Paragraph may be on a fee basis,
 7 salary basis, or fee basis supplemented by salary, in such manner as may be directed by
 8 law. Minimum compensation for said county officers may be established by the General
 9 Assembly by general law. Such minimum compensation may be supplemented by local
 10 law or, if such authority is delegated by local law, by action of the county governing
 11 authority.

12 (c) ~~The General Assembly may consolidate the offices of tax receiver, and tax collector,~~
 13 ~~and into the office of tax commissioner~~ are abolished effective January 1, 2009. Any
 14 person serving as tax receiver, tax collector, or tax commissioner shall cease to serve as
 15 such at the last moment of December 31, 2008, and no person shall be appointed, selected,
 16 or elected to such position on or after January 1, 2009."

17 SECTION 12.

18 Article IX, Section II of the Constitution is amended by revising Paragraph VI as follows:

19 "Paragraph VI. *Special districts.* As hereinafter provided in this Paragraph, special
 20 districts may be created for the provision of local government services within such districts;
 21 and fees; or assessments, and taxes which are authorized by general law may be levied and
 22 collected within such districts to pay, wholly or partially, the cost of providing such
 23 services therein and to construct and maintain facilities therefor. Such special districts may
 24 be created and fees; or assessments, or taxes which are authorized by general law may be
 25 levied and collected therein by any one or more of the following methods:

26 (a) By general law which directly creates the districts;

27 (b) By general law which requires the creation of districts under conditions specified by
 28 such general law; and

29 (c) By municipal or county ordinance or resolution, except that no such ordinance or
 30 resolution may supersede a law enacted by the General Assembly pursuant to
 31 subparagraphs (a) or (b) of this Paragraph."

32 SECTION 13.

33 Article IX, Section II of the Constitution is amended by revising Paragraph VII as follows:

34 "Paragraph VII. *Community redevelopment.* (a) Each condemnation of privately held
 35 property for redevelopment purposes must be approved by vote of the elected governing

1 authority of the city within which the property is located, if any, or otherwise by the
2 governing authority of the county within which the property is located. The power of
3 eminent domain shall not be used for redevelopment purposes by any entity, except for
4 public use, as defined by general law.

5 (b) The General Assembly is authorized to grant to counties or municipalities for
6 redevelopment purposes and in connection with redevelopment programs, as such purposes
7 and programs are defined by general law, the power to issue tax allocation bonds, as
8 defined by such law, and the power to incur other obligations, without either such bonds
9 or obligations constituting debt within the meaning of Section V of this article, and the
10 power to enter into contracts for any period not exceeding 30 years with private persons,
11 firms, corporations, and business entities; provided, however that repayment of such bonds
12 or obligations shall be pledged only with proceeds of the local revenue guarantee.

13 Notwithstanding the grant of these powers pursuant to general law, no county or
14 municipality may exercise these powers unless so authorized by local law and unless such
15 powers are exercised in conformity with those terms and conditions for such exercise as
16 established by that local law. The provisions of any such local law shall conform to those
17 requirements established by general law regarding such powers. No such local law, or any
18 amendment thereto, shall become effective unless approved in a referendum by a majority
19 of the qualified voters voting thereon in the county or municipality directly affected by that
20 local law.

21 ~~(c) The General Assembly is authorized to provide by general law for the creation of~~
22 ~~enterprise zones by counties or municipalities, or both. Such law may provide for~~
23 ~~exemptions, credits, or reductions of any tax or taxes levied within such zones by the state,~~
24 ~~a county, a municipality, or any combination thereof. Such exemptions shall be available~~
25 ~~only to such persons, firms, or corporations which create job opportunities within the~~
26 ~~enterprise zone for unemployed, low, and moderate income persons in accordance with the~~
27 ~~standards set forth in such general law. Such general law shall further define enterprise~~
28 ~~zones so as to limit such tax exemptions, credits, or reductions to persons and geographic~~
29 ~~areas which are determined to be underdeveloped as evidenced by the unemployment rate~~
30 ~~and the average personal income in the area when compared to the remainder of the state.~~
31 ~~The General Assembly may by general law further define areas qualified for creation of~~
32 ~~enterprise zones and may provide for all matters relative to the creation, approval, and~~
33 ~~termination of such zones.~~

34 ~~(d) The existence in a community of real property which is maintained in a blighted~~
35 ~~condition increases the burdens of state and local government by increasing the need for~~
36 ~~governmental services, including but not limited to social services, public safety services,~~
37 ~~and code enforcement services. Rehabilitation of blighted property decreases the need for~~

1 such governmental services. In recognition of such service needs and in order to encourage
2 community redevelopment, the counties and municipalities of this state are authorized to
3 establish community redevelopment tax incentive programs as authorized in this
4 subparagraph. A community redevelopment tax incentive program shall be established by
5 ordinance of the county or municipality. Any such program and ordinance shall include
6 the following elements:

7 (1) ~~The ordinance shall specify ascertainable standards which shall be applied in~~
8 ~~determining whether property is maintained in a blighted condition. The ordinance shall~~
9 ~~provide that property shall not be subject to official identification as maintained in a~~
10 ~~blighted condition and shall not be subject to increased taxation if the property is a~~
11 ~~dwelling house which is being used as the primary residence of one or more persons; and~~

12 (2) ~~The ordinance shall establish a procedure for the official identification of real~~
13 ~~property in the county or municipality which is maintained in a blighted condition. Such~~
14 ~~procedure shall include notice to the property owner and the opportunity for a hearing~~
15 ~~with respect to such determination.~~

16 (3) ~~The ordinance shall specify an increased rate of ad valorem taxation to be applied~~
17 ~~to property which has been officially identified as maintained in a blighted condition.~~
18 ~~Such increase in the rate of taxation shall be accomplished through application of a factor~~
19 ~~to the millage rate applied to the property, so that such property shall be taxed at a higher~~
20 ~~millage rate than the millage rate generally applied in the county or municipality, or~~
21 ~~otherwise as may be provided by general law.~~

22 (4) ~~The ordinance may, but shall not be required to, segregate revenues arising from~~
23 ~~any increased rate of ad valorem taxation and provide for use of such revenues only for~~
24 ~~community redevelopment purposes;~~

25 (5) ~~The ordinance shall specify ascertainable standards for rehabilitation through~~
26 ~~remedial actions or redevelopment with which the owner of property may comply in~~
27 ~~order to have the property removed from identification as maintained in a blighted~~
28 ~~condition. As used herein, the term 'blighted condition' shall include, at a minimum,~~
29 ~~property that constitutes endangerment to public health or safety;~~

30 (6) ~~The ordinance shall specify a decreased rate of ad valorem taxation to be applied~~
31 ~~for a specified period of time after the county or municipality has accepted a plan~~
32 ~~submitted by the owner for remedial action or redevelopment of the blighted property and~~
33 ~~the owner is in compliance with the terms of the plan. Such decrease in the rate of~~
34 ~~taxation shall be accomplished through application of a factor to the millage rate applied~~
35 ~~to the property, so that such property shall be taxed at a lower millage rate than the~~
36 ~~millage rate generally applied in the county or municipality, or otherwise as may be~~
37 ~~provided by general law.~~

1 ~~the unincorporated areas of counties, of the ad valorem tax millage rate for county or~~
 2 ~~county school district purposes or for the reduction of such ad valorem tax millage rate for~~
 3 ~~both such purposes in connection with imposing or authorizing the imposition of the tax~~
 4 ~~authorized herein or in connection with providing for the distribution of the proceeds~~
 5 ~~derived from the tax authorized herein.~~

6 Paragraph II. ***Power of expenditure.*** The governing authority of any county, municipality,
 7 or combination thereof may expend public funds to perform any public service or public
 8 function as authorized by this Constitution or by law or to perform any other service or
 9 function as authorized by this Constitution or by general law.

10 ~~Paragraph III. ***Purposes of taxation; allocation of taxes.*** No levy need state the~~
 11 ~~particular purposes for which the same was made nor shall any taxes collected be allocated~~
 12 ~~for any particular purpose, unless otherwise provided by this Constitution or by law.~~

13 Paragraph IV III. ***Tax allocation; regional facilities.*** As used in this Paragraph, the term
 14 'regional facilities' means industrial parks, business parks, conference centers, convention
 15 centers, airports, athletic facilities, recreation facilities, jails or correctional facilities, or
 16 other similar or related economic development parks, centers, or facilities or any
 17 combination thereof. Notwithstanding any other provision of this Constitution, a county
 18 or municipality is authorized to enter into contracts with: (1) any county which is
 19 contiguous to such county or the county in which such municipality is located; (2) any
 20 municipality located in such a contiguous county or the same county; or (3) any
 21 combination thereof. Any such contract may be for the purpose of allocating the proceeds
 22 of ad valorem taxes assessed and collected on real property located in such county or
 23 municipality with such other counties or municipalities with which the assessing county
 24 or municipality has entered into agreements for the development of one or more regional
 25 facilities the local revenue guarantee and the allocation of other revenues generated from
 26 such regional facilities. Any such regional facility may be publicly or privately initiated.
 27 The allocation of such tax local revenue guarantee proceeds and other revenues shall be
 28 determined by contract between the affected local governments. Such contract shall
 29 provide for the manner of development, operation, and management of the regional facility
 30 and the sharing of expenses among the contracting local governments and shall specify the
 31 percentage of ad valorem taxes the local revenue guarantee proceeds and other revenues
 32 to be allocated and the method of allocation to each contracting local government. ~~Unless~~
 33 ~~otherwise provided by law, such a regional facility will qualify for the greatest dollar~~
 34 ~~amount of income tax credits which may be provided for by general law for any of the~~
 35 ~~counties or municipalities which have entered into an agreement for the development of~~
 36 ~~the regional facility, regardless of the county or municipality in which the business is~~
 37 ~~physically located.~~ The authority granted to counties and municipalities under this

1 Paragraph shall be subject to any conditions, limitations, and restrictions which may be
2 imposed by general law."

3 **SECTION 15.**

4 Article IX of the Constitution is amended by revising Section V as follows:

5 **"SECTION V.**

6 **LIMITATION ON LOCAL DEBT**

7 Paragraph I. *Debt limitations of counties, municipalities, and other political*
8 *subdivisions.* (a) The debt incurred by any county, municipality, or other political
9 subdivision of this state, including debt incurred on behalf of any special district, shall
10 never exceed 10 percent of the ~~assessed value of all taxable property~~ total revenue receipts,
11 less refunds, within such county, municipality, or political subdivision; and no such county,
12 municipality, or other political subdivision shall incur any new debt without the assent of
13 a majority of the qualified voters of such county, municipality, or political subdivision
14 voting in an election held for that purpose as provided by law.

15 (b) ~~Notwithstanding subparagraph (a) of this Paragraph, all local school systems which~~
16 ~~are authorized by law on June 30, 1983, to incur debt in excess of 10 percent of the~~
17 ~~assessed value of all taxable property therein shall continue to be authorized to incur such~~
18 ~~debt.~~

19 Paragraph II. *Special district debt.* Any county, municipality, or political subdivision of
20 this state may incur debt on behalf of any special district created pursuant to Paragraph VI
21 of Section II of this article. Such debt may be incurred on behalf of such special district
22 where the county, municipality, or other political subdivision shall have, at or before the
23 time of incurring such debt, provided for the ~~assessment and collection of an annual tax~~
24 allocation of a portion of its local revenue guarantee within the special district sufficient
25 in amount to pay the principal of and interest on such debt within 30 years from the
26 incurrence thereof; and no such county, municipality, or other political subdivision shall
27 incur any debt on behalf of such special district without the assent of a majority of the
28 qualified voters of such special district voting in an election held for that purpose as
29 provided by law. No such county, municipality, or other political subdivision shall incur
30 any debt on behalf of such special district in an amount which, when taken together with
31 all other debt outstanding incurred by such county, municipality, or political subdivision
32 and on behalf of any such special district, exceeds 10 percent of the ~~assessed value of all~~
33 ~~taxable property~~ total revenue receipts, less refunds, within such county, municipality, or
34 political subdivision. ~~proceeds of the tax collected as provided herein~~ allocation of the local

1 revenue guarantee shall be placed in a sinking fund to be held on behalf of such special
 2 district and used exclusively to pay off the principal of and interest on such debt thereafter
 3 maturing. Such moneys shall be held and kept separate and apart from all other revenues
 4 collected and may be invested and reinvested as provided by law.

5 Paragraph III. ***Refunding of outstanding indebtedness.*** The governing authority of any
 6 county, municipality, or other political subdivision of this state may provide for the
 7 refunding of outstanding bonded indebtedness without the necessity of a referendum being
 8 held therefor, provided that neither the term of the original debt is extended nor the interest
 9 rate of the original debt is increased. The principal amount of any debt issued in connection
 10 with such refunding may exceed the principal amount being refunded in order to reduce the
 11 total principal and interest payment requirements over the remaining term of the original
 12 issue. The proceeds of the refunding issue shall be used solely to retire the original debt.
 13 The original debt refunded shall not constitute debt within the meaning of Paragraph I of
 14 this section; but the refunding issue shall constitute a debt such as will count against the
 15 limitation on debt measured by 10 percent of ~~assessed value of taxable property~~ total
 16 revenue receipts, less refunds, as expressed in Paragraph I of this section.

17 Paragraph IV. ***Exceptions to debt limitations.*** Notwithstanding the debt limitations
 18 provided in Paragraph I of this section and without the necessity for a referendum being
 19 held therefor, the governing authority of any county, municipality, or other political
 20 subdivision of this state may, subject to the conditions and limitations as may be provided
 21 by general law:

22 (1) ~~Accept~~ accept and use funds granted by and obtain loans from the federal government
 23 or any agency thereof pursuant to conditions imposed by federal law.

24 (2) ~~Incur debt, by way of borrowing from any person, corporation, or association as well~~
 25 ~~as from the state, to pay in whole or in part the cost of property valuation and equalization~~
 26 ~~programs for ad valorem tax purposes.~~

27 Paragraph V. ***Temporary loans authorized.*** The governing authority of any county,
 28 municipality, or other political subdivision of this state may incur debt by obtaining
 29 temporary loans in each year to pay expenses. The aggregate amount of all such loans shall
 30 not exceed 75 percent of the total ~~gross income from taxes~~ revenue receipts, less refunds,
 31 collected in the last preceding year. Such loans shall be payable on or before December
 32 31 of the calendar year in which such loan is made. No such loan may be obtained when
 33 there is a loan then unpaid obtained in any prior year. No such county, municipality, or
 34 other political subdivision of this state shall incur in any one calendar year an aggregate of
 35 such temporary loans or other contracts, notes, warrants, or obligations for current expenses
 36 in excess of the total anticipated revenue for such calendar year.

1 Paragraph VI. ~~*Levy of taxes to pay bonds*~~ *Bond repayment; sinking fund required.* Any
 2 On or after January 1, 2009, any county, municipality, or other political subdivision of this
 3 state shall at or before the time of incurring bonded indebtedness provide for the
 4 ~~assessment and collection of an annual tax~~ allocation of the local revenue guarantee
 5 sufficient in amount to pay the principal and interest of said debt within 30 years from the
 6 incurring of such bonded indebtedness. ~~The proceeds of this tax~~ Such allocated proceeds,
 7 together with any other moneys collected for this purpose, shall be placed in a sinking fund
 8 to be used exclusively for paying the principal of and interest on such bonded debt. Such
 9 moneys shall be held and kept separate and apart from all other revenues collected and may
 10 be invested and reinvested as provided by law.

11 Paragraph VII. *Validity of prior bond issues.* Any and all bond issues validated and
 12 issued prior to ~~June 30, 1983~~ January 1, 2009, shall continue to be valid."

13 SECTION 16.

14 Article IX, Section VI of the Constitution is amended by revising Paragraph II as follows:

15 "Paragraph I. *Revenue bonds; general limitations.* Any county, municipality, or other
 16 political subdivision of this state may issue revenue bonds as provided by general law. The
 17 obligation represented by revenue bonds shall be repayable only out of the revenue derived
 18 from the project and shall not be deemed to be a debt of the issuing political subdivision.
 19 No such issuing political subdivision shall exercise the power of taxation or allocate any
 20 local guarantee revenue proceeds for the purpose of paying any part of the principal or
 21 interest of any such revenue bonds."

22 SECTION 17.

23 Article IX, Section VI of the Constitution is amended by revising Paragraph III as follows:

24 "Paragraph III. *Development authorities.* The development of trade, commerce, industry,
 25 and employment opportunities being a public purpose vital to the welfare of the people of
 26 this state, the General Assembly may create development authorities to promote and further
 27 such purposes or may authorize the creation of such an authority by any county or
 28 municipality or combination thereof under such uniform terms and conditions as it may
 29 deem necessary. The General Assembly ~~may exempt from taxation development authority~~
 30 ~~obligations, properties, activities, or income~~ and may authorize the issuance of revenue
 31 bonds by such authorities which shall not constitute an indebtedness of the state within the
 32 meaning of Section V of this article."

33 SECTION 18.

34 Article IX of the Constitution is amended by revising Section VII as follows:

1 (C) The governing authorities of the county and the municipality if the community
 2 improvement district is located partially within the unincorporated area of a county and
 3 partially within the incorporated area of a municipality; and

4 (2) Written consent to the creation of the community improvement district by:

5 (A) A majority of the owners of real property within the community improvement
 6 district which will be subject to ~~taxes, fees,~~ fees and assessments levied by the
 7 administrative body of the community improvement district; and

8 (B) The owners of real property within the community improvement district which
 9 constitutes at least 75 percent by ~~value~~ acreage of all real property within the
 10 community improvement district which will be subject to ~~taxes, fees,~~ fees and
 11 assessments levied by the administrative body of the community improvement district;
 12 ~~and for this purpose value shall be determined by the most recent approved county ad~~
 13 ~~valorem tax digest.~~

14 (c) The administrative body of each community improvement district may be authorized
 15 to levy ~~taxes, fees,~~ fees and assessments only as authorized by general law within the
 16 community improvement district only on real property used nonresidentially, specifically
 17 excluding all property used for residential, agricultural, or forestry purposes and
 18 specifically excluding tangible personal property and intangible property. Any ~~tax, fee, fee~~
 19 or assessment so levied shall not exceed ~~2 1/2 percent of the assessed value of the real~~
 20 ~~property or such lower limit as may be established by~~ general law. The law creating or
 21 providing for the creation of a community improvement district shall provide that ~~taxes,~~
 22 ~~fees,~~ fees and assessments levied by the administrative body of the community
 23 improvement district shall be equitably apportioned among the properties subject to such
 24 ~~taxes, fees,~~ fees and assessments according to the need for governmental services and
 25 facilities created by the degree of density of development of each such property. The law
 26 creating or providing for the creation of a community improvement district shall provide
 27 that the proceeds of ~~taxes, fees,~~ fees and assessments levied by the administrative body of
 28 the community improvement district shall be used only for the purpose of providing
 29 governmental services and facilities which are specially required by the degree of density
 30 of development within the community improvement district and not for the purpose of
 31 providing those governmental services and facilities provided to the county or municipality
 32 as a whole. Any ~~tax, fee, fee~~ or assessment so levied shall be collected by the county or
 33 municipality for which the community improvement district is created in the same manner
 34 as ~~taxes, fees,~~ fees and assessments levied by such county or municipality. The proceeds
 35 of ~~taxes, fees,~~ fees and assessments so levied, less such fee to cover the costs of collection
 36 as may be specified by law, shall be transmitted by the collecting county or municipality
 37 to the administrative body of the community improvement district and shall be expended

1 by the administrative body of the community improvement district only for the purposes
2 authorized by this Section.

3 Paragraph IV. **Debt.** The administrative body of a community improvement district may
4 incur debt, as authorized by law, without regard to the requirements of Section V of this
5 Article, which debt shall be backed by the full faith, and credit, ~~and taxing power~~ of the
6 community improvement district but shall not be an obligation of the State of Georgia or
7 any other unit of government of the State of Georgia other than the community
8 improvement district.

9 Paragraph V. **Cooperation with local governments.** The services and facilities provided
10 pursuant to this Section shall be provided for in a cooperation agreement executed jointly
11 by the administrative body and the governing authority of the county or municipality for
12 which the community improvement district is created. The provisions of this section shall
13 in no way limit the authority of any county or municipality to provide services or facilities
14 within any community improvement district; and any county or municipality shall retain
15 full and complete authority and control over any of its facilities located within a
16 community improvement district. Said control shall include but not be limited to the
17 modification of, access to, and degree and type of services provided through or by facilities
18 of the municipality or county. Nothing contained in this Section shall be construed to limit
19 or preempt the application of any governmental laws, ordinances, resolutions, or
20 regulations to any community improvement district or the services or facilities provided
21 therein.

22 Paragraph VI. **Regulation by general law.** The General Assembly by general law may
23 regulate, restrict, and limit the creation of community improvement districts and the
24 exercise of the powers of administrative bodies of community improvement districts."

25 SECTION 19.

26 The above proposed amendment to the Constitution shall be published and submitted as
27 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the
28 above proposed amendment shall have written or printed thereon the following:

29 "() YES Shall the Constitution of Georgia be amended so as to provide for the
30 comprehensive revision of provisions regarding taxation and finance and
31 () NO abolish most state and local taxes and provide for a comprehensive flat tax
32 to be known as the fair tax?"

33 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."
34 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
35 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
36 become a part of the Constitution of this state.