

Senate Resolution 687

By: Senators Seabaugh of the 28th, Williams of the 19th, Grant of the 25th, Douglas of the 17th, Rogers of the 21st and others

A RESOLUTION

1 Proposing an amendment to the Constitution so as to authorize a local taxing jurisdiction to
 2 wholly or partially replace ad valorem taxation other than for bonded indebtedness with a 1
 3 percent sales and use tax; to provide for procedures, conditions, and limitations; to provide
 4 for the submission of this amendment for ratification or rejection; and for other purposes.

5 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 SECTION 1.

7 Article VII of the Constitution is amended by adding a new section to read as follows:

8 "SECTION V.

9 SALES TAXATION FOR LOCAL PURPOSES

10 Paragraph I. *Local ad valorem replacement option.* (a) Notwithstanding any other
 11 provision of this Constitution, and Paragraph III of Section I of this article in particular, to
 12 the contrary, any local taxing jurisdiction in this state consisting of a county, consolidated
 13 government, county school district, municipality, or independent school district shall be
 14 authorized to wholly or partially cease the levy of its ad valorem taxes other than for
 15 bonded indebtedness and in its place levy, impose, and collect a local sales and use tax.
 16 The purpose of such tax shall be to provide replacement funding for such ad valorem
 17 taxation to the extent such ad valorem taxes are discontinued. The rate of such tax shall
 18 not exceed 1 percent. Such tax shall be in addition to any state-wide and local sales and
 19 use tax. Such tax shall only become effective upon the adoption of an ordinance or
 20 resolution by the governing body of the local taxing jurisdiction conditioned upon approval
 21 by a majority vote of the qualified electors residing within the limits of the local taxing
 22 jurisdiction voting in a referendum thereon.

23 (b) The authority provided under this Constitution to levy and collect ad valorem taxes
 24 for the purpose of retiring existing bonded indebtedness or repaying future bonded
 25 indebtedness shall continue.

1 (c) Except as otherwise provided in this Paragraph, a sales and use tax imposed pursuant
 2 to this Paragraph shall correspond to the state-wide sales and use tax imposed by the
 3 revenue laws of this state, as now or hereafter amended, except that the tax shall not be
 4 subject to and shall not count with respect to any general law limitation regarding the
 5 maximum amount of local sales and use taxes which may be levied in any jurisdiction in
 6 this state.

7 (d) The tax imposed by this Paragraph shall be levied and collected without the necessity
 8 for further action by the General Assembly.

9 (e) The total proceeds derived by the local taxing jurisdiction from the sales and use tax
 10 imposed pursuant to this Paragraph shall be used exclusively for those purposes for which
 11 ad valorem taxes are authorized to be used.

12 (f) In the event that the governing body of the local taxing jurisdiction determines that it
 13 will retain the ability to levy and collect some ad valorem taxes for general maintenance
 14 and operation purposes, it must establish a maximum millage rate for such ad valorem
 15 taxes. Such millage rate shall be a reduced millage rate against tangible property within
 16 such local taxing jurisdiction for maintenance and operation purposes in an amount
 17 equivalent to the amount of proceeds of the tax under this Paragraph collected for a 12
 18 month period. Such maximum millage shall be set forth in the ballot question to be voted
 19 on by the qualified electors under subparagraph (a) of this Paragraph. Such local taxing
 20 jurisdiction shall be authorized to increase subsequently such maximum millage rate upon
 21 the adoption of an ordinance or resolution of the governing body of such local taxing
 22 jurisdiction conditioned upon approval by a majority vote of the qualified electors residing
 23 within the limits of the local taxing jurisdiction voting in a referendum thereon.

24 (g) Any such local taxing jurisdiction shall be authorized to cease the levy of the tax
 25 under this Paragraph and reimpose in its place ad valorem property taxes upon approval by
 26 a majority vote of the qualified electors residing within the limits of such local taxing
 27 jurisdiction voting in a referendum thereon. The tax under this Paragraph shall continue
 28 until December 31 of the year in which such referendum is conducted and approved. On
 29 and after January 1 of the year following such referendum, such authority shall cease and
 30 ad valorem taxes for such purposes shall be reimposed and levied and collected in such
 31 local taxing jurisdiction."

32 SECTION 2.

33 Article VIII, Section VI, Paragraph I of the Constitution is amended by revising
 34 subparagraph (a) as follows:

35 "(a) The Except as otherwise provided in Article VII, Section V, Paragraph I of this
 36 Constitution, the board of education of each school system shall annually certify to its

1 fiscal authority or authorities a school tax not greater than 20 mills per dollar for the
 2 support and maintenance of education. Said fiscal authority or authorities shall annually
 3 levy said tax upon the assessed value of all taxable property within the territory served by
 4 said school system, provided that the levy made by an area board of education, which levy
 5 shall not be greater than 20 mills per dollar, shall be in such amount and within such limits
 6 as may be prescribed by local law applicable thereto."

7 **SECTION 3.**

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

11 "() YES Shall the Constitution of Georgia be amended so as to authorize a local
 12 taxing jurisdiction to wholly or partially replace ad valorem taxation other
 13 () NO than for bonded indebtedness with a 1 percent sales and use tax?"

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