

The House Committee on Ways and Means offers the following substitute to HB 1276:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,
2 relating to joint county and municipal sales and use taxation, so as to define qualified service
3 districts; to authorize allocation of proceeds to qualified service districts; to require a millage
4 adjustment; to provide for legislative intent; to provide an effective date; to repeal conflicting
5 laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Article 2 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to joint
9 county and municipal sales and use taxation, is amended by enacting a new Code section to
10 read as follows:

11 "48-8-80.1.

12 As used in this article, the term 'qualified service district' means a service district created
13 to pay, wholly or partially, the cost of providing county government services therein and
14 to construct and maintain facilities therefor. The term is applicable only to service districts
15 created by local constitutional amendment for the provision of county fire services where
16 such county service to be provided in the qualified service district is not generally provided
17 county wide within the special district created pursuant to Code Section 48-8-81."

18 **SECTION 2.**

19 Said article is further amended by revising Code Section 48-8-91, relating to conditions
20 precedent to imposing the joint sales and use tax, millage rate adjustments, formulas,
21 information required on tax bills, and other matters, by adding a new subsection (c) to read
22 as follows:

23 "(c)(1) Notwithstanding the provisions of subsection (a) of this Code section, where a
24 county has a qualified service district as defined in Code Section 48-8-80.1, the
25 governing authority of the county may, in its discretion, allocate proceeds of the tax

1 distributed to the county in accordance with the distribution certificate required by
2 subsection (b) of Code Section 48-8-89 to assist such county in funding all or any portion
3 of the services provided by or through the county to residents or properties located within
4 a qualified service district. Where proceeds of the tax are allocated to a qualified service
5 district, the county shall annually reduce the millage rate for ad valorem taxation of
6 tangible property within such qualified service district in the same manner described in
7 subsection (a) of this Code section.

8 (2) A county governing authority that allocates a portion of the proceeds distributed to
9 the county to a qualified service district may not allocate an amount that is in excess of
10 the ad valorem tax levied for the provision of services to residents or properties located
11 in the qualified service district.

12 (3) The intent of this subsection is to recognize that county governing authorities provide
13 certain county services on a county-wide basis to all residents and properties within the
14 geographical boundary of the county corresponding with and conterminous with the
15 geographical boundary of the special district and to recognize that certain county
16 governing authorities, in addition to providing such countywide services, provide county
17 services that are established to serve residents and properties within a service district in
18 a manner similar to the manner in which municipalities provide services not otherwise
19 provided by the county to residents or properties within the boundaries of the
20 municipality. The further intent of this subsection is to allow a county governing
21 authority to allocate its proceeds from the joint sales and use tax authorized by this article
22 in a manner in which the governing authority determines to be fair and equitable to
23 residents and property owners of the county, including residents and property owners
24 within a qualified service district, based on the services provided by the county governing
25 authority.

26 (4) The allocation of proceeds authorized by this Code section shall only apply to those
27 counties where the tax authorized by this article is approved in a referendum after July
28 1, 2008."

29 SECTION 3.

30 This Act shall become effective upon its approval by the Governor or upon its becoming law
31 without such approval.

32 SECTION 4.

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