

## House Resolution 27

By: Representatives Franklin of the 43<sup>rd</sup>, Loudermilk of the 14<sup>th</sup>, and Chambers of the 81<sup>st</sup>

## A RESOLUTION

1 Proposing an amendment to the Constitution so as to abolish and prohibit all state and local  
 2 taxes, fees, and liens on property; to provide for procedures, conditions, and limitations; to  
 3 provide for local sales and use tax proceeds; to provide for applicability of prior tax  
 4 provisions; to change certain provisions regarding local taxation for education; to change  
 5 certain provisions regarding special districts; to change certain provisions regarding tax  
 6 allocation bonds; to eliminate community redevelopment tax incentive programs; to change  
 7 certain provisions regarding insurance premium taxes; to change certain provisions regarding  
 8 tax allocation with respect to certain regional facilities; to change certain provisions  
 9 regarding limitations on local debt; to change certain provisions regarding taxation power of  
 10 counties and municipal governments; to change certain provisions regarding community  
 11 improvement districts; to provide for the submission of this amendment for ratification or  
 12 rejection; and for other purposes.

13 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

## 14 SECTION 1.

15 Article I, Section I of the Constitution is amended by revising Paragraph I as follows:

16 "Paragraph I. *Life, liberty, and property.* (a) No person shall be deprived of life, liberty,  
 17 or property except by due process of law.

18 (b) Property ownership is an inalienable right and any and all taxation, fee, or lien  
 19 imposition on property is expressly prohibited. With respect to property, a person shall  
 20 only be deprived of property through eminent domain pursuant to Article I, Section III,  
 21 Paragraph I."

## 22 SECTION 2.

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

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

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

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

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

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

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

43 (6) The control and regulation of outdoor advertising devices adjacent to federal aid  
44 interstate and primary highways and for the acquisition of property or interest therein for  
45 such purposes and may exercise the powers of taxation and provide for the expenditure  
46 of public funds in connection therewith.

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

52 (c) The distribution of tractors, farm equipment, heavy equipment, new motor vehicles,  
53 and parts therefor in the State of Georgia vitally affects the general economy of the state  
54 and the public interest and public welfare. Notwithstanding the provisions of Article I,  
55 Section I, Paragraphs I, II, and III or Article III, Section VI, Paragraph V(c) of this  
56 Constitution, the General Assembly in the exercise of its police power shall be authorized  
57 to regulate tractor, farm equipment, heavy equipment, and new motor vehicle  
58 manufacturers, distributors, dealers, and their representatives doing business in Georgia,  
59 including agreements among such parties, in order to prevent frauds, unfair business  
60 practices, unfair methods of competition, impositions, and other abuses upon its citizens.  
61 Any law enacted by the General Assembly shall not impair the obligation of an existing

62 contract but may apply with respect to the renewal of such a contract after the effective  
63 date of such law."

64 **SECTION 3.**

65 Article VII of the Constitution is amended by revising Sections I, II, and IIA as follows:

66 "SECTION I.

67 POWER OF TAXATION

68 Paragraph I. *Taxation; limitations on grants of tax powers.* The state may not suspend  
69 or irrevocably give, grant, limit, or restrain the right of taxation and all laws, grants,  
70 contracts, and other acts to effect any of these purposes are null and void. Except as  
71 otherwise provided in this Constitution, the right of taxation shall always be under the  
72 complete control of the state.

73 Paragraph II. *Taxing power limited.* (a) ~~The annual levy of state ad valorem taxes on~~  
74 ~~tangible property for all purposes, except for defending the state in an emergency, shall not~~  
75 ~~exceed one-fourth mill on each dollar of the assessed value of the property. On and after~~  
76 ~~January 1, 2011, all state, county, municipal, school district, special district, or any other~~  
77 ~~ad valorem taxes and fees on real or personal property for any purpose other than to pay~~  
78 ~~interest on and retire outstanding general obligation indebtedness are abolished and~~  
79 ~~repealed. Ad valorem taxes and fees may continue to be levied and collected within a~~  
80 ~~taxing jurisdiction solely for the purpose of paying interest on and retiring general~~  
81 ~~obligation indebtedness incurred prior to January 1, 2011. Such taxes and fees shall be~~  
82 ~~levied and collected in the same manner and subject to the same exemptions as such taxes~~  
83 ~~were authorized to be levied and collected under the provisions of this Constitution as they~~  
84 ~~existed immediately prior to January 1, 2011. Upon retirement of such debt in a taxing~~  
85 ~~jurisdiction, no further ad valorem property taxes and fees shall be levied and collected.~~

86 (b) ~~So long as the method of taxation in effect on December 31, 1980, for the taxation~~  
87 ~~of shares of stock of banking corporations and other monied capital coming into~~  
88 ~~competition with such banking corporations continues in effect, such shares and other~~  
89 ~~monied capital may be taxed at an annual rate not exceeding five mills on each dollar of~~  
90 ~~the assessed value of the property. Each county, municipality, and county or independent~~  
91 ~~school district shall be authorized to impose, levy, collect, and administer a sales and use~~  
92 ~~tax within the limits of such local taxing jurisdiction at such rate as may be determined~~  
93 ~~from time to time by the governing authority or governing body thereof. The rate and~~  
94 ~~applicable procedures shall be established initially, or altered subsequently, by ordinance~~  
95 ~~or resolution in January of a fiscal year and approved by a 60 percent majority of the~~

96 qualified electors residing within the limits of the local taxing jurisdiction voting in a  
 97 referendum thereon on April 15 of that fiscal year. If approved in such referendum, such  
 98 tax shall become effective on July 1. Each local taxing jurisdiction shall be authorized  
 99 to expend its local sales and use tax proceeds as authorized under Article IX, Section IV,  
 100 Paragraph II.

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

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

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

115 (A) ~~Trailers:~~

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

118 (C) ~~Heavy-duty equipment motor vehicles owned by nonresidents and operated in~~  
 119 ~~this state:~~

120 (3) ~~Motor vehicles may be classified as a separate class of property for ad valorem~~  
 121 ~~property tax purposes, and such class may be divided into separate subclasses for ad~~  
 122 ~~valorem purposes. The General Assembly may provide by general law for the ad~~  
 123 ~~valorem taxation of motor vehicles including, but not limited to, providing for different~~  
 124 ~~rates, methods, assessment dates, and taxpayer liability for such class and for each of its~~  
 125 ~~subclasses and need not provide for uniformity of taxation with other classes of property~~  
 126 ~~or between or within its subclasses. The General Assembly may also determine what~~  
 127 ~~portion of any ad valorem tax on motor vehicles shall be retained by the state. As used~~  
 128 ~~in this subparagraph, the term 'motor vehicles' means all vehicles which are~~  
 129 ~~self-propelled:~~

130 (c) ~~Tangible real property, but no more than 2,000 acres of any single property owner,~~  
 131 ~~which is devoted to bona fide agricultural purposes shall be assessed for ad valorem~~  
 132 ~~taxation purposes at 75 percent of the value which other tangible real property is assessed.~~

133 ~~No property shall be entitled to receive the preferential assessment provided for in this~~  
134 ~~subparagraph if the property which would otherwise receive such assessment would result~~  
135 ~~in any person who has a beneficial interest in such property, including any interest in the~~  
136 ~~nature of stock ownership, receiving the benefit of such preferential assessment as to more~~  
137 ~~than 2,000 acres. No property shall be entitled to receive the preferential assessment~~  
138 ~~provided for in this subparagraph unless the conditions set out below are met:~~

139 ~~(1) The property must be owned by:~~

140 ~~(A)(i) One or more natural or naturalized citizens;~~

141 ~~(ii) An estate of which the devisee or heirs are one or more natural or naturalized~~  
142 ~~citizens; or~~

143 ~~(iii) A trust of which the beneficiaries are one or more natural or naturalized~~  
144 ~~citizens; or~~

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

152 ~~(2) The General Assembly shall provide by law:~~

153 ~~(A) For a definition of the term "bona fide agricultural purposes," but such term shall~~  
154 ~~include timber production;~~

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

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

164 ~~(d)(1) The General Assembly shall be authorized by general law to establish as a~~  
165 ~~separate class of property for ad valorem tax purposes any tangible real property which~~  
166 ~~is listed in the National Register of Historic Places or in a state historic register~~  
167 ~~authorized by general law. For such purposes, the General Assembly is authorized by~~  
168 ~~general law to establish a program by which certain properties within such class may be~~

169 ~~assessed for taxes at different rates or valuations in order to encourage the preservation~~  
170 ~~of such historic properties and to assist in the revitalization of historic areas.~~

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

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

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

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

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

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

202 ~~(f)(1) The General Assembly shall provide by general law for the definition and methods~~  
203 ~~of assessment and taxation, such methods to include a formula based on current use,~~  
204 ~~annual productivity, and real property sales data, of 'forest land conservation use property'~~

205 ~~to include only forest land each tract of which exceeds 200 acres of a qualified owner.~~  
206 ~~Such methods of assessment and taxation shall be subject to the following conditions:~~

207 ~~(A) A qualified owner shall consist of any individual or individuals or any entity~~  
208 ~~registered to do business in this state;~~

209 ~~(B) A qualified owner desiring the benefit of such methods of assessment and~~  
210 ~~taxation shall be required to enter into a covenant to continue the property in forest land~~  
211 ~~use;~~

212 ~~(C) All contiguous forest land conservation use property of an owner within a county~~  
213 ~~for which forest land conservation use assessment is sought under this subparagraph~~  
214 ~~shall be in a single covenant;~~

215 ~~(D) A breach of such covenant within 15 years shall result in a recapture of the tax~~  
216 ~~savings resulting from such methods of assessment and taxation and may result in other~~  
217 ~~appropriate penalties; and~~

218 ~~(E) The General Assembly may provide by general law for a limited exception to the~~  
219 ~~200-acre requirement in the case of a transfer of ownership of all or a part of the forest~~  
220 ~~land conservation use property during a covenant period to another owner qualified to~~  
221 ~~enter into an original forest land conservation use covenant if the original covenant is~~  
222 ~~continued by both such acquiring owner and the transferor for the remainder of the~~  
223 ~~term, in which event no breach of the covenant shall be deemed to have occurred even~~  
224 ~~if the total size of a tract from which the transfer was made is reduced below 200 acres.~~

225 ~~(2) No portion of an otherwise eligible tract of forest land conservation use property~~  
226 ~~shall be entitled to receive simultaneously special assessment and taxation under this~~  
227 ~~subparagraph and either subparagraph (c) or (e) of this Paragraph.~~

228 ~~(3)(A) The General Assembly shall appropriate an amount for assistance grants to~~  
229 ~~counties, municipalities, and county and independent school districts to offset revenue~~  
230 ~~loss attributable to the implementation of this subparagraph. Such grants shall be made~~  
231 ~~in such manner and shall be subject to such procedures as may be specified by general~~  
232 ~~law.~~

233 ~~(B) If the forest land conservation use property is located in a county, municipality,~~  
234 ~~or county or independent school district where forest land conservation use value~~  
235 ~~causes an ad valorem tax revenue reduction of 3 percent or less due to the~~  
236 ~~implementation of this subparagraph, in each taxable year in which such reduction~~  
237 ~~occurs, the assistance grants to the county, each municipality located therein, and the~~  
238 ~~county or independent school districts located therein shall be in an amount equal to 50~~  
239 ~~percent of the amount of such reduction.~~

240 ~~(C) If the forest land conservation use property is located in a county, municipality,~~  
241 ~~or county or independent school district where forest land conservation use value~~

242 ~~causes an ad valorem tax revenue reduction of more than 3 percent due to the~~  
 243 ~~implementation of this subparagraph, in each taxable year in which such reduction~~  
 244 ~~occurs, the assistance grants to the county, each municipality located therein, and the~~  
 245 ~~county or independent school districts located therein shall be as follows:~~

246 ~~(i) For the first 3 percent of such reduction amount, in an amount equal to 50~~  
 247 ~~percent of the amount of such reduction; and~~

248 ~~(ii) For the remainder of such reduction amount, in an amount equal to 100 percent~~  
 249 ~~of the amount of such remaining reduction amount.~~

250 ~~(4) Such revenue reduction shall be calculated by utilizing forest land fair market~~  
 251 ~~value. For purposes of this subparagraph, forest land fair market value means the 2008~~  
 252 ~~fair market value of the forest land. Such 2008 valuation may increase from one taxable~~  
 253 ~~year to the next by a rate equal to the percentage change in the price index for gross~~  
 254 ~~output of state and local government from the prior year to the current year as defined by~~  
 255 ~~the National Income and Product Accounts and determined by the United States Bureau~~  
 256 ~~of Economic Analysis and indicated by the Price Index for Government Consumption~~  
 257 ~~Expenditures and General Government Gross Output (Table 3.10.4). Such revenue~~  
 258 ~~reduction shall be determined by subtracting the aggregate forest land conservation use~~  
 259 ~~value of qualified properties from the aggregate forest land fair market value of qualified~~  
 260 ~~properties for the applicable tax year and the resulting amount shall be multiplied by the~~  
 261 ~~millage rate of the county, municipality, or county or independent school district.~~

262 ~~(5) For purposes of this subparagraph, the forest land conservation use value shall not~~  
 263 ~~include the value of the standing timber located on forest land conservation use property.~~

264 ~~(g) The General Assembly may provide for a different method and time of returns,~~  
 265 ~~assessments, payment, and collection of ad valorem taxes of public utilities, but not on a~~  
 266 ~~greater assessed percentage of value or at a higher rate of taxation than other properties,~~  
 267 ~~except that property provided for in subparagraph (c), (d), (e), or (f) of this Paragraph.~~

## 268 **SECTION II.**

### 269 **EXEMPTIONS FROM AD VALOREM TAXATION**

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

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



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

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

283 ~~(4) The requirements of this subparagraph (a) shall not apply with respect to a law~~  
 284 ~~which codifies or recodifies an exemption previously authorized in the Constitution of~~  
 285 ~~1976 or an exemption authorized pursuant to this Constitution.~~

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

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

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

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

305 ~~(b) Repealed.~~

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

314 ~~must be approved by two-thirds of the members elected to each branch of the General~~  
 315 ~~Assembly.~~

316 ~~Paragraph V. *Disabled veteran's homestead exemption.* Except as otherwise provided~~  
 317 ~~in this paragraph, the amount of the homestead exemption granted to disabled veterans~~  
 318 ~~shall be the greater of \$32,500.00 or the maximum amount which may be granted to a~~  
 319 ~~disabled veteran under Section 802 of Title 38 of the United States Code as hereafter~~  
 320 ~~amended. Such exemption shall be granted to: those persons eligible for such exemption~~  
 321 ~~on June 30, 1983; to disabled American veterans of any war or armed conflict who are~~  
 322 ~~disabled due to loss or loss of use of one lower extremity together with the loss or loss of~~  
 323 ~~use of one upper extremity which so affects the functions of balance or propulsion as to~~  
 324 ~~preclude locomotion without the aid of braces, crutches, canes, or a wheelchair; and to~~  
 325 ~~disabled veterans hereafter becoming eligible for assistance in acquiring housing under~~  
 326 ~~Section 801 of the United States Code as hereafter amended. The General Assembly may~~  
 327 ~~by general law provide for a different amount or a different method of determining the~~  
 328 ~~amount of or eligibility for the homestead exemption granted to disabled veterans. Any~~  
 329 ~~such law shall be enacted by a simple majority of the votes of all the members to which~~  
 330 ~~each house is entitled and may become effective without referendum. Such law may~~  
 331 ~~provide that the amount of or eligibility for the exemption shall be determined by reference~~  
 332 ~~to laws enacted by the United States Congress.~~

333 SECTION II.  
 334 PRIOR AD VALOREM TAX PROVISIONS

335 Paragraph I. *Applicability.* State and local ad valorem tax, penalty, and interest  
 336 liabilities and refund eligibility for tax years on periods prior to January 1, 2011, shall be  
 337 governed by the provisions of this Constitution and general laws as they existed  
 338 immediately prior to January 1, 2011.

339 Paragraph II. *Exemptions from taxation of property.* All state and local exemptions  
 340 from ad valorem taxation of real or personal property, except for the homeowner's  
 341 incentive adjustment, are continued in effect in a tax jurisdiction until such time as ad  
 342 valorem taxes cease to be levied and collected for all purposes in such tax jurisdiction, at  
 343 which time such exemptions are repealed within such tax jurisdiction.

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~~SECTION IIIA.~~

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~~HOMEOWNER'S INCENTIVE ADJUSTMENT~~

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~~Paragraph I. *State grants; adjustment amount.* For each taxable year, a homeowner's incentive adjustment may be applied to the return of each taxpayer claiming such state-wide homestead exemption as may be specified by general law. The amount of such adjustment may provide a taxpayer with a benefit equivalent to a homestead exemption of up to \$18,000.00 of the assessed value of a taxpayer's homestead or the taxpayer's ad valorem property tax liability on the homestead, whichever is lower. The General Assembly may appropriate such amount each year for grants to local governments and school districts as homeowner tax relief grants. The adjustments and grants authorized by this Paragraph shall be made in such manner and shall be subject to the procedures and conditions as may be specified by general law heretofore or hereafter enacted."~~

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**SECTION 4.**

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Article VIII of the Constitution is amended by revising Section VI as follows:

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**"SECTION VI.**

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**LOCAL TAXATION FOR EDUCATION**

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~~Paragraph I. *Local taxation for education.* (a) The board of education of each school system shall annually certify to its fiscal authority or authorities a school tax not greater than 20 mills per dollar for the support and maintenance of education. Said fiscal authority or authorities shall annually levy said tax upon the assessed value of all taxable property within the territory served by said school system, provided that the levy made by an area board of education, which levy shall not be greater than 20 mills per dollar, shall be in such amount and within such limits as may be prescribed by local law applicable thereto.~~

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~~(b) School tax funds shall be expended only for the support and maintenance of public schools, public vocational-technical schools, public education, and activities necessary or incidental thereto, including school lunch purposes.~~

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~~(c) The 20 mill limitation provided for in subparagraph (a) of this Paragraph shall not apply to those school systems which are authorized on June 30, 1983, to levy a school tax in excess thereof.~~

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~~(d) The method of certification and levy of the school tax provided for in subparagraph (a) of this Paragraph shall not apply to those systems that are authorized on June 30, 1983, to utilize a different method of certification and levy of such tax; but the General Assembly~~

376 ~~may by law require that such systems be brought into conformity with the method of~~  
 377 ~~certification and levy herein provided.~~

378 ~~Paragraph H. **Increasing or removing tax rate.** The mill limitation in effect on June 30,~~  
 379 ~~1983, for any school system may be increased or removed by action of the respective~~  
 380 ~~boards of education, but only after such action has been approved by a majority of the~~  
 381 ~~qualified voters voting thereon in the particular school system to be affected in the manner~~  
 382 ~~provided by law.~~

383 ~~Paragraph III. **School tax collection reimbursement.** The General Assembly may by~~  
 384 ~~general law require local boards of education to reimburse the appropriate governing~~  
 385 ~~authority for the collection of school taxes, provided that any rate established may be~~  
 386 ~~reduced by local act.~~

387 ~~Paragraph IV~~ Paragraph I. **Sales tax for educational purposes.** (a) The board of  
 388 education of each school district in a county in which no independent school district is  
 389 located may by resolution and the board of education of each county school district and the  
 390 board of education of each independent school district located within such county may by  
 391 concurrent resolutions impose, levy, and collect a sales and use tax for educational  
 392 purposes of such school districts conditioned upon approval by a 60 percent majority of the  
 393 qualified voters residing within the limits of the local taxing jurisdiction voting in a  
 394 referendum thereon. This tax shall be at the rate of 1 percent and shall be imposed for a  
 395 period of time not to exceed five years, but in all other respects, except as otherwise  
 396 provided in this Paragraph, shall correspond to and be levied in the same manner as the tax  
 397 provided for by Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia  
 398 Annotated, relating to the special county 1 percent sales and use tax, as now or hereafter  
 399 amended. Proceedings for the reimposition of such tax shall be in the same manner as  
 400 proceedings for the initial imposition of the tax, but the newly authorized tax shall not be  
 401 imposed until the expiration of the tax then in effect.

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

404 (1) Capital outlay projects for educational purposes;

405 (2) The retirement of previously incurred general obligation debt with respect only to  
 406 capital outlay projects of the school system; provided, however, that the tax authorized  
 407 under this Paragraph shall only be expended for the purpose authorized under this  
 408 subparagraph (b)(2) if all ad valorem property taxes levied or scheduled to be levied prior  
 409 to the maturity of any such then outstanding general obligation debt to be retired by the  
 410 proceeds of the tax imposed under this Paragraph shall be reduced by a total amount  
 411 equal to the total amount of proceeds of the tax imposed under this Paragraph to be  
 412 applied to retire such bonded indebtedness. In the event of failure to comply with the

413 requirements of this subparagraph (b)(2), as certified by the Department of Revenue, no  
414 further funds shall be expended under this subparagraph (b)(2) by such county or  
415 independent board of education and all such funds shall be maintained in a separate,  
416 restricted account and held solely for the expenditure for future capital outlay projects for  
417 educational purposes; or

418 (3) A combination of the foregoing.

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

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

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

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

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

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

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

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

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

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

454 (j)(i)(1) Notwithstanding any provision of any constitutional amendment continued in  
 455 force and effect pursuant to Article XI, Section I, Paragraph IV(a) and except as  
 456 otherwise provided in subparagraph (j)(i)(2) of this Paragraph, any political subdivision  
 457 whose ad valorem taxing powers are restricted pursuant to such a constitutional  
 458 amendment may receive the proceeds of the tax authorized under this Paragraph or of any  
 459 local sales and use tax authorized by general law, or any combination of such taxes,  
 460 without any corresponding limitation of its ad valorem taxing powers which would  
 461 otherwise be required under such constitutional amendment.

462 (2) The restriction on and limitation of ad valorem taxing powers described in  
 463 subparagraph (j)(i)(1) of this Paragraph shall remain applicable with respect to proceeds  
 464 received from the levy of a local sales and use tax specifically authorized by a  
 465 constitutional amendment in force and effect pursuant to Article XI, Section I, Paragraph  
 466 IV(a), as opposed to a local sales and use tax authorized by this Paragraph or by general  
 467 law."

#### 468 SECTION 5.

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

470 "Paragraph VI. *Special districts.* (a) Special ~~As hereinafter provided in this Paragraph,~~  
 471 ~~special~~ districts may be created for the provision of local government services within such  
 472 districts; and fees, assessments, and taxes may be levied and collected within such districts  
 473 to pay, wholly or partially, the cost of providing such services therein and to construct and  
 474 maintain facilities therefor. Such special districts may be created and fees, assessments,  
 475 or taxes may be levied and collected therein by any one or more of the following methods:

476 (a)(1) By general law which directly creates the districts;

477 (b)(2) By general law which requires the creation of districts under conditions specified  
 478 by such general law; and

479 (c)(3) By municipal or county ordinance or resolution, except that no such ordinance  
 480 or resolution may supersede a law enacted by the General Assembly pursuant to  
 481 subparagraphs (a)(1) or (b)(2) of this Paragraph.

482 (b) For purposes of this Paragraph, ad valorem taxes for special district purposes shall  
 483 be authorized only for the repayment of outstanding bond indebtedness incurred prior to  
 484 January 1, 2011."

485

**SECTION 6.**

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

487 "Paragraph VII. **Community redevelopment.** (a) Each condemnation of privately held  
488 property for redevelopment purposes must be approved by vote of the elected governing  
489 authority of the city within which the property is located, if any, or otherwise by the  
490 governing authority of the county within which the property is located. The power of  
491 eminent domain shall not be used for redevelopment purposes by any entity, except for  
492 public use, as defined by general law.

493 (a.1) The General Assembly may authorize any county, municipality, or housing  
494 authority to undertake and carry out community redevelopment.

495 (b) The General Assembly is also authorized to grant to counties or municipalities for  
496 redevelopment purposes and in connection with redevelopment programs, as such purposes  
497 and programs are defined by general law, the power to issue tax allocation bonds, as  
498 defined by such law, and the power to incur other obligations, without either such bonds  
499 or obligations constituting debt within the meaning of Section V of this article, and the  
500 power to enter into contracts for any period not exceeding 30 years with private persons,  
501 firms, corporations, and business entities. Such general law may authorize the use of  
502 county, municipal, and school tax funds, or any combination thereof, to fund such  
503 redevelopment purposes and programs, including the payment of debt service on tax  
504 allocation bonds, notwithstanding Section VI of Article VIII or any other provision of this  
505 Constitution and regardless of whether any county, municipality, or local board of  
506 education approved the use of such tax funds for such purposes and programs before  
507 January 1, 2009. No county, municipal, or school tax funds may be used for such purposes  
508 and programs without the approval by resolution of the applicable governing body of the  
509 county, municipality, or local board of education. No school tax funds may be used for  
510 such purposes and programs except as authorized by general law after January 1, 2009;  
511 provided, however, that any school tax funds pledged for the repayment of tax allocation  
512 bonds which have been judicially validated pursuant to general law shall continue to be  
513 used for such purposes and programs. Notwithstanding the grant of these powers pursuant  
514 to general law, no county or municipality may exercise these powers unless so authorized  
515 by local law and unless such powers are exercised in conformity with those terms and  
516 conditions for such exercise as established by that local law. The provisions of any such  
517 local law shall conform to those requirements established by general law regarding such  
518 powers. No such local law, or any amendment thereto, shall become effective unless  
519 approved in a referendum by a 60 percent majority of the qualified voters voting thereon  
520 in the county or municipality directly affected by that local law. Any ad valorem taxes

521 levied and collected for tax allocation district purposes shall be authorized only for the  
522 repayment of outstanding bond indebtedness incurred prior to January 1, 2011.

523 (c) The General Assembly is authorized to provide by general law for the creation of  
524 enterprise zones by counties or municipalities, or both. Such law may provide for  
525 exemptions, credits, or reductions of any tax or taxes levied within such zones by the state,  
526 a county, a municipality, or any combination thereof. Such exemptions shall be available  
527 only to such persons, firms, or corporations which create job opportunities within the  
528 enterprise zone for unemployed, low, and moderate income persons in accordance with the  
529 standards set forth in such general law. Such general law shall further define enterprise  
530 zones so as to limit such tax exemptions, credits, or reductions to persons and geographic  
531 areas which are determined to be underdeveloped as evidenced by the unemployment rate  
532 and the average personal income in the area when compared to the remainder of the state.  
533 The General Assembly may by general law further define areas qualified for creation of  
534 enterprise zones and may provide for all matters relative to the creation, approval, and  
535 termination of such zones.

536 ~~(d) The existence in a community of real property which is maintained in a blighted~~  
537 ~~condition increases the burdens of state and local government by increasing the need for~~  
538 ~~governmental services, including but not limited to social services, public safety services,~~  
539 ~~and code enforcement services. Rehabilitation of blighted property decreases the need for~~  
540 ~~such governmental services. In recognition of such service needs and in order to encourage~~  
541 ~~community redevelopment, the counties and municipalities of this state are authorized to~~  
542 ~~establish community redevelopment tax incentive programs as authorized in this~~  
543 ~~subparagraph. A community redevelopment tax incentive program shall be established by~~  
544 ~~ordinance of the county or municipality. Any such program and ordinance shall include the~~  
545 ~~following elements:~~

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

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

555 (3) ~~The ordinance shall specify an increased rate of ad valorem taxation to be applied~~  
556 ~~to property which has been officially identified as maintained in a blighted condition.~~  
557 ~~Such increase in the rate of taxation shall be accomplished through application of a factor~~



558 to the millage rate applied to the property, so that such property shall be taxed at a higher  
 559 millage rate than the millage rate generally applied in the county or municipality, or  
 560 otherwise as may be provided by general law.

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

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

569 (6) The ordinance shall specify a decreased rate of ad valorem taxation to be applied  
 570 for a specified period of time after the county or municipality has accepted a plan  
 571 submitted by the owner for remedial action or redevelopment of the blighted property and  
 572 the owner is in compliance with the terms of the plan. Such decrease in the rate of  
 573 taxation shall be accomplished through application of a factor to the millage rate applied  
 574 to the property, so that such property shall be taxed at a lower millage rate than the  
 575 millage rate generally applied in the county or municipality, or otherwise as may be  
 576 provided by general law.

577 (7) The ordinance may contain such other matters as are consistent with the intent and  
 578 provisions of this subparagraph and general law.

579 Variations in rate of taxation as authorized under this subparagraph shall be a permissible  
 580 variation in the uniformity of taxation otherwise required. The increase or decrease in rate  
 581 of taxation accomplished through a change in the otherwise applicable millage rate shall  
 582 affect only the general millage rate for county or municipal maintenance and operations.  
 583 A county and one or more municipalities in the county may, but shall not be required to,  
 584 establish a joint community redevelopment tax incentive program through the adoption of  
 585 concurrent ordinances. No Act of the General Assembly shall be required for counties and  
 586 municipalities to establish community redevelopment tax incentive programs. However,  
 587 the General Assembly may by general law regulate, restrict, or limit the powers granted to  
 588 counties and municipalities under this subparagraph."

589 **SECTION 7.**

590 Article IX of the Constitution is amended by revising Section IV as follows:

591 "SECTION IV.  
 592 TAXATION POWER OF COUNTY  
 593 AND MUNICIPAL GOVERNMENTS

594 Paragraph I. **Power of taxation.** (a) ~~Except as otherwise provided in this Paragraph, the~~  
 595 ~~The governing authority of any county, municipality, or combination thereof may shall not~~  
 596 exercise the power of taxation except as authorized specifically by this Constitution or by  
 597 general law.

598 (b) In the absence of a general law:

599 (1) County governing authorities may be authorized by local law to levy and collect  
 600 business and occupational license taxes and license fees only in the unincorporated areas  
 601 of the counties. The General Assembly may provide that the revenues raised by such tax  
 602 or fee be spent for the provision of services only in the unincorporated areas of the  
 603 county.

604 (2) Municipal governing authorities may be authorized by local law to levy and collect  
 605 taxes and fees in the corporate limits of the municipalities.

606 (c) The General Assembly may provide by law for the taxation of insurance companies  
 607 on the basis of gross direct premiums received from insurance policies within the  
 608 unincorporated areas of counties. The tax authorized herein may be imposed by the state  
 609 or by counties or by the state for county purposes as may be provided by law. ~~The General~~  
 610 ~~Assembly may further provide by law for the reduction, only upon taxable property within~~  
 611 ~~the unincorporated areas of counties, of the ad valorem tax millage rate for county or~~  
 612 ~~county school district purposes or for the reduction of such ad valorem tax millage rate for~~  
 613 ~~both such purposes in connection with imposing or authorizing the imposition of the tax~~  
 614 ~~authorized herein or in connection with providing for the distribution of the proceeds~~  
 615 ~~derived from the tax authorized herein.~~

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

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

623 Paragraph IV. **Tax allocation; regional facilities.** As used in this Paragraph, the term  
 624 'regional facilities' means industrial parks, business parks, conference centers, convention  
 625 centers, airports, athletic facilities, recreation facilities, jails or correctional facilities, or  
 626 other similar or related economic development parks, centers, or facilities or any

627 combination thereof. Notwithstanding any other provision of this Constitution, a county  
 628 or municipality is authorized to enter into contracts with: (1) any county which is  
 629 contiguous to such county or the county in which such municipality is located; (2) any  
 630 municipality located in such a contiguous county or the same county; or (3) any  
 631 combination thereof. Any such contract may be for the purpose of allocating the local sales  
 632 and use tax proceeds ~~of ad valorem taxes assessed and collected on real property located~~  
 633 ~~in such county or municipality with such other counties or municipalities with which the~~  
 634 ~~assessing county or municipality has entered into agreements for the development of one~~  
 635 ~~or more regional facilities~~ and the allocation of other revenues generated from such  
 636 regional facilities. Any such regional facility may be publicly or privately initiated. The  
 637 allocation of such local sales and use tax proceeds and other revenues shall be determined  
 638 by contract between the affected local governments. Such contract shall provide for the  
 639 manner of development, operation, and management of the regional facility and the sharing  
 640 of expenses among the contracting local governments and shall specify the percentage of  
 641 ~~ad valorem taxes~~ the local sales and use tax proceeds and other revenues to be allocated  
 642 and the method of allocation to each contracting local government. Unless otherwise  
 643 provided by law, such a regional facility will qualify for the greatest dollar amount of  
 644 income tax credits which may be provided for by general law for any of the counties or  
 645 municipalities which have entered into an agreement for the development of the regional  
 646 facility, regardless of the county or municipality in which the business is physically  
 647 located. The authority granted to counties and municipalities under this Paragraph shall  
 648 be subject to any conditions, limitations, and restrictions which may be imposed by general  
 649 law."

650 **SECTION 8.**

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

652 "SECTION V.

653 LIMITATION ON LOCAL DEBT

654 Paragraph I. *Debt limitations of counties, municipalities, and other political*  
 655 *subdivisions.* (a) The debt incurred prior to January 1, 2011, by any county, municipality,  
 656 or other political subdivision of this state, including debt incurred on behalf of any special  
 657 district, shall never exceed 10 percent of the assessed value of all taxable property within  
 658 such county, municipality, or political subdivision; and no such county, municipality, or  
 659 other political subdivision shall incur any new debt without the assent of a 60 percent

660 majority of the qualified voters of such county, municipality, or political subdivision voting  
661 in an election held for that purpose as provided by law.

662 ~~(b) Notwithstanding subparagraph (a) of this Paragraph, all local school systems which~~  
663 ~~are authorized by law on June 30, 1983, to incur debt in excess of 10 percent of the~~  
664 ~~assessed value of all taxable property therein shall continue to be authorized to incur such~~  
665 ~~debt. The debt incurred on or after January 1, 2011, by any county, municipality, or other~~  
666 political subdivision of this state, including debt incurred on behalf of any special district,  
667 shall never exceed 10 percent of total revenue receipts including local sales and use tax  
668 proceeds, less refunds, within such county, municipality, or political subdivision; and no  
669 such county, municipality, or other political subdivision shall incur any new debt without  
670 the assent of a 60 percent majority of the qualified voters of such county, municipality, or  
671 political subdivision voting in an election held for that purpose as provided by law.

672 Paragraph II. *Special district debt.* (a)(1) This subparagraph shall apply with respect to  
673 debt incurred prior to January 1, 2011, on behalf of any special district created pursuant  
674 to Paragraph VI of Section II of this article.

675 (2) Any county, municipality, or political subdivision of this state may incur debt on  
676 behalf of any special district created pursuant to Paragraph VI of Section II of this article.  
677 Such debt may be incurred on behalf of such special district where the county,  
678 municipality, or other political subdivision shall have, at or before the time of incurring  
679 such debt, provided for the assessment and collection of an annual tax within the special  
680 district sufficient in amount to pay the principal of and interest on such debt within 30  
681 years from the incurrence thereof; and no such county, municipality, or other political  
682 subdivision shall incur any debt on behalf of such special district without the assent of  
683 a 60 percent majority of the qualified voters of such special district voting in an election  
684 held for that purpose as provided by law. No such county, municipality, or other political  
685 subdivision shall incur any debt on behalf of such special district in an amount which,  
686 when taken together with all other debt outstanding incurred by such county,  
687 municipality, or political subdivision and on behalf of any such special district, exceeds  
688 10 percent of the assessed value of all taxable property within such county, municipality,  
689 or political subdivision. The proceeds of the tax collected as provided herein shall be  
690 placed in a sinking fund to be held on behalf of such special district and used exclusively  
691 to pay off the principal of and interest on such debt thereafter maturing. Such moneys  
692 shall be held and kept separate and apart from all other revenues collected and may be  
693 invested and reinvested as provided by law.

694 (b)(1) This subparagraph shall apply with respect to debt incurred on or after  
695 January 1, 2011, on behalf of any special district created pursuant to Paragraph VI of  
696 Section II of this article.

697 (2) Any county, municipality, or political subdivision of this state may incur debt on  
 698 behalf of any special district created pursuant to Paragraph VI of Section II of this article.  
 699 Such debt may be incurred on behalf of such special district where the county,  
 700 municipality, or other political subdivision shall have, at or before the time of incurring  
 701 such debt, provided for the allocation of a portion of its local sales and use tax proceeds  
 702 within the special district sufficient in amount to pay the principal of and interest on such  
 703 debt within 30 years from the incurrence thereof; and no such county, municipality, or  
 704 other political subdivision shall incur any debt on behalf of such special district without  
 705 the assent of a 60 percent majority of the qualified voters of such special district voting  
 706 in an election held for that purpose as provided by law. No such county, municipality,  
 707 or other political subdivision shall incur any debt on behalf of such special district in an  
 708 amount which, when taken together with all other debt outstanding incurred by such  
 709 county, municipality, or political subdivision and on behalf of any such special district,  
 710 exceeds 10 percent of the total revenue receipts including local sales and use tax  
 711 proceeds, less refunds, within such county, municipality, or political subdivision. The  
 712 local sales and use tax proceeds shall be placed in a sinking fund to be held on behalf of  
 713 such special district and used exclusively to pay off the principal of and interest on such  
 714 debt thereafter maturing. Such moneys shall be held and kept separate and apart from all  
 715 other revenues collected and may be invested and reinvested as provided by law.

716 Paragraph III. ***Refunding of outstanding indebtedness.*** The governing authority of any  
 717 county, municipality, or other political subdivision of this state may provide for the  
 718 refunding of outstanding bonded indebtedness without the necessity of a referendum being  
 719 held therefor, provided that neither the term of the original debt is extended nor the interest  
 720 rate of the original debt is increased. The principal amount of any debt issued in  
 721 connection with such refunding may exceed the principal amount being refunded in order  
 722 to reduce the total principal and interest payment requirements over the remaining term of  
 723 the original issue. The proceeds of the refunding issue shall be used solely to retire the  
 724 original debt. The With respect to debt incurred prior to January 1, 2011, the original debt  
 725 refunded shall not constitute debt within the meaning of Paragraph I of this section; but the  
 726 refunding issue shall constitute a debt such as will count against the limitation on debt  
 727 measured by 10 percent of assessed value of taxable property as expressed in Paragraph I  
 728 of this section. With respect to debt incurred on or after January 1, 2011, the original debt  
 729 refunded shall not constitute debt within the meaning of Paragraph I of this section; but the  
 730 refunding issue shall constitute a debt such as will count against the limitation on debt  
 731 measured by 10 percent of total revenue receipts including local sales and use tax proceeds,  
 732 less refunds, as expressed in Paragraph I of this section.

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

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

740 (2) Incur debt, by way of borrowing from any person, corporation, or association as well  
 741 as from the state, to pay in whole or in part the cost of property valuation and equalization  
 742 programs for ad valorem tax purposes which are authorized under this Constitution.

743 Paragraph V. *Temporary loans authorized.* The governing authority of any county,  
 744 municipality, or other political subdivision of this state may incur debt by obtaining  
 745 temporary loans in each year to pay expenses. The aggregate amount of all such loans shall  
 746 not exceed 75 percent of the total ~~gross income from taxes~~ revenue receipts including local  
 747 sales and use tax proceeds, less refunds, collected in the last preceding year. Such loans  
 748 shall be payable on or before December 31 of the calendar year in which such loan is made.  
 749 No such loan may be obtained when there is a loan then unpaid obtained in any prior year.  
 750 No such county, municipality, or other political subdivision of this state shall incur in any  
 751 one calendar year an aggregate of such temporary loans or other contracts, notes, warrants,  
 752 or obligations for current expenses in excess of the total anticipated revenue for such  
 753 calendar year.

754 Paragraph VI. *Levy of taxes to pay bonds Bond repayment; sinking fund required.* (a)  
 755 With respect to debt incurred prior to January 1, 2011, any ~~Any~~ county, municipality, or  
 756 other political subdivision of this state shall at or before the time of incurring bonded  
 757 indebtedness provide for the assessment and collection of an annual tax sufficient in  
 758 amount to pay the principal and interest of said debt within 30 years from the incurring of  
 759 such bonded indebtedness. The proceeds of this tax, together with any other moneys  
 760 collected for this purpose, shall be placed in a sinking fund to be used exclusively for  
 761 paying the principal of and interest on such bonded debt. Such moneys shall be held and  
 762 kept separate and apart from all other revenues collected and may be invested and  
 763 reinvested as provided by law.

764 (b) With respect to debt incurred on or after January 1, 2011, any county, municipality,  
 765 or other political subdivision of this state shall at or before the time of incurring bonded  
 766 indebtedness provide for the allocation of the local sales and use tax proceeds sufficient in  
 767 amount to pay the principal and interest of said debt within 30 years from the incurring of  
 768 such bonded indebtedness. Such allocated proceeds, together with any other moneys  
 769 collected for this purpose, shall be placed in a sinking fund to be used exclusively for

770 paying the principal of and interest on such bonded debt. Such moneys shall be held and  
 771 kept separate and apart from all other revenues collected and may be invested and  
 772 reinvested as provided by law.

773 (c) On or after January 1, 2011, no general obligation bonded indebtedness to be incurred  
 774 by any county, municipality, or political subdivision of this state shall become effective  
 775 except upon the adoption of a local law approved by two-thirds of the members elected to  
 776 each branch of the General Assembly in a roll-call vote and by a two-thirds' vote of the  
 777 qualified electors residing within the limits of such local taxing jurisdiction voting in a  
 778 referendum thereon.

779 Paragraph VII. *Validity of prior bond issues.* Any and all bond issues validated and  
 780 issued prior to ~~June 30, 1983~~ January 1, 2011, shall continue to be valid."

781 **SECTION 9.**

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

783 "SECTION VII.

784 COMMUNITY IMPROVEMENT DISTRICTS

785 Paragraph I. *Creation.* The General Assembly may by local law create one or more  
 786 community improvement districts for any county or municipality or provide for the  
 787 creation of one or more community improvement districts by any county or municipality.

788 Paragraph II. *Purposes.* The purpose of a community improvement district shall be the  
 789 provision of any one or more of the following governmental services and facilities:

790 (1) Street and road construction and maintenance, including curbs, sidewalks, street  
 791 lights, and devices to control the flow of traffic on streets and roads.

792 (2) Parks and recreational areas and facilities.

793 (3) Storm water and sewage collection and disposal systems.

794 (4) Development, storage, treatment, purification, and distribution of water.

795 (5) Public transportation.

796 (6) Terminal and dock facilities and parking facilities.

797 (7) Such other services and facilities as may be provided for by general law.

798 Paragraph III. *Administration.* (a) Any law creating or providing for the creation of a  
 799 community improvement district shall designate the governing authority of the  
 800 municipality or county for which the community improvement district is created as the  
 801 administrative body or otherwise shall provide for the establishment and membership of  
 802 an administrative body for the community improvement district. Any such law creating  
 803 or providing for the creation of an administrative body for the community improvement

804 district other than the municipal or county governing authority shall provide for  
805 representation of the governing authority of each county and municipality within which the  
806 community improvement district is wholly or partially located on the administrative body  
807 of the community improvement district.

808 (b) Any law creating or providing for the creation of a community improvement district  
809 shall provide that the creation of the community improvement district shall be conditioned  
810 upon:

811 (1) The adoption of a resolution consenting to the creation of the community  
812 improvement district by:

813 (A) The governing authority of the county if the community improvement district is  
814 located wholly within the unincorporated area of a county;

815 (B) The governing authority of the municipality if the community improvement  
816 district is located wholly within the incorporated area of a municipality; or

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

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

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

824 (B) The owners of real property within the community improvement district which  
825 constitutes at least 75 percent by value of all real property within the community  
826 improvement district which will be subject to taxes, fees, and assessments levied by the  
827 administrative body of the community improvement district; and for this purpose value  
828 shall be determined by the most recent approved county ad valorem tax digest.

829 (c) Subject to the limitations of Paragraph VII of this section, the ~~The~~ administrative  
830 body of each community improvement district may be authorized to levy taxes, fees, and  
831 assessments within the community improvement district only on real property used  
832 nonresidentially, specifically excluding all property used for residential, agricultural, or  
833 forestry purposes and specifically excluding tangible personal property and intangible  
834 property. Any tax, fee, or assessment so levied shall not exceed 2 1/2 percent of the  
835 assessed value of the real property or such lower limit as may be established by law. The  
836 law creating or providing for the creation of a community improvement district shall  
837 provide that taxes, fees, and assessments levied by the administrative body of the  
838 community improvement district shall be equitably apportioned among the properties  
839 subject to such taxes, fees, and assessments according to the need for governmental  
840 services and facilities created by the degree of density of development of each such



841 property. The law creating or providing for the creation of a community improvement  
842 district shall provide that the proceeds of taxes, fees, and assessments levied by the  
843 administrative body of the community improvement district shall be used only for the  
844 purpose of providing governmental services and facilities which are specially required by  
845 the degree of density of development within the community improvement district and not  
846 for the purpose of providing those governmental services and facilities provided to the  
847 county or municipality as a whole. Any tax, fee, or assessment so levied shall be collected  
848 by the county or municipality for which the community improvement district is created in  
849 the same manner as taxes, fees, and assessments levied by such county or municipality.  
850 The proceeds of taxes, fees, and assessments so levied, less such fee to cover the costs of  
851 collection as may be specified by law, shall be transmitted by the collecting county or  
852 municipality to the administrative body of the community improvement district and shall  
853 be expended by the administrative body of the community improvement district only for  
854 the purposes authorized by this ~~Section~~ section.

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

861 Paragraph V. ***Cooperation with local governments***. The services and facilities provided  
862 pursuant to this Section shall be provided for in a cooperation agreement executed jointly  
863 by the administrative body and the governing authority of the county or municipality for  
864 which the community improvement district is created. The provisions of this section shall  
865 in no way limit the authority of any county or municipality to provide services or facilities  
866 within any community improvement district; and any county or municipality shall retain  
867 full and complete authority and control over any of its facilities located within a  
868 community improvement district. Said control shall include but not be limited to the  
869 modification of, access to, and degree and type of services provided through or by facilities  
870 of the municipality or county. Nothing contained in this Section shall be construed to limit  
871 or preempt the application of any governmental laws, ordinances, resolutions, or  
872 regulations to any community improvement district or the services or facilities provided  
873 therein.

874 Paragraph VI. ***Regulation by general law***. The General Assembly by general law may  
875 regulate, restrict, and limit the creation of community improvement districts and the  
876 exercise of the powers of administrative bodies of community improvement districts.

877 Paragraph VII. *Taxation continued temporarily.* Any ad valorem taxes, fees, or  
878 assessments levied and collected under this section shall be authorized only for the  
879 repayment of outstanding bond indebtedness incurred prior to January 1, 2011."

880

**SECTION 10.**

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

884 "( ) YES Shall the Constitution of Georgia be amended so as to abolish and prohibit  
885 all state and local taxes, fees, and liens on property and to provide for the

886 ( ) NO imposition of local sales and use taxes in lieu thereof?"

887 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

888 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If  
889 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall  
890 become a part of the Constitution of this state.