

House Bill 537

By: Representative Blackmon of the 146th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales
2 and use taxes, so as to provide for the maximum amount of local sales and use taxes that may
3 be imposed; to revise provisions related to a special district sales and use tax; to provide for
4 conditions under which such tax may be imposed; to provide for clarifications; to provide for
5 related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales and use
9 taxes, is amended in Code Section 48-8-6, relating to prohibition of political subdivisions
10 from imposing various taxes, ceiling on local sales and use taxes, and taxation of mobile
11 telecommunications, by revising subsection (a) as follows:

12 "(a)(1) Except as provided in this subsection, on and after July 1, 2024, there shall not
13 be imposed in any jurisdiction in this state or on any transaction in this state local sales
14 taxes, local use taxes, or local sales and use taxes in excess of 2 percent. For purposes
15 of ~~this~~ such 2 percent limitation, the taxes affected are any sales tax, use tax, or sales and
16 use tax which is levied in an area consisting of less than the entire state, however

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17 authorized, including such taxes authorized by or pursuant to constitutional amendment,
18 and regardless of whether another provision of law purports to the contrary; except for
19 the following:

20 (A) A 1 percent sales and use tax for educational purposes exempted from such
21 limitation under Article VIII, Section VI, Paragraph IV of the Constitution;

22 (B) Up to 1 percent in aggregate of any of the transportation related sales and use taxes
23 authorized under Articles 5, 5A, and 5B of this chapter and Article 2 of Chapter 9 of
24 Title 32; and

25 (C) Up to 1 percent in aggregate of any tax levied for purposes of a metropolitan area
26 system of public transportation, as authorized by the amendment to the Constitution set
27 out at Georgia Laws, 1964, page 1008; the continuation of such amendment under
28 Article XI, Section I, Paragraph IV(d) of the Constitution; and the laws enacted
29 pursuant to such constitutional amendment; provided, however, that the exception
30 provided for under this paragraph shall only apply in a county in which a tax is levied
31 and collected pursuant to Part 2 of Article 2A of this chapter; and

32 (D) Up to 1 percent in aggregate of any sales and use taxes authorized under Code
33 Section 48-8-96, Code Section 48-8-97, Article 2B of this chapter, Part 3 of Article 3
34 of this chapter, and Article 4 of this chapter.

35 (2) Notwithstanding any provision of law to the contrary, any tax that does not comply
36 with the limitations provided in paragraph (1) of this subsection as of July 1, 2025, but
37 was initiated in compliance with the law in effect prior to January 1, 2025, shall be
38 allowed to continue as authorized under laws that existed prior to July 1, 2025; provided,
39 however, that, upon the expiration or termination of any such tax, ~~such tax shall not be~~
40 ~~renewed~~ and the jurisdiction that levied such tax shall be fully subject to the limitations
41 imposed by this subsection.

42 (3) This subsection shall not limit the imposition of any local excise tax, which is
43 separately authorized under Chapter 13 of this title.

44 (4) ~~Except as provided in paragraph (2) of this subsection, if~~ If the imposition of any
 45 otherwise authorized local sales tax, local use tax, or local sales and use tax would result
 46 in a tax rate in excess of that authorized by this subsection, then such otherwise
 47 authorized tax shall not be imposed."

48 **SECTION 2.**

49 Said chapter is further amended by revising Code Section 48-8-109.31, relating to imposition
 50 of special sales and use tax within special district and limited time and purpose, as follows:
 51 "48-8-109.31.

52 (a) Subject to the requirement of approval by local referendum and the other requirements
 53 of this article, ~~to impose~~ there may be imposed within any given special district a special
 54 sales and use tax for a limited period of time for the limited purpose of property tax relief.

55 (b) Except as to rate, a tax imposed under this part shall correspond to the tax imposed by
 56 Article 1 of this chapter. No item or transaction which is not subject to taxation under
 57 Article 1 of this chapter shall be subject to a tax imposed under this article, except that a
 58 tax imposed under this article shall apply to sales of motor fuels as prepaid local tax as
 59 defined in Code Section 48-8-2 and shall be applicable to the sale of food and food
 60 ingredients and alcoholic beverages as provided for in Code Section 48-8-3.

61 (c) The special sales and use tax provided for in subsection (a) of this Code section may
 62 be imposed by a special district in 0.05 percent increments, but in no event shall such tax
 63 exceed 1 percent in total. The levy of such tax upon sales of motor fuels as defined in
 64 Code Section 48-9-2 shall only be imposed on the retail sales price of the motor fuel which
 65 is not more than \$3.00 per gallon.

66 (d)~~(1)~~ As a condition precedent to the issuance of the call for the referendum:

67 ~~(A)~~(1) The governing authority of the county whose geographical boundary is
 68 conterminous with that of the special district and the governing authority or authorities
 69 of all municipalities that levy an ad valorem tax on property, other than those

70 municipalities that are excluded from the special district pursuant to ~~paragraph (3)~~
 71 subsection (f) of this subsection Code section, shall have in effect a base year value
 72 homestead exemption or adjusted base year value homestead exemption; and

73 ~~(B)(2)~~ The governing authority of the county whose geographical boundary is
 74 conterminous with that of the special district and the governing authority or authorities,
 75 if any, that represent at least 50 percent of the special district's residents of municipalities
 76 that levy an ad valorem tax on property, other than those municipalities that are excluded
 77 from the special district pursuant to ~~paragraph (3)~~ of this subsection (f) of this Code
 78 section, shall enter into an intergovernmental agreement calling for the tax authorized
 79 under this article and specifying the proposed rate of the tax, the proposed maximum
 80 period of time that the tax is to be levied, and the proposed distribution of the tax.

81 (e)(1) As used in this subsection, the term 'absent municipality' means any municipality
 82 that levies an ad valorem tax on property, other than those municipalities that are
 83 excluded from the special district pursuant to subsection (f) of this Code section, and that
 84 did not enter into the intergovernmental agreement provided for in paragraph (2) of
 85 subsection (d) of this Code section.

86 (2) If the combined total of the populations of all ~~such~~ absent municipalities is less than
 87 one-half of the aggregate population of all municipalities located within the special
 88 district that levy an ad valorem tax on property, the ~~political subdivisions governing~~
 89 authorities entering into ~~the~~ such intergovernmental agreement shall, ~~on~~ in behalf of such
 90 absent municipalities, specify a percentage of that portion of the remaining proceeds
 91 which each municipality that levies an ad valorem tax on property shall receive, which
 92 percentage shall not be less than that proportion which each such absent municipality's
 93 population bears to the total population of all municipalities that levy ad valorem taxes
 94 on property within the special district multiplied by that portion of the remaining
 95 proceeds which are received by all such municipalities within the special district. No
 96 portion of the tax shall be apportioned to counties ~~and~~ or municipalities that do not levy

97 an ad valorem tax on property or do not have a base year value homestead exemption or
 98 adjusted base year value homestead exemption in effect.

99 ~~(f)(3)~~ Subject to the limitation provided for in Code Section 48-8-6, any special district
 100 which wholly or partially contains a jurisdiction levying the tax provided for under
 101 Article 4 of this chapter is authorized to levy the tax authorized under this article. Such tax
 102 authorized under this article may only be levied in the areas of the special district outside
 103 of the jurisdiction levying the tax provided for under Article 4 of this chapter. Any
 104 jurisdiction levying the tax provided for under Article 4 of this chapter shall not be
 105 considered within the procedure necessary to levy the tax under this article and shall not
 106 be entitled to any portion of said tax."

107 **SECTION 3.**

108 Said chapter is further amended in Code Section 48-8-109.32, relating to maximum period
 109 of time of the tax, submission to voters to determine imposition of tax, ballot language, and
 110 expenses of election, by adding a new subsection to read as follows:

111 "(e) If no intergovernmental agreement is required pursuant to this article, the governing
 112 authority of the county or consolidated government whose geographical boundary is
 113 conterminous with that of the special district shall adopt a resolution which meets the
 114 requirements provided for in this Code section for intergovernmental agreements."

115 **SECTION 4.**

116 Said chapter is further amended in Code Section 48-8-109.33, relating to timing for
 117 imposition of tax following approval and termination of tax, by revising paragraph (2) of
 118 subsection (a) and subsection (c) as follows:

119 "(2) With respect to services that are regularly billed on a monthly basis, however, ~~the~~
 120 ~~resolution or ordinance imposing the tax shall become effective and the tax shall apply~~
 121 to the first regular billing period coinciding with or following the effective date specified

122 in paragraph (1) of this subsection. A certified copy of the ~~ordinance~~ intergovernmental
123 agreement or resolution ~~imposing~~ required to impose the tax authorized by this article
124 shall be forwarded to the commissioner to ensure it is received within five business days
125 after certification of the election results."

126 "(c) For any special district in which a tax authorized by this article is in effect ~~may, while~~
127 ~~such tax is in effect~~, the General Assembly may pass a local Act calling for a reimposition
128 of a tax as authorized by this article upon the termination of the tax then in effect, and a
129 referendum may be held for this purpose while the tax is in effect. Proceedings for such
130 reimposition shall be in the same manner as proceedings for the initial imposition of the
131 tax as provided for in Code ~~Section~~ Sections 48-8-109.31 and 48-8-109.32. Such newly
132 authorized tax shall not be imposed until the expiration of the tax then in effect."

133 **SECTION 5.**

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