

## Transportation SPLOST (2017-2021)

### For Both Fulton County outside City of Atlanta and City of Atlanta

#### Information Document (as of 8/22/16)

#### 1. What is a T-SPLOST?

A Special Purpose Local Option Sales Tax (SPLOST) is a sales tax used to fund capital outlay projects proposed by the county government and municipal governments. A Transportation SPLOST is a sales tax where the outlays are intended for transportation purposes only.

#### 2. What sales tax is currently being collected in Fulton County? Does the law allow for an additional tax?

Fulton County currently has several different 1% sales taxes.

E-SPLOST – Fulton County School funding – 1% (expires June 30, 2017)

LOST – Property Tax reduction – 1% (does not expire unless negotiation not reached)

MARTA - 1% (expires June 30, 2057 per HB 213)

MOST - COA has an existing water/sewer repair tax of 1% (Tax was renewed during the March 2016 primary)

Based on legislation passed in the 2016 General Assembly, the law now allows for an additional sales tax for transportation. This tax will NOT affect any other local sales and use tax. (See O.C.G.A 48-8-269.991 and 48-8-269.997)

#### 3. How does SB 369 create a special district within Fulton County?

The bill creates a new Special District called the “metropolitan county special district”. Only one county meets the definition as laid out under O.C.G.A 48-8-269.7. The code defines this special district as applying to jurisdictions that already have a MARTA tax; and, where 80% of the county is municipalized. Fulton County is the only county meeting those two definitions.

The bill then creates a new Special District called the “metropolitan municipality special district” under 48-8-269.995. The code defines this special district as applying to jurisdictions that already have a MARTA tax and represent 15% or more of the County geographically. The City of Atlanta is the only municipality meeting those two definitions. It is important to note that the boundary of this special district is coterminous with the geographic boundary of the City of Atlanta. Therefore, the district includes the portion of the City within DeKalb County.

The bill creates a tax area for Fulton County outside the COA by subtracting the “metropolitan municipal special district” from the “metropolitan county special district”.

Metro Muni = City of Atlanta

Metro County minus Metro Muni = Fulton County outside of COA

#### 4. When can the tax be implemented?

Collection will actually begin on the first day of the calendar quarter following an 80 day period after the vote. The referendum must be conducted during the next scheduled election following agreement on the project list. **NOTE: The Fulton County TSPLOST vote will occur on November 8, 2016 and, if approved by the voters, collections will start on April 1, 2017.** (See O.C.G.A 48-8-269.91(a)(1) and OCGA 48-8-269.997(a)(1))

**5. Can the two areas described under question #3 call for different sales tax votes?**

Yes. The bill specifically states that the City of Atlanta may vote for an up to 0.75 cents sales tax and the area outside the City of Atlanta within Fulton County may vote for an up to 0.75 cents sales tax. The rate can be less as long it is in increments of 0.05%. The two votes are totally independent of each other. [see O.C.G.A. 48-8-269.91(c) and 269.997(c)]

City of Atlanta = up to 0.75% (although it is limited to 0.5% if MARTA is at 0.5%) **NOTE: The COA voted to call a referendum on a 0.4 % TSPLOST tax in July 2016. The vote will be held on November 8, 2016.**

Fulton County outside COA = up to 0.75%

**6. Is there a maximum tax rate?**

The max rate in the City of Atlanta is 0.5%. Under SB 369, the City of Atlanta is allowed up to 0.5 cents for MARTA. The combined tax can be no more than 1.0%. (see O.C.G.A. 48-8-269.997(c)(2)) – **NOTE: The City of Atlanta has voted to pursue 0.4% for TSPLOST.**

The max rate for Fulton County outside COA is 0.75%. While there is no current legislation that allows for additional tax, this bill limits any future increases to 0.25%. (see O.C.G.A. 48-8-269.91(c)(2)) – **NOTE: Fulton County outside of COA has voted to pursue 0.75% for TSPLOST.**

**7. How much money will be raised with a sales tax?**

Assuming the maximum special district sales rate of 0.75% is leveraged for five years, the area of Fulton County outside the City of Atlanta will generate approximately **\$500-\$600** million from April of 2017 to March of 2022. For planning purposes, the estimated 100% level is \$ 569,272.235, as shown in the following table:

Note: The estimates were generated by a Georgia State University Report produced by the Center for State and Local Finance and Fiscal Research Center and consultation with the Georgia Department of Revenue. The table is for the area outside the City of Atlanta.

Jurisdiction	2015 Total Population (Outside Atlanta)	2015 % of County Population (Outside Atlanta)	2015 Tier 1 & 2 Revenues (100% of Forecast) Based on share of Population x overall revenue
ALPHARETTA	63,693	11.02%	\$62,710,191
CHATTAHOOCHEE HILLS	2,690	0.47%	\$2,648,492
COLLEGE PARK	13,264	2.29%	\$13,059,331
EAST POINT	35,467	6.13%	\$34,919,730
FAIRBURN	13,967	2.42%	\$13,751,484
HAPEVILLE	6,650	1.15%	\$6,547,388
JOHNS CREEK	83,335	14.41%	\$82,049,108
MILTON	37,547	6.49%	\$36,967,635
MOUNTAIN PARK	556	0.10%	\$547,421
PALMETTO	4,421	0.76%	\$4,352,782
ROSWELL	94,501	16.34%	\$93,042,812
SANDY SPRINGS	105,330	18.22%	\$103,704,716
UNION CITY	20,805	3.60%	\$20,483,971
FULTON (UNINCORPORATED)	95,968	16.60%	\$94,487,175
<b>Totals</b>	<b>578,194</b>	<b>100.00%</b>	<b>\$569,272,235</b>

#### 8. How long will the T-SPLOST last?

The tax ceases to be imposed on the earliest of the following dates: (See O.C.G.A 48-9-269.91(b) and O.C.G.A 48-8-269.997(b))

On the final day of the maximum period of time (5 years) **NOTE: for the Fulton County TSPLOST, this date will be March 31, 2022.**

OR

The end of the calendar quarter that the DOR Commissioner determines that the tax will have raised revenues sufficient to provide funds specified as the max amount of funds to be raised by the tax. **NOTE: for the Fulton County TSPLOST, and as per the executed Intergovernmental Agreement, this amount is \$655,000,000.**

It should be noted out that projects do NOT have to be completed in the five year window. However, it is prudent for public trust that projects move forward as rapidly as possible. The vast majority of projects should be complete, or be in the construction phase, during the five year period.

**9. Can the tax be renewed at the end of the five (5) year period?**

Yes, the tax can be renewed following the same process. This process can occur while the current tax is still being collected. (See O.C.G.A 48-9-269(c) and O.C.G.A 48-8-269.997(c))

**10. How were the referenda called?**

Fulton County outside City of Atlanta (see SB 369 and O.C.G.A. 48-8-269.8) – A formal meeting was called by the Fulton County Board of Commissioners, by written notice, inviting each city. This meeting to discuss the possible projects for inclusion in the referendum and the rate of the tax was held on July 7, 2016. Since the law requires that the formal meeting must be at least 30 days prior to the calling of the referendum. The Fulton County Board of Commissioners, on August 9, 2016, approved the Call for Referendum. The law states that referendum can only be considered if qualified municipalities and the county representing 60% of the population of the portion of Fulton outside the City of Atlanta agree to move forward. In this case, the approval was unanimous. The law requires a similar process for the City of Atlanta, except the City Council approves the list of projects to move forward to the Fulton County Board of Commissioners.

According to provisions of law, the Call for Referendum must then be signed by the Fulton Board of Commissioners unless a super majority (5 votes) of the Board of Commissioners vote NOT to move the referendum forward. In the case of City of Atlanta, Fulton County Board of Commissioners still signs the resolution since the majority of the geographic area the of City lies within Fulton County. This call occurred on August 9, 2016. The Resolutions for the Call for the referenda (both Fulton County and the City of Atlanta) were then submitted to Election Superintendent and include the following:

- Specific transportation purposes to be funded and the approximate cost of the transportation purposes
- Maximum amount of net proceeds to be raised by the tax
- Rate of Tax and maximum amount of time in calendar years
- List of projects and purposes

**11. How can the money be spent?**

Funds can only be spent on “transportation purposes”. (See O.S.G.A 48-8-260(5))

(5) 'Transportation purposes' means and includes roads, bridges, public transit, rails, airports, buses, seaports, including without limitation road, street, and bridge purposes pursuant to paragraph (1) of subsection (b) of Code Section 48-8-121(see below), and all accompanying infrastructure and services necessary to provide access to these transportation facilities, including new general obligation debt and other multiyear obligations issued to finance such purposes. Such purposes shall also include the retirement of previously incurred general obligation debt with respect only to such purposes, but only if an intergovernmental agreement has been entered into under this article.

Code Section 48-8-121(b)(1)

If the resolution or ordinance calling for the imposition of the tax specified that the proceeds of the tax are to be used in whole or in part for capital outlay projects consisting of road, street, and bridge purposes, then authorized uses of the tax proceeds shall include:

- (A) Acquisition of rights of way for roads, streets, bridges, sidewalks, and bicycle paths;
- (B) Construction of roads, streets, bridges, sidewalks, and bicycle paths;
- (C) Renovation and improvement of roads, streets, bridges, sidewalks, and bicycle paths, including resurfacing;
- (D) Relocation of utilities for roads, streets, bridges, sidewalks, and bicycle paths;
- (E) Improvement of surface-water drainage from roads, streets, bridges, sidewalks, and bicycle paths; and
- (F) Patching, leveling, milling, widening, shoulder preparation, culvert repair, and other repairs necessary for the preservation of roads, streets, bridges, sidewalks, and bicycle paths.

(2) Storm-water capital outlay projects and drainage capital outlay projects may be funded pursuant to

subparagraph (a)(1)(D) of Code Section 48-8-111 or in conjunction with road, street, and bridge capital outlay projects.

The code also does not directly address transit operations. However, it is felt that the text “and services” allows transit operations. Please note that a jurisdiction can also retire previously incurred general obligation debt with proceeds from the tax.

**12. Does the tax cause GDOT to give less money to Fulton and COA?**

No. The code specifically states that the proceeds of this tax are not subject to any balancing formulas used by GDOT. The Code also clearly states that the funds raised by TSPLOST shall in no way diminish the percentage of state or federal funds allocated to the Fulton County and COA. (See O.C.G.A 48-9-269.95 and O.C.G.A 48-8-269.9992)

**13. Does the Georgia Code require that we spend money in a certain manner?**

A minimum of 30% of revenue generated must be used on projects consistent with the Statewide Strategic Transportation Plan (SSTP). The SSTP is a policy document and does not include an exhaustive list of projects. The SSTP outlines a series of statewide priorities and identifies several programs and/or plans which directly support those priorities. A handful of key projects are identified in various places throughout the document to illustrate how a program or plan may ultimately result in implementation of a specific project. Because the SSTP identifies a broad range of supportive strategies and programs, many projects will be consistent with the SSTP. For example, projects that would be considered consistent include interchange projects, safety projects, and operational improvement projects. It is apparent with the Fulton County TSPLOST list of Projects and Purposes that this 30% requirement has been satisfied. [see O.C.G.A 48-8-269.(c)920(D) and 269.995(b)(2)(D)]

**14. Could other Counties or the City of Atlanta have partnered with Fulton County?**

No. Under the terms of SB369, no other city or county qualifies for this provision. As stated above, the City of Atlanta is allowed to call for a separate T-SPLOST which they have done at a rate of 0.4%.

**15. How are funds to be distributed and how were projects selected?**

Fulton County TSPLOST – under the terms of the approved Intergovernmental Agreement, net proceeds from the tax, less the 1.5% (further described in Question 21 below) for the state and Fulton County, will be distributed directly to the cities and unincorporated Fulton County based on 2015 U. S. Census population.

The cities and the unincorporated county (outside Atlanta) had a broad range of transportation projects and programs to choose from in identifying projects and purposes. Comprehensive Transportation Plans (CTPs) are complete for both South Fulton and North Fulton. These plans, as well as other regional plans such as the Regional Transportation Plan, have been formally adopted by a variety of bodies

**16. Was there Project Criteria?**

Fulton County TSPLOST - Projects were chosen by each of the municipal jurisdictions and unincorporated Fulton County, in a manner in which was left entirely up to each jurisdiction, although there was a high level of coordination among the jurisdictions to assure consistency of corridors, etc.

Each jurisdiction’s Project and Purpose list was adopted by the Governing Body (City Council or County Commission) as appropriate. The **List of Projects and Purposes** is included as an appendix to both the Intergovernmental Agreement and the Resolution calling for the Referendum.

**17. Does the law address the project selection process?**

No. The law allows a lot of flexibility in project selection. Additionally, each jurisdiction was responsible for their own public involvement.

**18. What details should be in final T-SPLOST Intergovernmental Agreement?** [See O.C.G.A 48.8.262(b)(2)]

Fulton County TSPLOST - It should be noted that the new code section under SB 369 does not describe what should be included in an Intergovernmental Agreement. This below language is from the original HB 170 bill. However, SB 369 refers to an Intergovernmental Agreement under 48-8-269.94.

(2) If an intergovernmental agreement authorized by paragraph (1) of this subsection is entered into, it shall, at a minimum, include the following:

(A) A list of the projects and purposes qualifying as transportation purposes proposed to be funded from the tax, including an expenditure of at least 30 percent of the estimated revenue from the tax on projects consistent with the state-wide strategic transportation plan as defined in paragraph (6) of subsection (a) of Code Section 32-2-22;

(B) The estimated or projected dollar amounts allocated for each transportation purpose from proceeds from the tax;

(C) The procedures for distributing proceeds from the tax to qualified municipalities;

(D) A schedule for distributing proceeds from the tax to qualified municipalities which shall include the priority or order in which transportation purposes will be fully or partially funded;

(E) A provision that all transportation purposes included in the agreement shall be funded from proceeds from the tax except as otherwise agreed;

(F) A provision that proceeds from the tax shall be maintained in separate accounts and utilized exclusively for the specified purposes;

(G) Record-keeping and audit procedures necessary to carry out the purposes of this article; and

(H) Such other provisions as the county and qualified municipalities choose to address.

**19. What does the ballot question look like in Fulton County (outside the City of Atlanta)?**

(see O.C.G.A 48-8-269.9)

*SAMPLE BALLOT: Shall an additional **0.75** percent sales tax be collected in part of **FULTON** County **OUTSIDE OF THE CITY OF ATLANTA** for **FIVE** years for the purpose of transportation improvements and congestion reduction?*

**20. What does the ballot question look like in the City of Atlanta?**

(See O.C.G.A 48-8-269.996)

*SAMPLE BALLOT: Shall an additional **0.4** percent sales tax be collected in the City of **ATLANTA** for **FIVE** years for the purpose of transportation improvements and congestion reduction?*

**21. Will all the monies go to actual projects?**

Nearly all of funds will go to projects, including funds for Project Engineering and acquisition of Rights of Way. However, there will be money set aside for program management. Program management costs typically are in the range of 3%. Please note that the law does require that 1% be paid to the general fund of the state treasury in order to defray the cost of administration at the state treasury (See O.C.G.A 48-8-269.94 and 269.9991), In addition, under the provisions of the Intergovernmental Agreement, 0.5% will be assigned to Fulton County to provide funding for the Oversight Process.

## 22. Are there items that are exempt from taxation?

Yes, there are six items that are exempt from taxation on the law. (see O.C.G.A 48-8-269.96 and O.C.G.A 48.8.269.9993)

- (1) *The sale or use of any type of fuel used for off-road heavy-duty equipment, off-road farm or agricultural equipment, or locomotives;*
- (2) *The sale or use of jet fuel to or by a qualifying airline at a qualifying airport;*
- (3) *The sale or use of fuel that is used for propulsion of motor vehicles on the public highways;*
- (4) *The sale or use of energy used in the manufacturing or processing of tangible goods primarily for resale;*
- (5) *The sale or use of motor fuel as defined under paragraph (9) of Code Section 48-9-2 for public mass transit; or*
- (6) *The purchase or lease of any motor vehicle pursuant to Code Section 48-5C-1*

## 23. What happens if collections differ from projections?

Fulton County TSPLOST - The Projects and Purposes List was developed along a tiered structure.

Tier I Projects – Projects funded with the first 85% of projected revenue

Tier II Projects – Projects funded with funds that are collected between 85% up to 100% of projected revenue.

Tier III Projects – Projects funded with any revenue collected over 100% of projected revenue.

## 24. Once passed, how will oversight occur?

Fulton County TSPLOST – The approved Intergovernmental Agreement states that, within 90 days of the passage of the Referendum, Fulton County and the cities will create a Fulton Transportation Investment Citizen’s Oversight Council. This Council will oversee the progress and implementation of the program and will furnish annual reports to the Board of Commissioners and each Mayor within the County. Reports will also be published periodically. The Council will consist of 14 total members, with one appointed by each city, and one member appointed by the Fulton County Board of Commissioners. The Annual Report will include a complete list of projects and the progress of the projects. The Council is expected to meet at least twice per year, and will be administered by Fulton County. In addition, O.C.G.A. 48-8-993 and 48-8-9999 states the following:

*Not later than December 31 of each year, the governing authority of each county and each qualifying municipality receiving any proceeds from the tax under this article shall publish annually, in a newspaper of general circulation in the boundaries of such county or municipality, a simple, nontechnical report which shows for each purpose in the resolution calling for the imposition of the tax the original estimated cost, the current estimated cost if it is not the original estimated cost, amounts expended in prior years, and amounts expended in the current year. The report shall also include a statement of what corrective action the county or qualified municipality intends to implement with respect to each purpose which is underfunded or behind schedule and a statement of any surplus funds which have not been expended for a purpose.*

In addition to the annual report, an **annual audit** is also required to assure that funds are kept in separate accounts and are expended in accordance with the terms of Georgia Law, and in accordance with the resolution and Intergovernmental Agreement. Cost incurred administering the program (audits, administration of the Oversight Council, annual reports, etc.) will be paid from proceeds of the tax and selection of the auditor will be the responsibility of Fulton County.

**25. What is a Qualified Municipality?**

To be eligible for SPLOST proceeds, a city must be a “qualified municipality.” A qualified municipality is defined in O.C.G.A. § 48-8-110(4). A municipality must provide at least three services out of a list of 12 services to be “qualified.” In addition to services provided directly by a municipality, services provided by contract count as services provided for purposes of qualification. All 14 municipalities in Fulton are considered “qualified”. The 12 services on the list are:

- A. Law enforcement;
- B. Fire protection and fire safety;
- C. Road and street construction or maintenance;
- D. Solid waste management;
- E. Water supply or distribution or both;
- F. Waste-water treatment;
- G. Storm-water collection or disposal;
- H. Electric or gas utility services;
- I. Enforcement of building, housing, plumbing, and electrical codes and other similar codes;
- J. Planning and zoning;
- K. Recreational facilities; and
- L. Library

**26. What about MARTA?** A sales tax for MARTA within the City of Atlanta is allowed under SB 369. MARTA and the City of Atlanta have agreed that a 0.5 % sales tax that will run concurrent with the existing MARTA tax be presented to the voters in the City of Atlanta in the November 8, 2016 election. For details on how the MARTA sales tax works, see SB 369.

**27. What is the Fulton County TSPLOST timeline?**

Feb-May	Jurisdictions developed their list (4 months) - COMPLETE
June	Jurisdiction lists adopted - COMPLETE
June	Complete DRAFT Master List for County is sent to all Mayors - COMPLETE
July 7	Official Meeting to discuss project list - COMPLETE
July 20	Intergovernmental Agreement_executed - COMPLETE
Aug 9	Resolution signed by County and forwarded to Election Superintendent - COMPLETE
Aug-Nov	Voter information education
Nov 8	VOTE by Citizen