

Transportation SPLOST (2017-2021)

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

Information Document (as of 3/28/16)

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 simply a sales tax where the capital 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 sewer repair tax of 1% (Tax was renewed during the March 2016 primary)

Based on legislation passed in the 2015 General Assembly, the law now allows for an additional sales tax for transportation and this increase 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 one of the jurisdictions that already has a MARTA tax and 80% of 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 one of the jurisdictions that already as a MARTA tax and represents 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. It is anticipated that the vote will occur in November of 2016 and collection 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 calls out that the City of Atlanta may vote for an up to 0.5 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 0.5%

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))

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))

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.

Assuming the maximum special district sales rate of 0.50% is leveraged for five years, the City of Atlanta will generate approximately **\$280-\$300** million from April of 2017 to March of 2022

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.

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 max period of time (5 years)

OR

The end of the calendar quarter that 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.

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 does a referendum get called?

Fulton County outside City of Atlanta (see O.C.G.A. 48-8-269.8) – A formal meeting is called by the BOC inviting each city by written notice. This meeting will be called to discuss the possible projects for inclusion in the referendum and the rate of the tax. It is contemplated that this meeting will occur in conjunction with the signing of the Intergovernmental Agreement. This formal meeting must be at least 30 days prior to the calling of the referendum by the Fulton County Board of Commissioners.

The referendum will only be considered if qualified municipalities and county representing 60% of the population of the portion of Fulton outside the City of Atlanta agree to move forward. A similar process is in play for the City of Atlanta except the City Council approves the list of projects to move forward to the Fulton County Board of Commissioners.

The referendum will 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 still signs the resolution since they have more of City in regards to geographic area than DeKalb County. The referendum then is submitted to Election Superintendent and includes the following:

- Specific transportation purposes to be funded
- The approximate cost of the transportation purposes
- Maximum amount of net proceeds to be raised by the tax
- Maximum amount of time in calendar years
- Rate of tax
- A 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. What happens if the T-SPLOST is passed?

In addition to congestion relief, there is a heavy emphasis on improving economic development, which should make Fulton County and its municipalities more competitive in attracting industry and relieving the tax burden on residential development. There are other opportunities to leverage local T-SPLOST funds with federal, state and other local (i.e. CID) dollars to bring even more needed projects to the county.

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

No. The code specifically calls out 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)

14. 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). 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. Meeting the 30% requirement should be easily accomplished. [see O.C.G.A 48-8-269.(c)920(D) and 269.995(b)(2)(D)]

15. Can other Counties or City of Atlanta partner with Fulton County?

While the current law does allow adjacent counties to cooperate and pass concurrent T-SPLOSTs; it does not allow two counties to have one consolidated sales tax managed together. Joint projects can be proposed but monies must be spent in county or district they are collected.

16. How are funds distributed and how will projects be selected?

Fulton County and the cities have a broad range of transportation projects and programs to choose from in identifying alternative scenarios. Comprehensive Transportation Plans (CTPs) are complete for the City of Atlanta, 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. It is proposed that proceeds from the tax will be distributed based on population. The Code is silent on a distribution method. Other factors such as mileage and employment could also be used.

17. Will there be Project Criteria?

Projects will be chosen by each of the municipal jurisdictions and unincorporated Fulton County. The manner in which the projects will be chosen will be entirely up to each jurisdiction. It is proposed that general project criteria be used by each jurisdiction and that these criteria be adopted by the Mayors and Commissioners at regular Mayor’s meeting. These criteria will help drive project selection such that a consistent theme exists across the entire county. It is also possible for a group of cities to combine monies for a project. For instance, if the north Fulton cities wanted to invest in a set of larger-scale projects that cross boundaries, they would simply work together on the funding of the project. Proposed Criteria is attached in the **Appendix** of this document. The **Final Project Master List** will be a summation of each jurisdiction’s list combined together. This Master List will be included in an intergovernmental agreement.

18. Does the law address the project selection process?

No. There is a lot of flexibility in project selection. It is anticipated that each jurisdiction will handle public involvement.

19. What details should be in final T-SPLOST Intergovernmental Agreement? (COA would not need this agreement)

[See O.C.G.A 48.8.262(b)(2)] 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.

20. What would the ballot question look like portion outside City of Atlanta?

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

Shall an additional ____ percent sales tax be collected in part of _____ County _____ for _____ years for the purpose of transportation improvements and congestion reduction?

*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?*

21. What would the ballot question look like in the City of Atlanta?

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

Shall an additional ____ percent sales tax be collected in the City of _____ for _____ years for the purpose of transportation improvements and congestion reduction?

*SAMPLE BALLOT: Shall an additional **0.5** percent sales tax be collected in the City of **ATLANTA** for **FIVE** years for the purpose of transportation improvements and congestion reduction?*

22. Can Debt be issued on the sales tax?

Yes. It is assumed that Fulton County outside of the City of Atlanta will not ask the Ballot question concerning debt to be issued. The ballot must include the following:

If debt is to be issued, the ballot shall also have written or printed thereon, following the language specified by paragraph (1) of this subsection, the following:

If imposition of the tax is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of _____ the municipality in the principal amount of \$_____ for the above purpose.

23. Will all the monies go to actual projects?

Yes, nearly all of funds will go to projects. However, there will be monies set aside for program management. Funds for Project engineering and Rights of Way will also be spent. Program management cost typically is 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)

24. 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*

25. What happens if collections differ from projections?

It is suggested that project list be 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 over 85% up to 100% of projected revenue.

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

26. Once passed, how will oversight occur?

Fulton County and the cities could create a Fulton Transportation Investment Citizen’s Oversight Council. This Council would oversee the progress and implementation of the program. They would furnish annual reports to the Board of Commissioners and each Mayor of the cities within the County. The report would also be published periodically. It is recommended that the Council consist of 15 total members with one appointee for each Mayor and one member appointed by the Fulton County Chairman. The Annual Report will include a complete list of projects and the progress of the projects. The Council would meet twice per year and will be paid a per diem for their service on the Council. This per diem would be paid from the proceeds of the Sales Tax. It is recommended that there will not be any elected official from within the County or municipalities represented. 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 report, an **annual audit** by an auditor is also required makes certain funds are kept in a separate account and spend according to the resolution passed.

27. 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

28. What about MARTA? A sales tax for MARTA within the City of Atlanta is allowed under SB 369. Up to a 0.5 cents sales tax that runs concurrent with the existing MARTA tax can be voted on in the Nov 8 election. For details on how the MARTA sales tax works, see SB 369. (Lines 19-119).

29. Is there a proposed timeline?

- March 31 Discuss moving forward with 'Fulton outside of the COA' TSPLOST
- April Ratification of the general terms will later be incorporated into the IGA.
- Feb-May Jurisdictions develop their list (4 months)
- May 30 Jurisdiction lists are due
- June 15 Complete Master List is sent to all jurisdictions
- June 30 Intergovernmental Agreement discussed and signed at formal meeting (with proper 10 day notice)
- Aug 3 Resolution signed by County and forwarded to Election Superintendent
- Aug-Nov Voter information campaign
- Nov 8 VOTE

**PROPOSED PROJECT SELECTION GUIDELINES
FOR FULTON COUNTY (TSPLOST)
10/29/15**

The intergovernmental agreement for TSPLOST revenue expenditures should focus on projects which align with state, regional and local goals pertaining to transportation investment.¹ In general, projects should come out of existing plans and programs that have previously been developed. Specific to state goals, Georgia code does require that 30 percent of revenues from TSPLOST districts be spent on projects which align with goals outlined within the Statewide Strategic Transportation Plan (SSTP)². The goals for the current edition of the SSTP are as follows:

- Supporting Georgia's economic growth and competitiveness
- Ensuring safety and security
- Maximizing the value of Georgia's assets, getting the most out of the existing network
- Minimizing the impact on the environment

For any new projects proposed to be funded through a **combination of local TSPLOST and federal funding sources**, alignment with regional objectives is required and inclusion in the RTP and TIP is required.³

Projects should have good public support and should be deliverable on time and on budget.

GENERAL PROJECT SPECIFIC CRITERIA

Roadway Capital Expansion Projects

- Capacity expansion on existing roadway facilities should align with the Regional Strategic Transportation System and Regional Thoroughfare Network.⁴ These expansions may be adding a new capacity lane or adding a center turn lane along a route.
- New alignment projects which expand the capacity of the existing roadway network should facilitate trips to, from and within major existing employment and activity centers throughout the region.⁵ Special consideration should be given to providing access to support transit.
- All roadway capacity expansion projects should follow the GDOT Complete Streets Design Policy.
- Due to federal requirements in regards to air quality, all new capacity projects must reviewed by ARC staff to determine if modeling is necessary.

¹ Projects must serve "Transportation Purposes" as outlined within OCGA 48-8-260. "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, 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.

² See OCGA 48-8-241

³ "New Projects" are those which are not currently documented within the currently adopted TIP or RTP. For existing TIP/RTP projects, policy alignment is assumed or grandfathered.

⁴ For roadway projects, federal transportation funds may only be spent on facilities classified as a collector or higher.

⁵ Major regional employment and activity centers are Region Centers and Regional Town Centers as defined in the Atlanta Region's Plan Regional Development Guide.