

# Local Option Sales Tax (LOST)

Presentation of the Cities of Fulton County

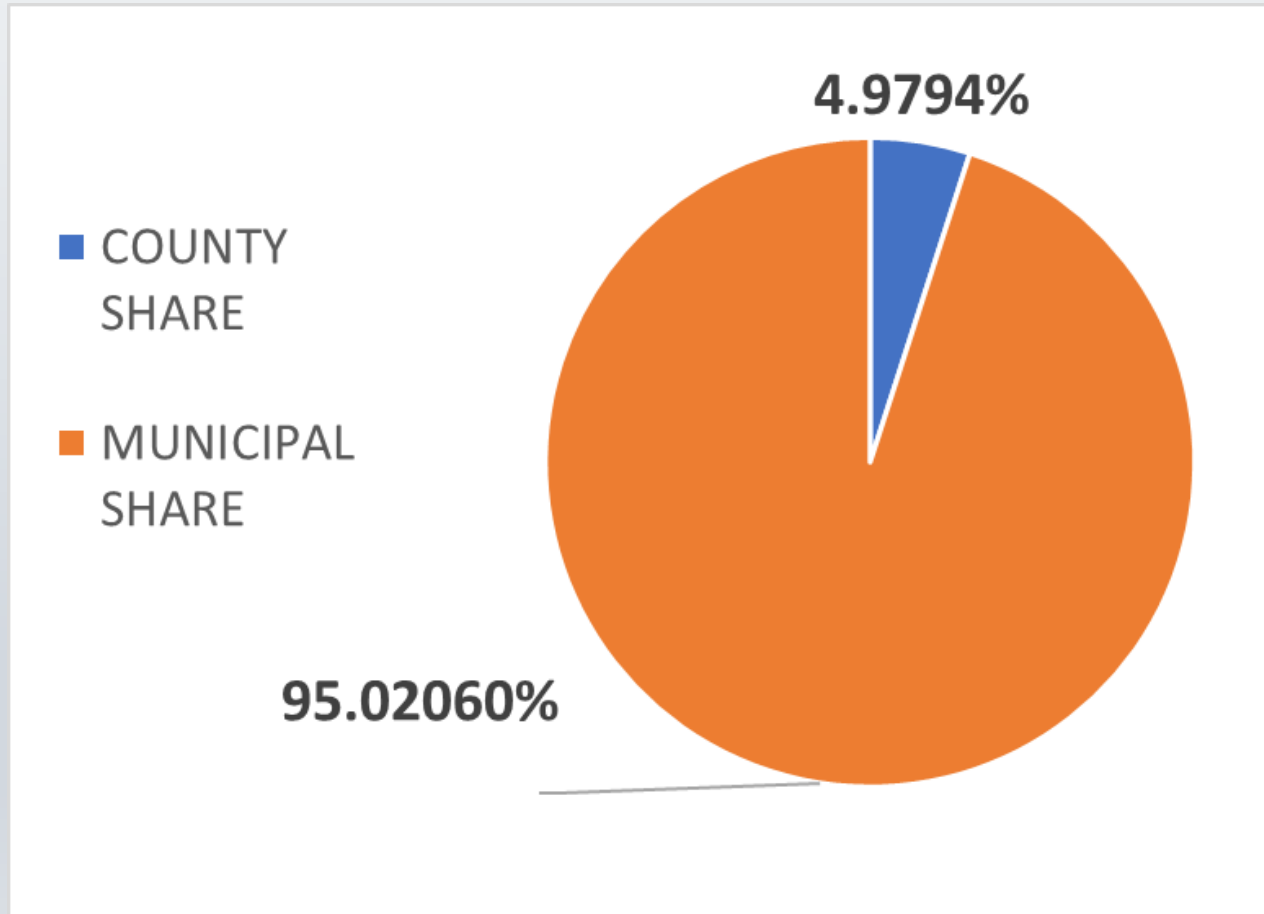
# Local Option Sales Tax (LOST) Joint Meeting 7/29



## Today's Agenda:

1. Opening by Chairman Pitts
2. Cities' Presentation by Mr. Welch and Mr. Brown
3. County's Response
4. Adjourn

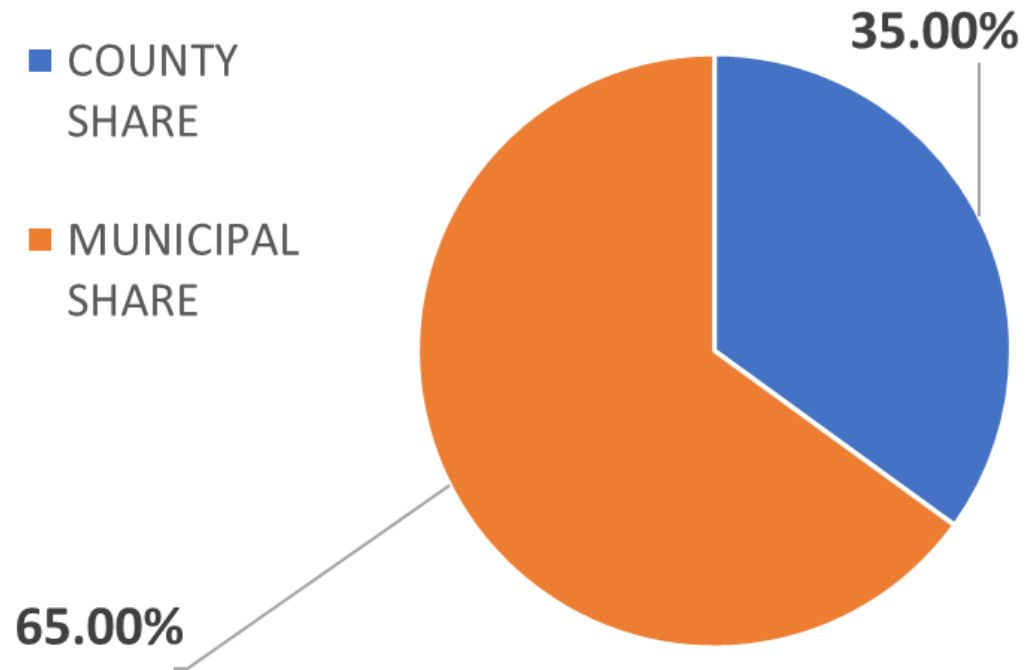
# CURRENT LOST SHARES:



**\$15.6  
MILLION**

# COUNTY'S PROPOSED LOST SHARES:

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**\$110.7  
MILLION**

# COUNTY PROPOSAL

- ☐ Ignores the law and the will of voters.
- ☐ Turns back the clock.
- ☐ Recaptures revenues [but not services].
- ☐ Redresses perceived fiscal harm.
- ☐ Achieves “per capita property tax equity” for property taxes that are not levied per capita but on property ownership and value.
- ☐ Uses double counting and other spurious methods to justify the County’s proposal.



# CENTRAL COUNTY CLAIM:

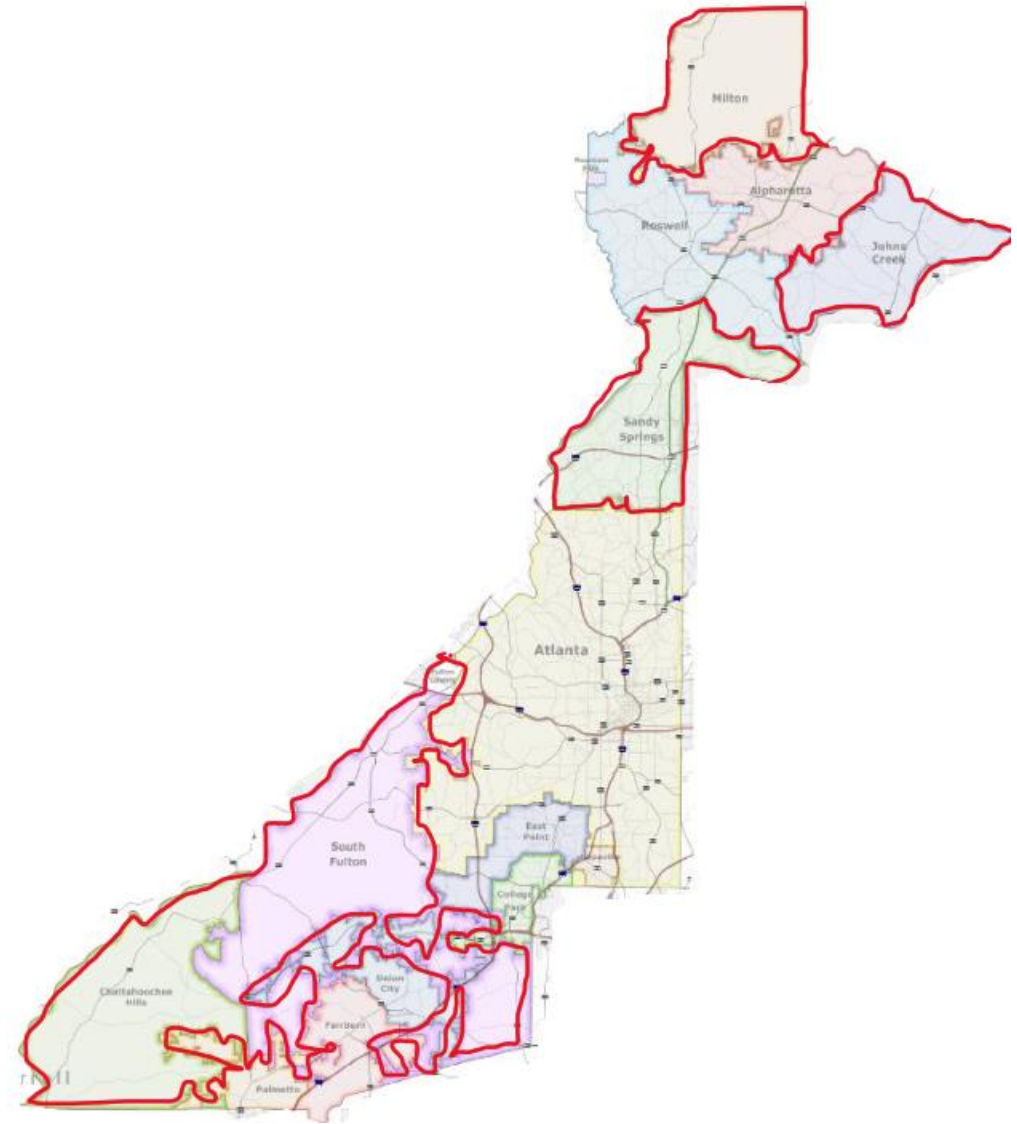
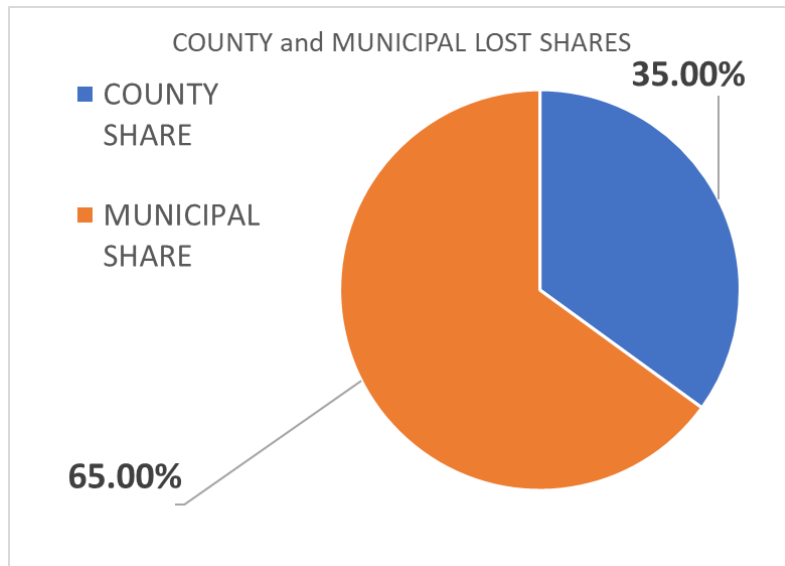
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The General Assembly “illogically penalized” Fulton County when LOST funds were “ripped” from County revenues to fund municipal services taken on by cities.

# FULTON COUNTY AND MUNICIPALITIES: 2000

Unincorporated Area Decennial Census: 229,924  
Share of Countywide Population: 28.18%

Service Area: 253 Square Miles  
Share of Land Area: 48%

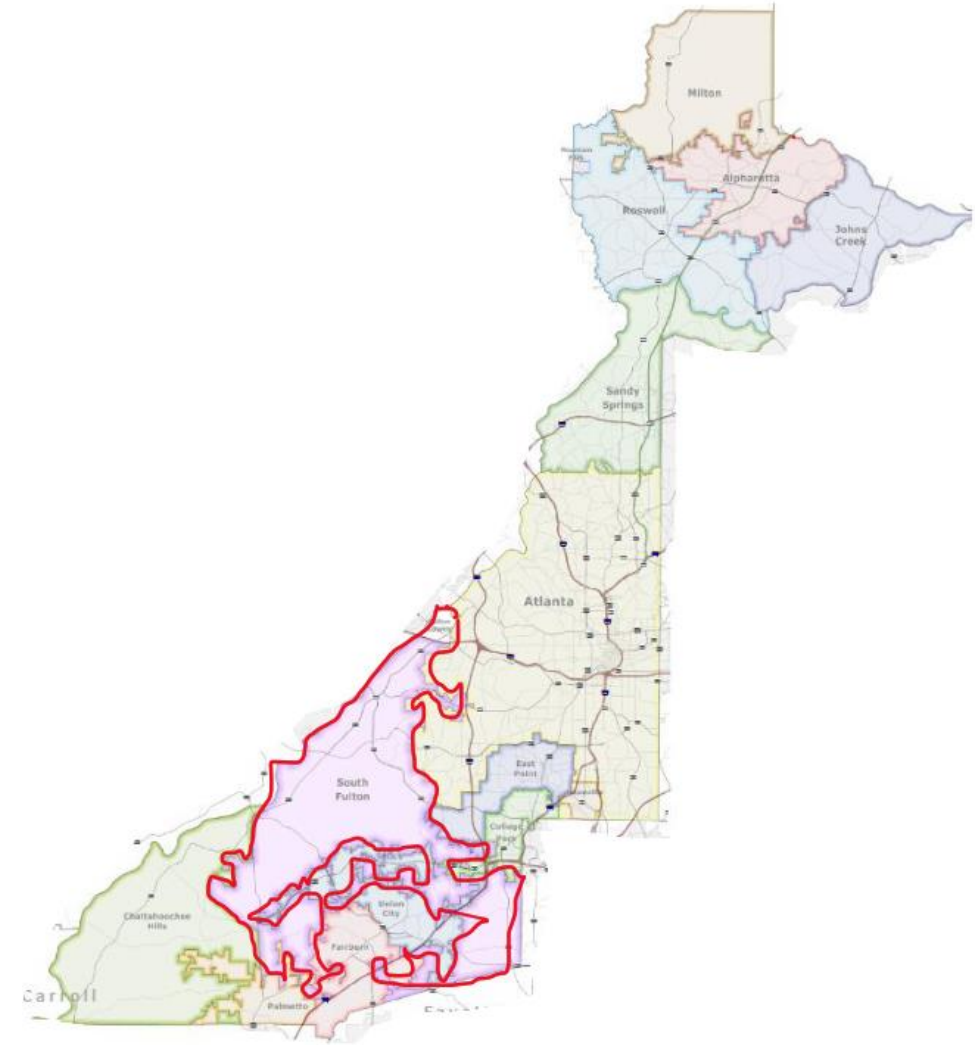
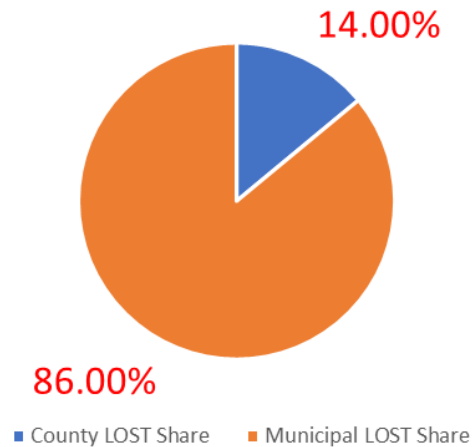


# FULTON COUNTY AND MUNICIPALITIES: 2010

Unincorporated Area Decennial Census: 87,478  
Share of Countywide Population: 9.50%

Service Area: Square Miles: 86  
Share of County Land Area: 16%

**COUNTY NEGOTIATED LOST SHARE, 2014**



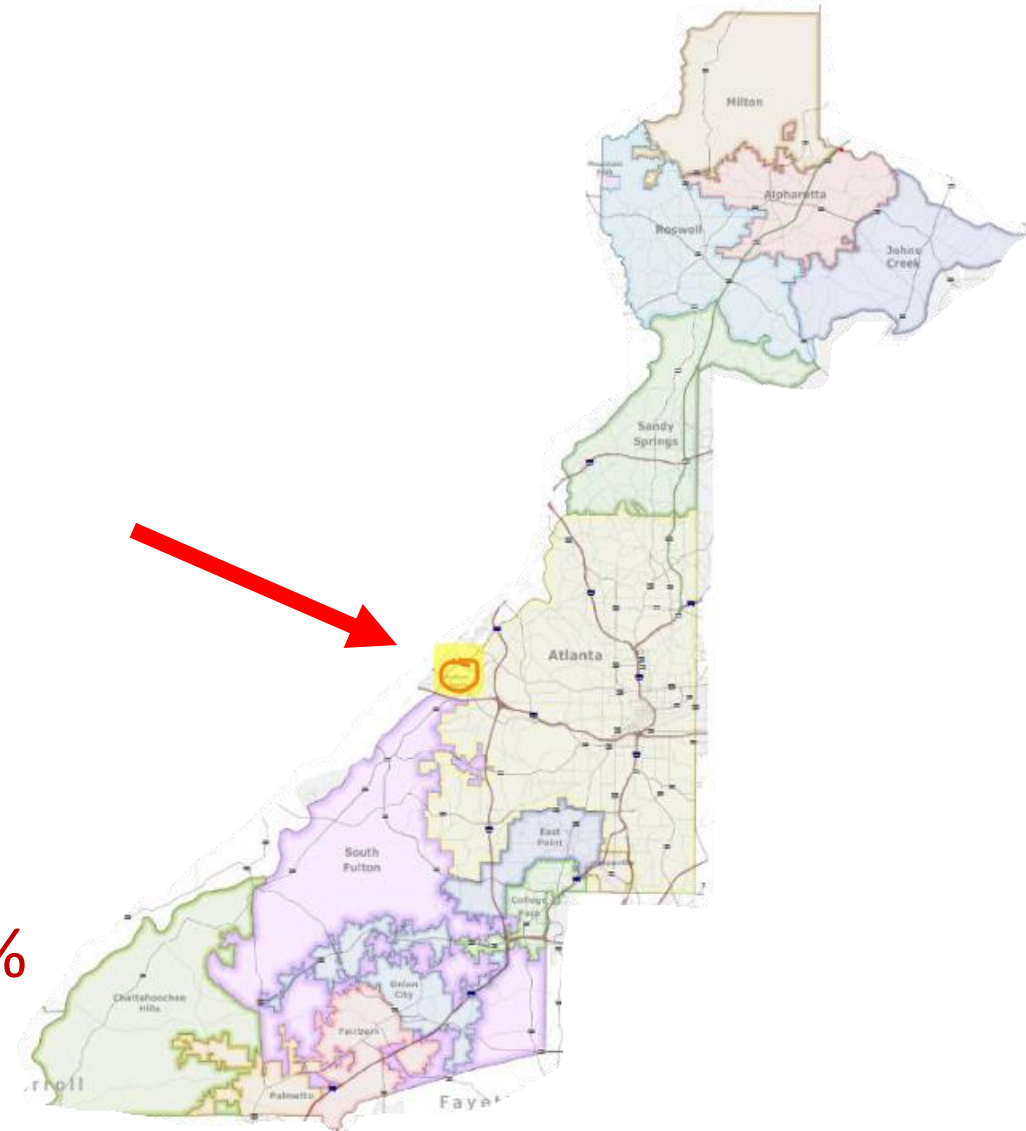


# FULTON COUNTY AND MUNICIPALITIES: 2022

Unincorporated Area Decennial  
Census: 889

Share of Countywide Population:  
0.08%

Service Area: Square Miles: < 2  
Share of County Land Area: 0.38%



# REDUCTION IN “SERVICE UNITS” and SERVICE AREA OVER TIME

2000  
LOST 35%

Uninc. Pop: 229,924  
% Total Pop: 28.18%

Service Area: 253 sq. m.  
% of Service Area: 48%

2010  
LOST 14%

Uninc. Pop.: 87,478  
% of Total Pop.: 9.50%

Service Area: 86 sq m  
% of Service Area: 16%

2020  
Proposed LOST 35%

Uninc. Pop: 889  
% of Total Pop.: 0.08%

Service Area: 1.62 sq. m.  
% of Service Area: 0.38%



County is Going Back to the Future?

~~Commissioners'~~  
Failure to Sign

or

~~Commissioners'~~  
Unfair or Unfounded  
Demand for an  
Increase in LOST

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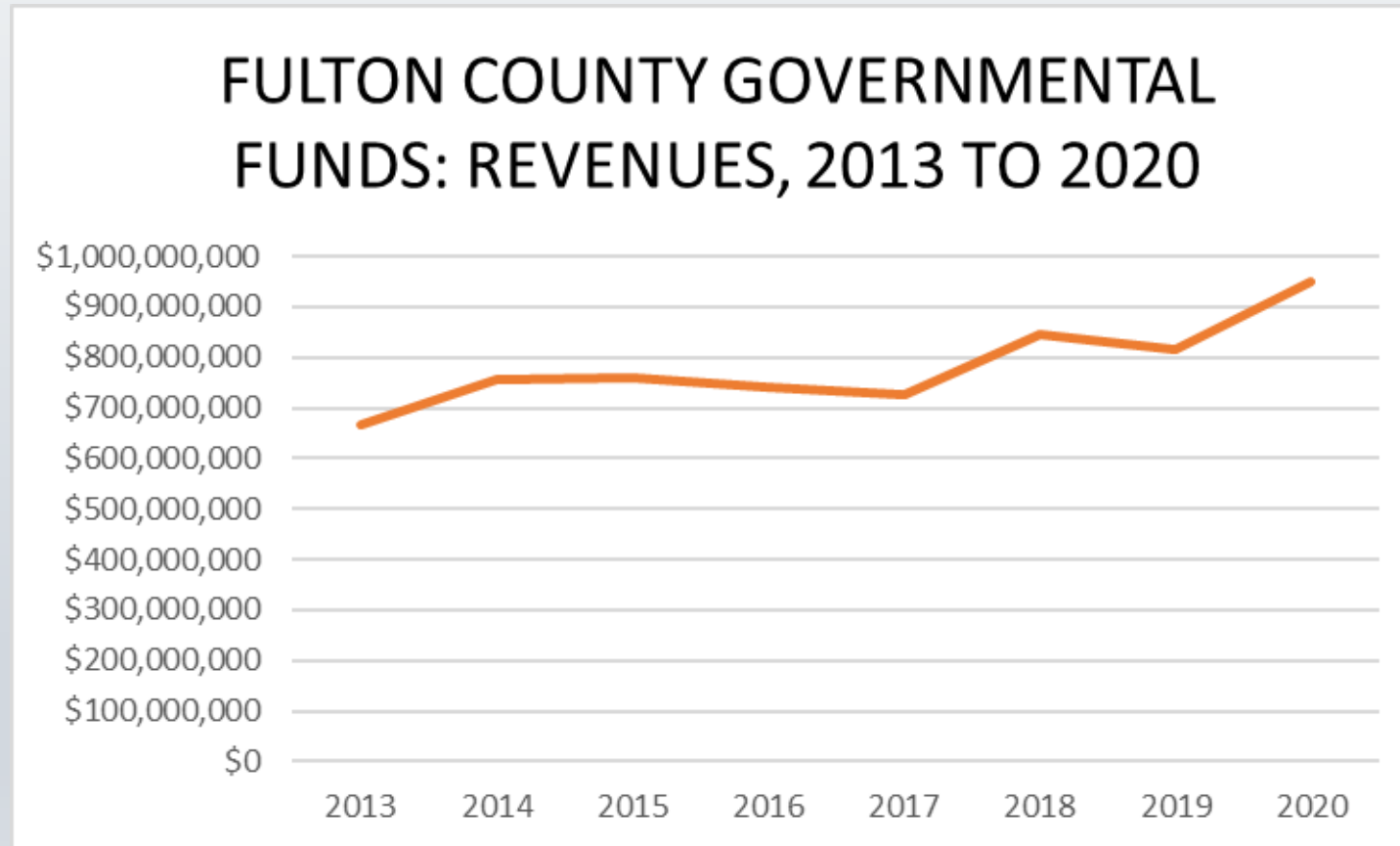
INCREASE IN  
PROPERTY  
TAXES FOR ALL  
CITY TAXPAYERS

# PROPERTY TAX MILLAGE RATES WITH COUNTY 35% SHARE

JURISDICTION	2021 Millage Rate	Property Tax Levy	LOST Revenues, 2021	Current LOST Shares	Revised Countywide LOST Shares with 35% County Share	Revised LOST Revenues with County 35% Share	Revenue Change	Millage Rate Increase or Decrease	Total Millage Rate at 35% County Share
ALPHARETTA	4.935	\$28,406,450	\$18,477,482	5.8367%	3.99%	\$12,634,166	-\$5,843,316	1.02	5.95
ATLANTA	7.850	\$276,286,341	\$127,920,159	40.4358%	27.66%	\$87,527,644	-\$40,392,516	1.15	9.00
CHATTAHOOCHEE HILLS	9.460	\$2,201,849	\$845,416	0.2670%	0.18%	\$577,950	-\$267,466	1.15	10.61
COLLEGE PARK	12.619	\$8,798,491	\$4,128,213	1.3079%	0.89%	\$2,831,090	-\$1,297,123	1.86	14.48
<b>EAST POINT</b>	<b>13.250</b>	<b>\$19,666,970</b>	<b>\$12,521,824</b>	<b>3.9590%</b>	<b>2.71%</b>	<b>\$8,569,682</b>	<b>-\$3,952,142</b>	<b>2.66</b>	<b>15.91</b>
FAIRBURN	8.100	\$8,870,454	\$4,704,074	1.4829%	1.01%	\$3,209,897	-\$1,494,178	1.36	9.46
HAPEVILLE	15.729	\$7,050,174	\$2,169,416	0.6856%	0.47%	\$1,484,055	-\$685,361	1.53	17.26
<b>JOHNS CREEK</b>	<b>3.986</b>	<b>\$19,608,167</b>	<b>\$24,634,194</b>	<b>7.7815%</b>	<b>5.32%</b>	<b>\$16,843,895</b>	<b>-\$7,790,299</b>	<b>1.58</b>	<b>5.57</b>
<b>MILTON</b>	<b>4.731</b>	<b>\$13,868,738</b>	<b>\$10,503,002</b>	<b>3.3124%</b>	<b>2.27%</b>	<b>\$7,170,047</b>	<b>-\$3,332,956</b>	<b>1.14</b>	<b>5.87</b>
MOUNTAIN PARK	8.000	\$204,586	\$173,857	0.0550%	0.04%	\$119,053	-\$54,803	2.14	10.14
PALMETTO	8.500	\$808,753	\$1,344,935	0.4247%	0.29%	\$919,309	-\$425,626	4.47	12.97
ROSWELL	4.618	\$26,815,817	\$28,353,993	8.9598%	6.13%	\$19,394,452	-\$8,959,541	1.54	6.16
<b>SANDY SPRINGS</b>	<b>4.731</b>	<b>\$44,171,240</b>	<b>\$30,119,226</b>	<b>9.5183%</b>	<b>6.51%</b>	<b>\$20,603,385</b>	<b>-\$9,515,840</b>	<b>1.02</b>	<b>5.75</b>
SOUTH FULTON	12.899	\$32,994,153	\$28,689,766	9.0206%	6.17%	\$19,526,060	-\$9,163,706	3.58	16.48
UNION CITY	12.138	\$15,432,681	\$6,252,991	1.9732%	1.35%	\$4,271,204	-\$1,981,787	1.56	13.70



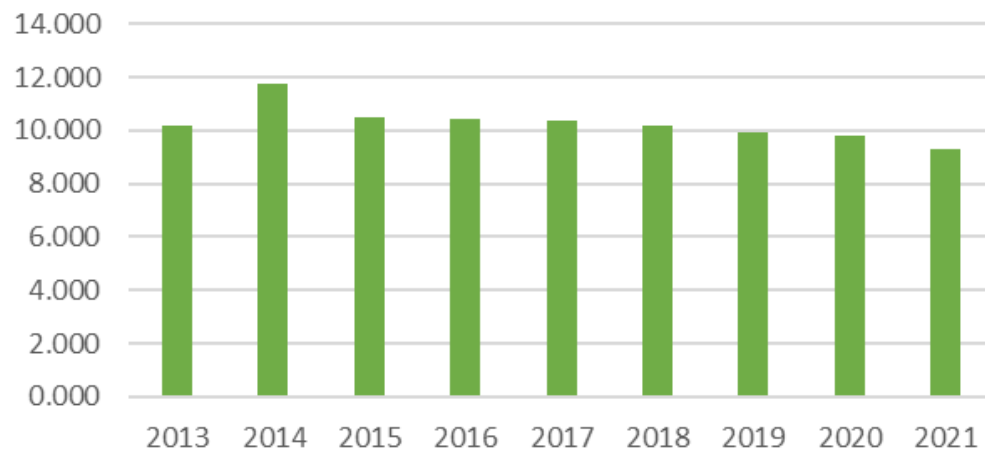
## REVENUE HARM? COUNTY REVENUE 29.61% GROWTH, 2013 TO 2020



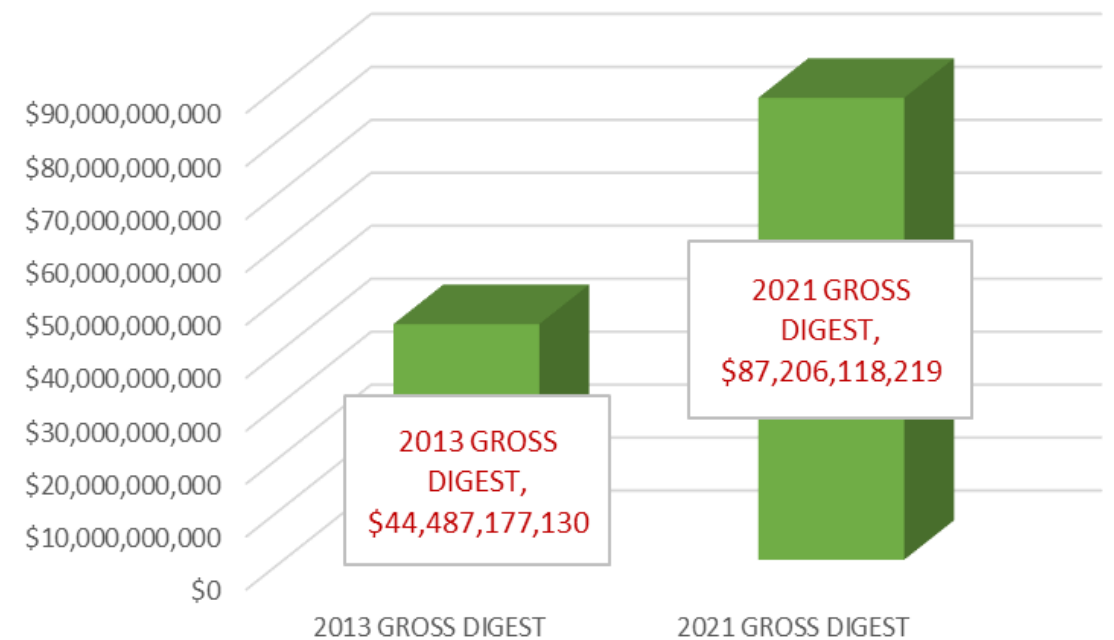
## TAX RATE HARM? COUNTY M&O PROPERTY TAX MILLAGE RATE 2013 TO 2021

YEAR	2013	2014	2015	2016	2017	2018	2019	2020	2021
Millage Rate	10.211	11.781	10.500	10.450	10.380	10.200	9.899	9.776	9.330

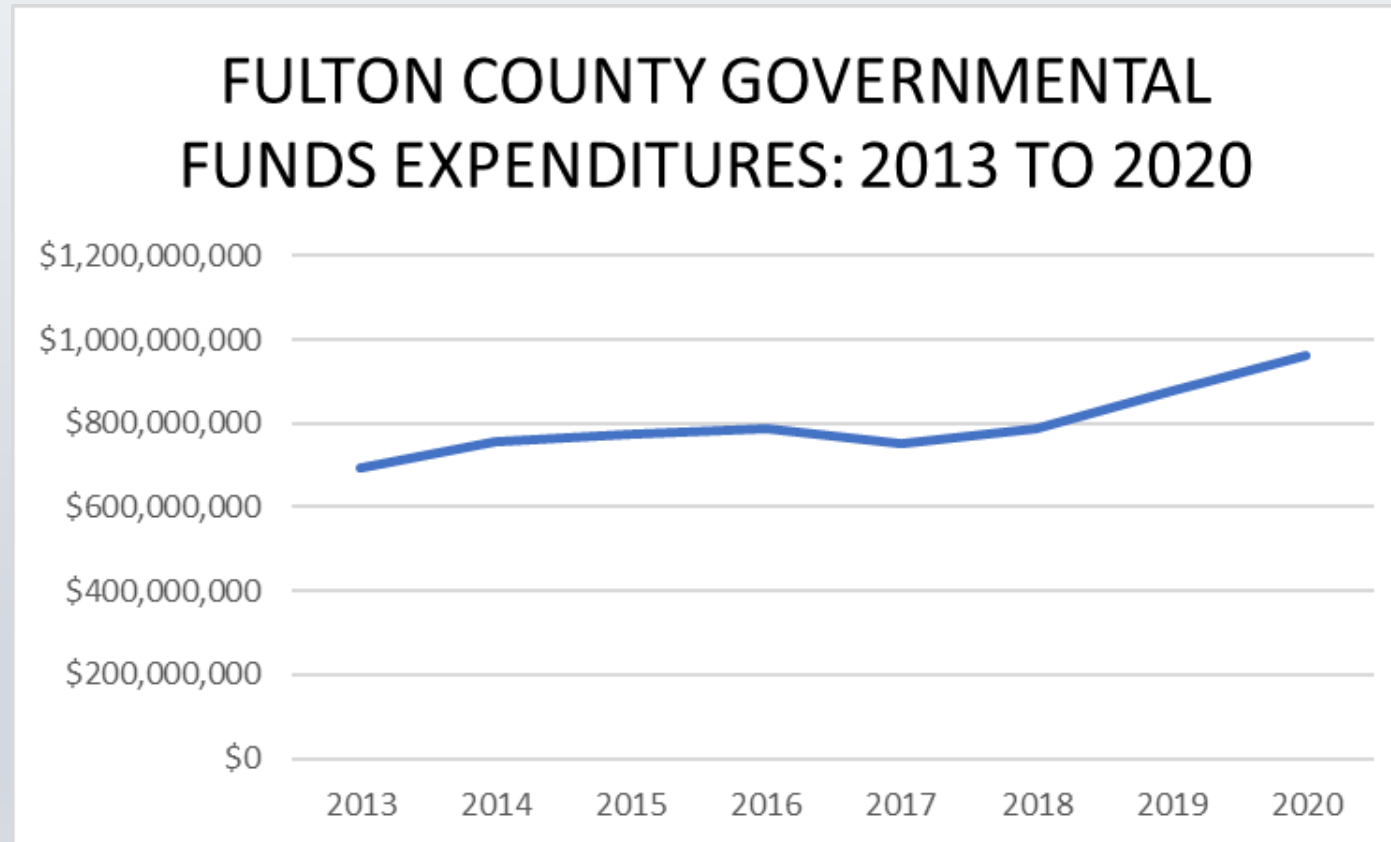
FULTON COUNTY M&O  
PROPERTY TAX MILLAGE RATES,  
2013 TO 2021



FULTON GROSS DIGEST GROWTH: 96%



## COUNTY SPENDING HARM? 38.29% GROWTH, 2013 TO 2020



## **RESPONSE TO COUNTY INEQUITY CLAIMS**

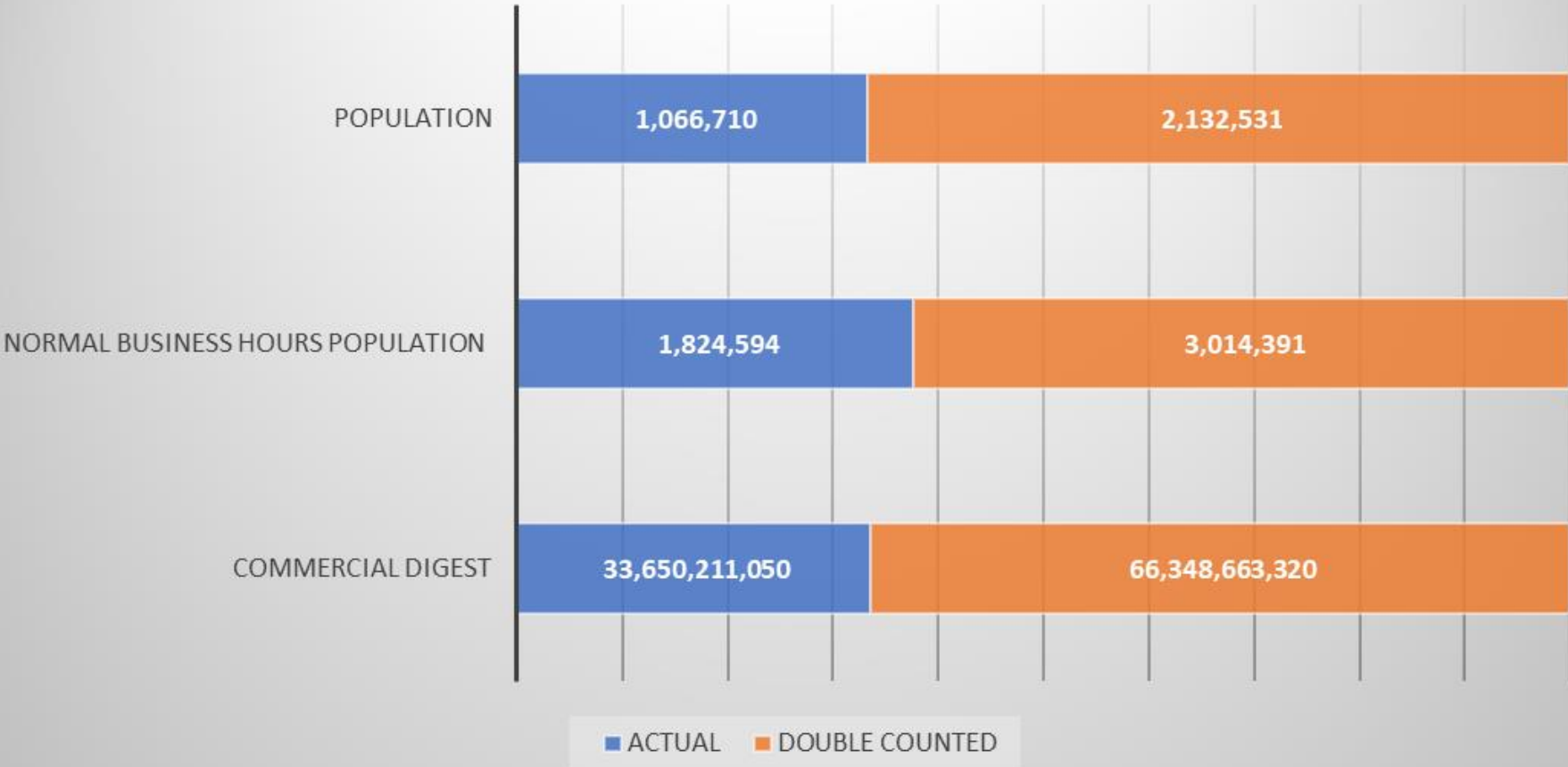
- “Per capita” equity can only be achieved if property taxes are charged to each person.
- The County ignores the fact that taxpayers in cities pay two tax bills: one to the county and one to the municipality.
- GA Supreme Court has ruled: “We discern no equal protection violation in the fact, virtually a definition, that urban centers generate more revenue from a sales tax than rural areas.” Board of Com’rs of Taylor County v. Cooper, 245 Ga. 251 (1980).
- GA Supreme Court has ruled: “There is no equal protection or due process violation on the basis that some areas of sales tax district or some taxpayers in the district may receive a greater benefit from taxes than others.” Board of Com’rs of Taylor County v. Cooper, 245 Ga. 251 (1980).

### THE COUNTY USES SPURIOUS **DOUBLE COUNTING**

- The County's methodology to achieving 35% of LOST is based on the following false claims:
  - **Fiction**: County's population number of 2,132,531 "Service Units"
    - **Fact**: County population is 1,066,710 people.
  - **Fiction**: Normal business hours population the county is 3,014,391 "Service Units".
    - **Fact**: The normal business hours population in the county (inclusive of the cities) is 1,824,594.
  - **Fiction**: Countywide commercial digest is \$66 billion.
    - **Fact**: It's \$33 billion.
  - **Fiction**: All sales in the cities are directly supported by the county services.
    - **Fact**: The Cities provide principal support for the environment which generate these sales including police, fire, EMS, 911, streets & traffic.



# COUNTY DOUBLE COUNTED MEASURES



# Effect of Double Counting - Cuts Municipal Factors in Half!

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## Example – Applied to Atlanta’s Population

- County’s 2022 Decennial Population = 1,066,710
- Double Counting County’s Population = 2,132,531
- City of Atlanta 2022 Decennial Census Population = 458,695

Factual →  $458,695 / 1,066,710 = 0.43 \times 100\% = 43.0\%$

Fabricated →  $458,695 / 2,132,531 = 0.21 \times 100\% = 21.5\%$

Mr. Eaves’ method reduces every municipal citizen to HALF a person or half a “Service Unit.”

# SOURCES OF DATA

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- ✓ OFFICIAL FEDERAL, STATE, AND LOCAL DATA
- ✓ DECENNIAL CENSUS, ECONOMIC CENSUS, GA STATUTES, SUPREME COURT CASES, DCA, DOR, UGA CARL VINSON INSTITUTE, COUNTY AND CITY AUDITS AND REPORTS OF LOCAL GOVERNMENT FINANCE
- ✓ **NO** USE OF **DOUBLE COUNTING** OR FICTIONAL MEASURES

# Empirical Measures

## applied to statutory criteria

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- ✓ POPULATION
- ✓ POPULATION DURING NORMAL BUSINESS HOURS
- ✓ INHERENT VALUE OF UNINCORPORATED AREA AND CENTRAL BUSINESS DISTRICT
- ✓ SERVICE EXPENDITURES
- ✓ IMPACT ON DEBT
- ✓ POINT OF SALE
- ✓ SERVICE AGREEMENTS
- ✓ SUBSIDIES
- ✓ TAX BURDEN

# POPULATION

Jurisdiction	Decennial Census	Share of Population
Fulton County Unincorporated Area	889	<b>0.08%</b>
Alpharetta	65,818	65,818
Atlanta, Fulton	458,695	498,715
Chattahoochee Hills, Fulton	2,948	2,950
College Park, Fulton	12,957	13,930
East Point	38,358	38,358
Fairburn	16,483	16,483
Hapeville	6,553	6,553
Johns Creek	82,453	82,453
Milton	41,296	41,296
Mountain Park, Fulton	571	583
Palmetto, Fulton	4,510	5,071
Roswell, Fulton	92,833	92,833
Sandy Springs	108,080	108,080
South Fulton	107,436	107,436
Union City	26,830	26,830
Total Municipal Population	1,065,821	<b>99.92%</b>



# POPULATION DURING NORMAL BUSINESS HOURS

Population/Area	Population During Normal Business Hours	Share of Normal Business Hours Population
Unincorporated Area	2,767	0.15%
Alpharetta	157,954	8.66%
Atlanta, Fulton	851,943	46.69%
Chattahoochee Hills, Fulton	3,389	0.19%
College Park, Fulton	28,741	1.58%
East Point	52,611	2.88%
Fairburn	24,195	1.33%
Hapeville	17,446	0.96%
Johns Creek	107,224	5.88%
Milton	53,282	2.92%
Mountain Park, Fulton	636	0.03%
Palmetto, Fulton	5,313	0.29%
Roswell, Fulton	140,259	7.69%
Sandy Springs	218,105	11.95%
South Fulton	122,569	6.72%
Union City	38,160	2.09%
Municipal	1,821,827	99.85%

## INHERENT VALUE TO A COMMUNITY OF A CENTRAL BUSINESS DISTRICT AND THE UNINCORPORATED AREAS OF THE COUNTY : GROSS AND TAX EXEMPT DIGESTS

Jurisdiction	Gross Digest	Tax Exempt Digest	Total Digest	Share of Total
<b>Unincorporated Area</b>	\$1,789,867,286	\$105,094,180	\$1,894,961,466	<b>1.94%</b>
Alpharetta	\$6,835,113,181	\$453,222,384	\$7,288,335,565	7.48%
Atlanta, Fulton	\$41,198,618,692	\$6,667,159,096	\$47,865,777,788	49.12%
Chattahoochee Hills, Fulton	\$310,920,509	\$11,437,240	\$322,357,749	0.33%
College Park, Fulton	\$771,167,093	\$749,935,910	\$1,521,103,003	1.56%
East Point	\$1,549,589,666	\$136,370,388	\$1,685,960,054	1.73%
Fairburn	\$2,086,305,871	\$85,838,828	\$2,172,144,699	2.23%
Hapeville	\$462,043,799	\$62,731,560	\$524,775,359	0.54%
Johns Creek	\$5,844,268,969	\$365,956,240	\$6,210,225,209	6.37%
Milton	\$3,431,371,442	\$147,534,000	\$3,578,905,442	3.67%
Mountain Park, Fulton	\$35,303,314	\$1,290,840	\$36,594,154	0.04%
Palmetto, Fulton	\$182,193,020	\$43,517,244	\$225,710,264	0.23%
Roswell, Fulton	\$6,566,074,647	\$401,460,920	\$6,967,535,567	7.15%
Sandy Springs	\$10,528,462,390	\$570,755,896	\$11,099,218,286	11.39%
South Fulton	\$3,886,864,810	\$295,919,056	\$4,182,783,866	4.29%
Union City	\$1,727,953,530	\$143,693,156	\$1,871,646,686	1.92%
<b>Total Municipal</b>	<b>\$85,416,250,933</b>	<b>\$10,136,822,758</b>	<b>\$95,553,073,691</b>	<b>98.06%</b>

# SUPPLEMENTARY POWERS SERVICE EXPENDITURES

<b>Services to the Resident Population</b>	<b>FULTON COUNTY</b>	<b>MUNICIPAL</b>	<b>All Jurisdictions</b>
Police Protection	\$6,754,769	\$348,733,199	\$355,487,968
Fire Protection	\$3,701,246	\$188,092,579	\$191,793,826
Garbage and solid waste collection and disposal	\$616,241	\$84,932,108	\$85,548,349
Public health facilities and services	\$80,093,778		\$80,093,778
Ambulance and emergency rescue			\$0
Animal control	\$4,395,299		\$4,395,299
Street and road construction and maintenance, including curbs, sidewalks, street lights, and devices to control the flow of traffic on streets and roads constructed by counties and municipalities or any combination thereof.	\$361,751	\$121,897,154	\$122,258,905
Parks, recreation area, programs, and facilities	\$7,944,970	\$102,236,531	\$110,181,501
Storm water collection and disposal systems.	\$241,168	\$1,025,207	\$1,266,375
Sewage collection and disposal systems.	\$39,387,531	\$240,999,733	\$280,387,264
Development, storage, treatment, purification, and distribution of water.	\$39,387,531	\$241,889,007	\$281,276,538
Public housing.			0
Public transportation.			\$0
Libraries, archives, and arts and sciences programs and facilities.	\$30,268,168		\$30,268,168
Terminal and dock facilities and parking facilities.	\$9,974,397	\$642,834,423	\$652,808,820
Codes, including building, housing, plumbing, and electrical codes.	\$596,145	\$40,452,494	\$41,048,640
Air quality control.			\$0
Power to maintain pension systems.			\$0
<b>Total Services to the Resident Population</b>	<b>\$223,722,995</b>	<b>\$2,013,092,435</b>	<b>\$2,236,815,429</b>
<b>Share of Total Services to the Resident Population</b>	<b>10.00%</b>	<b>90.00%</b>	<b>100.00%</b>

## THE EFFECT OF A CHANGE IN SALES TAX DISTRIBUTION ON THE ABILITY OF EACH POLITICAL SUBDIVISION TO MEET ITS SHORT-TERM AND LONG-TERM DEBT:

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- The reduction of municipalities' LOST shares will have a very harmful effect on cities' ability to pay existing debt or incur new debt.
- Rating agencies, lenders, and debt purchasers will harshly judge these revenue reductions potentially causing a ratings downgrade and requiring high interest rates for borrowing.
- Cities are responsible for infrastructure that serves the entire county such as roads and transportation, police, fire, emergency communications, parks, and governmental facilities.
- The ability to issue long and short-term debt is in the best interest of all residents and businesses in the county.

# POINT OF SALE

Jurisdiction	Retail Trade Employment	Accommodation & Food Service Sales Employment	Arts & Entertainment Employment	Total Retail Trade, Accommodation & Food Service, Arts & Entertainment Employment	Share of Total Employment
Unincorporated Area	38	48	-	86	0.05%
ALPHARETTA	7,920	6,833	2,275	17,028	10.80%
ATLANTA, Fulton	29,102	46,118	9,086	84,306	53.47%
CHATTAHOOCHEE HILLS, Fulton	34	146	23	203	0.13%
COLLEGE PARK, Fulton	517	2,134	47	2,698	1.71%
EAST POINT	1,808	3,159	40	5,007	3.18%
FAIRBURN	286	564	32	882	0.56%
HAPEVILLE	174	2,888	5	3,067	1.95%
JOHNS CREEK	4,213	2,779	1,014	8,006	5.08%
MILTON	1,016	976	442	2,434	1.54%
MOUNTAIN PARK, Fulton	-	1	-	1	0.00%
PALMETTO, Fulton	183	94	-	277	0.18%
ROSWELL	6,209	5,363	1,047	12,619	8.00%
SANDY SPRINGS	7,101	6,129	1,162	14,392	9.13%
SOUTH FULTON	1,947	1,797	86	3,830	2.43%
UNION CITY	2,144	652	29	2,825	1.79%
MUNICIPAL	62,654	79,633	15,288	157,575	99.95%
TOTAL	62,692	79,681	15,288	157,661	100.00%

# SERVICE AGREEMENTS: 2018 UNVERIFIED SERVICE DELIVERY PLAN

<b>911</b>	<b>Libraries</b>
<b>Animal Control</b>	<b>Marshal</b>
<b>Arts Grants</b>	<b>Mental Health</b>
<b>Arts Programs</b>	<b>Parks &amp; Recreation Services</b>
<b>Aviation</b>	<b>Planning &amp; Zoning</b>
<b>Building Inspections &amp; Permits</b>	<b>Physical Health</b>
<b>Code Enforcement</b>	<b>Police</b>
<b>Communications (Non-911)</b>	<b>Public Defender Municipal</b>
<b>Computer Maps (GIS)</b>	<b>Public Defender State County</b>
<b>Courts</b>	<b>Recycling</b>
<b>Drug Task Force</b>	<b>Senior Centers</b>
<b>Economic Development</b>	<b>Solicitor</b>
<b>Elections</b>	<b>Solid Waste Collection</b>
<b>Emergency Management (EMS)</b>	<b>Street Construction &amp; Maintenance</b>
<b>Environmental Health</b>	<b>Storm Water Management</b>
<b>Environmental Regulation</b>	<b>Voter Registration</b>
<b>Fire</b>	<b>Water Treatment &amp; Distribution</b>
<b>Homelessness</b>	<b>Wastewater Treatment &amp; Collection</b>
<b>Housing</b>	<b>Welfare Services</b>
<b>Indigent Care</b>	<b>Workforce Development</b>
<b>Jail Services</b>	<b>Yard Waste Collection</b>

# PROPERTY TAX BURDEN BY TAXING AREA

Jurisdiction	County Tax Levy	Municipal Tax Levy	Total Tax Levy	Share of Total Property Tax Levy
Unincorporated Area	\$29,391,451		\$29,391,451	<b>2.46%</b>
ALPHARETTA	\$52,764,597	\$28,406,450	\$81,171,047	6.80%
ATLANTA, Fulton	\$318,038,407	\$276,286,341	\$594,324,748	49.78%
CHATTAHOOCHEE HILLS, Fulton	\$2,400,194	\$2,201,849	\$4,602,043	0.39%
COLLEGE PARK, Fulton	\$5,953,131	\$8,798,491	\$14,751,622	1.24%
EAST POINT	\$11,962,271	\$19,666,970	\$31,629,240	2.65%
FAIRBURN	\$16,105,525	\$8,870,454	\$24,975,979	2.09%
HAPEVILLE	\$3,566,811	\$7,050,174	\$10,616,984	0.89%
JOHNS CREEK	\$45,115,639	\$19,608,167	\$64,723,806	5.42%
MILTON	\$26,488,944	\$13,868,738	\$40,357,682	3.38%
MOUNTAIN PARK, Fulton	\$272,529	\$204,586	\$477,115	0.04%
PALMETTO, Fulton	\$1,406,464	\$808,753	\$2,215,217	0.19%
ROSWELL, Fulton	\$50,687,717	\$26,815,817	\$77,503,533	6.49%
SANDY SPRINGS	\$81,275,914	\$44,171,240	\$125,447,154	10.51%
SOUTH FULTON	\$30,005,188	\$32,994,153	\$62,999,341	5.28%
UNION CITY	\$13,339,175	\$15,432,681	\$15,432,681	1.29%
<b>MUNICIPAL</b>	<b>\$659,382,505</b>	<b>\$505,184,862</b>	<b>\$1,164,567,367</b>	<b>97.54%</b>

# SUMMARY OF MEASURES

MEASURE	COUNTY SHARE	MUNICIPAL SHARE
DECENNIAL POPULATION	0.08%	99.92%
NORMAL BUSINESS HOURS POPULATION	0.15%	99.85%
INHERENT VALUE OF UNINCORPORATED AREA AND CENTRAL BUSINESS DISTRICTS	1.94%	98.06%
SUPPLEMENTARY POWERS SERVICE EXPENDITURES	10.00%	90.00%
POINT OF SALE	0.05%	99.95%
TAX BURDEN	2.46%	97.54%
TOTAL OF MEASURES	14.68%	585.32%
AVERAGE OF MEASURES	<b>2.45%</b>	<b>97.55%</b>



# Conclusions

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- ❖ Using “Service Units” (i.e., Population) within the County’s lawful Service Area (i.e., Unincorporated Area), the distribution of LOST would be:
  - County →  $889 / 1,066,710 \times 100\% = \mathbf{0.08\%}$
  - Cities →  $1,065,821 / 1,066,710 \times 100\% = \mathbf{99.92\%}$
- ❖ Following the Statutory Criteria Mr. Brown presented today, the distribution of LOST would be:
  - County →  $\mathbf{2.45\%}$
  - Cities →  $\mathbf{97.55\%}$

# Cities' Proposal

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❖ Using “Service Units” (i.e., Population) within the County’s lawful Service Area (i.e., Unincorporated Area), the distribution of LOST would be:

- County →  $889 / 1,066,710 \times 100\% = 0.08\%$
- Cities →  $1,065,821 / 1,066,710 \times 100\% = 99.92\%$

❖ Following the Statutory Criteria Mr. Brown presented today, the distribution of LOST would be:

- County → 2.45 %
- Cities → 97.55 %

# Local Option Sales Tax (LOST) Joint Meeting 7/29



## Today's Agenda:

1. Opening by Chairman Pitts
2. Cities' Presentation by Mr. Welch and Mr. Brown
3. County's Response
4. Adjourn