

# COUNTY REVENUES

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## **INTRODUCTION**

Georgia’s county commissioners are charged with fiscal responsibility for the entire county government, which includes the county’s constitutional officers. By law, county governing authorities (i.e., boards of commissioners, sole commissioners, consolidated governments) must maintain a balanced annual budget. As discussed in the Operations Budgeting Chapter, in order to balance the county’s budget, two variables can be adjusted — revenues and expenditures. Unlike the federal government, county governing authorities cannot spend more than the revenue generated annually, including any funds accumulated in reserve from previous years.<sup>1</sup>

County commissioners are tasked with setting revenue policies that direct who pays for county services and how the burden for funding these services is distributed among people living in the county. Commissioners must make value judgements when determining the type of revenues used, the rates at which they are levied, and — in some situations — those that are to be exempt. While these decisions are subjective, every commissioner should have a good understanding of all revenue options available to counties to better inform his or her decisions. Taxpaying constituents will have their own questions and opinions about county revenue sources. Commissioners must be knowledgeable, prepared, willing, and able to respond as questions and issues arise.

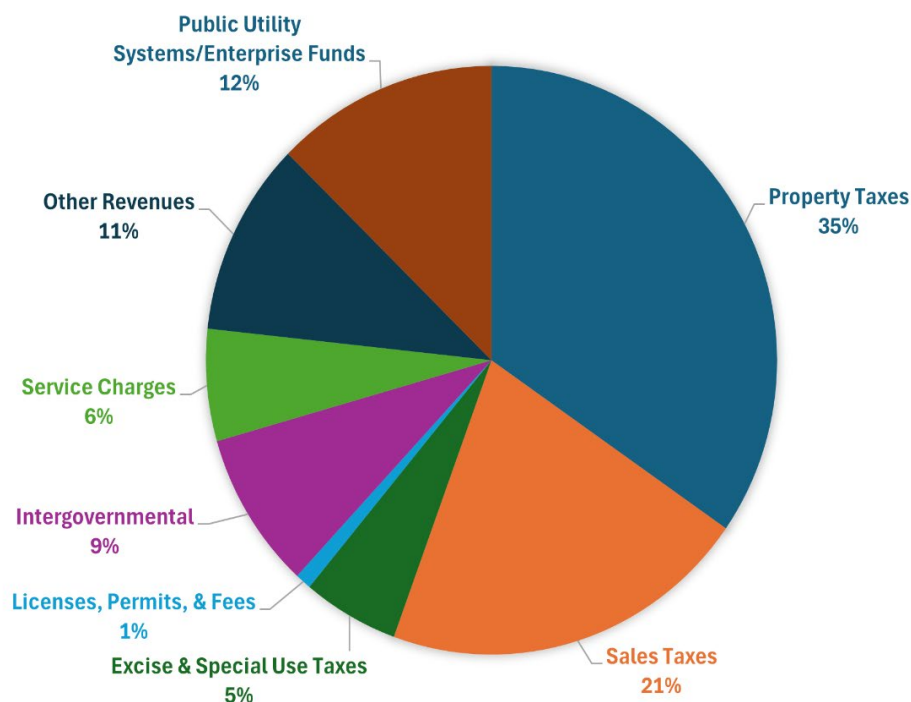
The purpose of this chapter is to provide a fundamental understanding of county revenues, including:

- General principles.
- Laws and regulations limiting use of these revenues.
- Tax-driven revenue sources.
- Non-tax revenues.
- Revenue tracking and forecasting.

## **UNDERSTANDING COUNTY REVENUES**

Counties fund operations through a variety of revenue sources annually — among them are taxes, fees, assessments, licenses, permits, fines, and grants. A majority of revenues come from taxes, with property tax and sales tax combined representing 56% of total county revenues in the State of Georgia. Public utility systems and enterprise funds follow, with approximately 12% of all county revenue received. The chart below provides the breakdown of county revenue across the state, based on collections received and recorded in Fiscal Year 2023.

## Georgia County Revenue Sources, 2023



**Source:** 2020-2023 Report of Local Government Finance (RLGF) for County Governments, Georgia Department of Community Affairs.<sup>2</sup>

### Constitutional Limits on Revenue Raising Authority

Counties, as dependent subdivisions of the state, do not have the power to create local taxes. Unless otherwise provided for within the Georgia Constitution (Constitution), the right of taxation will always be under the complete control of the state.<sup>3</sup> As such, county revenues may generally only be raised as authorized by state law.

It is important to understand that the state greatly limits the influence of commissioners over local taxation and other local revenues. The state is often required to act before a local revenue policy can be implemented. For example, the state is required to pass a local Act before a change to a local homestead property tax exemption can be approved in a local referendum. For this reason, commissioners should be mindful of working closely with their state legislators when determining local revenue policy.

However, county commissioners do have significant control over the use of certain fees, including when and how they are implemented, so there is some latitude on the extent to which the county relies on certain fees for the balance of the revenue stream.

## TAXES

Taxes are general purpose revenues and make up approximately 61% of a county's overall revenues, as shown in the previous chart, *Georgia County Revenue Sources, 2023*. The largest county tax revenue is property tax, followed by local option sales and use taxes. Generally, the revenues from property tax comprise approximately 35% of a county's budget on average, while revenues from various sales taxes make up roughly 21% on average.

Taxes have many restrictions in state law regarding their levy and collection, but typically have greater flexibility for the use of their proceeds than other revenue sources. Unlike fees, which are assessed for optional privileges or benefits, taxes do not require a connection between the amount someone pays and the benefits they receive. For example, someone without children in public school may pay the same amount of school taxes as someone with children in public school. County services that are typically supported through taxation include public safety, criminal justice, parks and recreation, transportation, economic development, and public health. These important services make the entire community a better place to live regardless of direct services rendered or received.

This section focuses on taxes as the primary source of county revenues and types of taxes that counties may levy. It first provides an overview of property taxes as the largest source of county tax revenue, including guidance regarding:

- Benefits of ad valorem (property) taxes.
- Setting the millage rate.
- Entities tasked with assessment, levy, and collection.
- Valuation and assessment of property taxes.
- Exemptions.
- Process for appeals.
- Approval of the tax digest.
- Collections.
- Delinquencies and tax sales.

The remainder of this section offers a high-level review of other taxes available to counties as revenue sources:

- Title Ad Valorem Tax (TAVT).
- Standing Timber Ad Valorem Tax.
- Alternative Ad Valorem Tax (AAVT).
- Intangible Tax.

- Real Estate Transfer Tax.
- Local Option Sales and Use Taxes (LOST, SPLOST, HOST, etc.).
- Business Occupation Tax.
- Financial Institutions Business License Tax.
- Insurance Premium Tax.
- Alcohol Beverage Excise Tax.
- Hotel-Motel Tax.
- Energy Excise Tax.
- Excise Tax on Rental Vehicles.
- Fireworks Excise Tax.

### **Property Tax**

Ad valorem tax, better known as property tax, is based upon the value of tangible and intangible property. This revenue source is used by all counties and school systems and most cities in Georgia. In 2023, counties, cities, and schools collected approximately \$17 billion dollars in real property taxes. The counties' share was approximately 30% of the total taxes collected. School systems collected 60% of all property taxes, while cities brought in the remaining 10%.<sup>4</sup>

Property tax is usually the largest portion of a county's revenues and makes up an average of 36% of its total revenues.<sup>5</sup> As more revenue options become available for counties, the proportion of property tax revenues decline. The state plays a significant role in regulating the collection of this tax.

Although property tax has its critics, it has typically been a stable source of revenue for governing authorities. Beyond its stability, other benefits include:

- Property taxes share the tax burden with resident and nonresident property owners alike, generating additional county revenue from nonresident property owners who also benefit from the provision of local services.
- Counties may use revenues collected from property taxes to finance property-related services that add value to the property. Those services include law enforcement, fire protection, comprehensive land use planning, and access to parks and other publicly owned infrastructure such as roads, bridges, sidewalks, and storm drainage systems.
- Since the tax is based on the property itself, it is difficult to evade and easier to enforce, making collections more reliable.
- Counties may increase or decrease property tax revenue based upon local needs, giving the county greater autonomy from state and federal control.
- Property tax is very predictable, which allows jurisdictions to forecast revenue accurately.

### Calculating Property Tax

In short, the amount of property tax owed is determined by applying two variables: 1) the rate of the tax imposed; and 2) the value of the property subject to taxation. The rate of the tax imposed is generally set by the governing authority and is expressed in mills multiplied by the assessed value of the property, minus any exemptions. One mill of property tax is equal to .001 or 0.1%.

As to value, under the Constitution, property tax must be assessed uniformly on all forms of tangible property (i.e. real property and personal property) based on the fair market value of the property.<sup>6</sup> In Georgia, most property is assessed at 40% of its fair market value (FMV).<sup>7</sup> That said, there are many constitutionally authorized exceptions and exemptions to the rule of uniformity; examples include homestead exemptions, exemptions for charitable and religious institutions, freeport exemptions, and preferential assessment of timberland. Exemptions and preferential assessment programs are discussed in greater detail later in this chapter.

### Setting the Millage Rate

A county's tax rate is known commonly as the county's millage rate. Millage rates relate to tax liability; every mill represents a tax liability equal to one dollar for every \$1,000 of assessed property value. The assessed value is a percentage of the market value which is 40% on most properties in Georgia. The taxable value is the assessed value minus any exemptions. The millage rate is applied to the taxable value.

### Example of Millage Rate Calculation

The assessed value (40% of the FMV) of a house that is worth \$100,000 is \$40,000.  
[40% X \$100,00 = \$40,000]

In a county where the millage rate is 25 mills, the property tax on that house would be \$1,000.  
[\$25 for every \$1,000 of assessed value; \$25 X 40 = \$1,000]

The county's millage rate is set annually by the county governing authority. Municipalities may also levy property taxes, based upon the county's assessed values and their own respective tax rates. Millage rates for Georgia's taxing jurisdictions can be found on the [Georgia County Ad Valorem Tax Digest Millage Rates](#) webpage, updated annually by the Georgia Department of Revenue (DOR).

Once the annual millage rate is set, the tax digest is submitted for approval to the DOR.<sup>8</sup> Setting the millage rate can occur prior to the beginning of the county budget year or during the budget year. This difference in timing is due primarily to the fact that the

property tax system — including the setting of the millage rate — runs on a calendar year, while the budget or fiscal years can vary from county to county.

At least one week prior to the adoption of the county and school millage rates, the county governing authority and the board of education must publish a five-year history in a newspaper of general circulation.<sup>9</sup> The notice must contain the following information:

- Assessed value of all property by classification type within the county.
- Proposed millage rate for current calendar year.
- Assessed taxable values and millage rates for each of the immediately preceding five calendar years.
- Proposed total dollar amount of property taxes levied for current year and preceding five years.
- Any percentage increase and total dollar increase from prior year.

The five-year history notification must also include the date and time that the county governing authority will adopt its millage rate. For school millage rates, the five-year notification must include the date and time of the school board's rate recommendation.<sup>10</sup>

If a general maintenance and operations (M&O) millage rate adopted by the county or recommended by a school board exceeds the rollback rate (a rate calculated to account for the amount of inflation in the tax digest from the prior year), then additional advertisements and hearings are required. The rollback rate is usually lower than the previous year's millage rate unless deflation has occurred in the tax digest.

When the proposed general M&O millage rate exceeds the rollback rate, a "Notice of Property Tax Increase" must be published. The notice must include the time and date of three required public hearings and be published both in a newspaper of general circulation and on the county website at least one week prior to each of the three public hearings. Georgia law requires that at least one of the required public hearings must begin between 6:00 pm and 7:00 pm on a business weekday and that one hearing can coincide with the meeting to adopt the final millage rate.<sup>11</sup> It is important to note that this rollback requirement does not apply to millage rates other than the general M&O millage rate, such as special districts and bond millage rates.

As of 2025, local governing authorities (counties, cities, and schools) shall certify an "estimated roll-back rate" to the board of tax assessors (BOA) and the tax commissioner at least 15 days prior to the postmark of the annual notice of assessment (NOA). It is calculated by using an estimated general M&O millage rate (which the county can set

wherever it deems appropriate) minus the total millage equivalent of the net value added by reassessments. If an estimated rollback rate is not timely submitted, then the NOA for that specific jurisdiction will include an estimate of taxes owed based upon the property's current assessed value and the prior year's millage rate for such jurisdiction—this is how NOA's were prepared prior to HB 581 (2024). If the county (or another local governing authority) later adopts a final millage rate greater than the estimated rollback rate published on the NOA, then the tax commissioner will include a disclaimer on the tax bill stating the name of the governing authority that exceeded its published estimated rollback rate and that this will result in an increase of taxes owed.

#### Assessing, Levying, and Collecting Property Tax

The responsibilities for assessing, levying, and collecting property tax are divided among several entities listed below and all have a hand in the administration of property taxes across the State of Georgia:

- The State Revenue Commissioner / DOR.
- Local governments.
- Tax commissioners.
- Boards of assessors.
- Superior court clerks.
- Boards of equalization.
- Supreme Court of Georgia and/or Georgia Tax Tribunal.

The Constitution and state statutes together establish the legal framework for imposition of property tax. The state also has a role in the training and continuing education of local tax assessors and tax commissioners through the DOR. In addition, the DOR is also responsible for approving the local tax digest and giving authorization to tax commissioners to begin collections.

At the local level, county and city governing authorities set the millage rate. While the local board of education submits their levy rate to the county governing authority for formal adoption, the county governing authority does not have the ability to change the school's levy rate. The board of assessors establishes the FMV of all properties and, in some counties, takes applications for tax exemptions.

Each county has a tax commissioner whose duties include collection of these assessed taxes, as well as handling applications for exemptions. The county sheriff is responsible for conducting the sale of property to recover taxes that have become delinquent for an extended period. However, with the sheriff's written authorization, the tax commissioner may serve as an ex-officio sheriff and conduct such property sales for

unpaid taxes.<sup>12</sup> This position includes a supplement per month added to the tax commissioner's current compensation.

In terms of appeal, the superior court clerk manages the board of equalization, hearing officer, and the arbitration process. A final appeal can be made to the local superior court, and then to the Supreme Court of Georgia or the Georgia Tax Tribunal.

With so many different people and entities playing a role in the property tax system, it can be difficult for taxpayers to know who the appropriate person is to address their questions or concerns. As a result, taxpayers may turn to county commissioners for assistance. Therefore, county commissioners need to have a good working knowledge of the property tax system so that they can provide proper guidance and educated answers to their constituents.

#### Valuation and Assessment

The most subjective part of property tax calculation lies with the determination of FMV of a given property. A county's board of tax assessors is responsible for the annual valuation of property based upon the property's value as of January 1 of that year.<sup>13</sup> With few exceptions, the value of property that is subject to tax on its assessed value equals 40% of the FMV of the property. The Constitution requires the assessed value to be uniform across all classes of tangible property, unless a subclassification is authorized. Examples of authorized subclasses of property include motor vehicles, trailers, mobile homes (other than those that qualify for a homestead exemption), heavy-duty equipment motor vehicles, timberland, agricultural land, and conservation use land.<sup>14</sup>

The members of the board of assessors are appointed by the county commission for terms between three and six years.<sup>15</sup> Once appointed, a board member can only be removed for cause once a superior court judge has ruled the board member has shown a pattern of decisions that have resulted in substantially incorrect assessments or substantially inconsistent tax assessments between similar properties.<sup>16</sup> The minimum staffing requirements for the tax assessor's office are defined in law.<sup>17</sup> Recently, the General Assembly granted counties the authority to combine appraisal staff to serve more than one county.<sup>18</sup>

The DOR provides training to the board of assessors and their staff. The DOR also provides written guidance through a property appraisal procedures manual that is updated on a regular basis.<sup>19</sup> To ensure the board of assessors is valuing property in conformance with the uniformity and fair market value requirements in the Constitution, the state auditor conducts an assessment ratio study for each county annually.<sup>20</sup>

The taxpayer has an opportunity to declare the value of their property by filing a property tax return with the tax assessor's office. If the taxpayer does not file a return,

the property filing is deemed as returned at the previous year's value.<sup>21</sup> The tax assessor then compares the return value to the value established by one or more of three methods for valuing property: (1) the income approach; (2) the sales approach; and (3) the replacement cost approach. Unlike private fee appraisals that derive a FMV using comparable properties in the area, tax assessors use the mass appraisal method. Mass appraisal is the process of valuing groups of properties based on mathematical analysis of market data. This form of appraisal is more cost effective than fee appraisal, which makes comparisons between specific properties that have been recently sold.

Property is often classified by its use but fair market value regardless of use prevails without an exception:

- Residential.
- Agricultural.
- Commercial.
- Industrial.
- Utility.
- Motor vehicle.
- Mobile home.
- Timber.
- Heavy-duty equipment.

The DOR publishes a [Summary of Ad Valorem Taxes Levied Report](#) every year, broken down by individual levying authority — state, county, school, and city — according to the property types described above.

#### *Preferential Assessment Programs*

The Constitution provides for specific types of properties to be eligible for a preferential assessment based upon their use. Such properties receive a lower assessed value or a reduced percentage of assessed value. These preferential assessment programs have been approved through constitutional amendments to avoid conflict with uniformity provisions in the Constitution.

For example, property used for agriculture purposes qualifies for several preferential assessment programs. The oldest is the Preferential Agriculture Assessment Program, which allows an owner to place up to 2,000 acres in the program. The owner receives an assessment that is 75% of the assessed value of other tangible property, if the owner enters the property into a ten-year covenant to not change its agricultural use.<sup>22</sup>

A more recent option has largely taken the place of the Preferential Agriculture Assessment Program — the Conservation Use Valuation Program (CUVA) for family owned-farms and residential transitional properties. This program also requires a ten-year covenant, but values the property based upon current use and annual productivity instead of its FMV. Any agricultural or timber land of less than 2,000 acres and residential transitional properties of less than five acres are eligible for this program.<sup>23</sup>

Other agricultural preferential programs include the Forest Land Protection Act (FLPA) and qualified timberland property. For FLPA, instead of a cap on acreage, this program has a minimum acreage requirement of 200 acres. Once the minimum is met, the property is then valued based upon current use and annual productivity, similar to the CUVA. However, FLPA is also open to corporate landowners. When FLPA is used, the state reimburses local governments for a portion of their losses in tax revenue.<sup>24</sup>

Rehabilitated historic properties can also qualify for preferential assessments.<sup>25</sup> The Historic Preservation Division of the Georgia Department of Natural Resources works with property owners to certify eligible properties. The initial value is determined by the property's acquisition cost or the appraised market value at the time that the county tax assessors receive the preliminary certification. The determined value is then good for eight years while the rehabilitation takes place, phases out in year nine, and then the property becomes fully taxable again in year ten with the new and improved value of the property.<sup>26</sup>

The preferential assessment for landmark historic properties is similar to rehabilitated historic property. However, the local government must adopt this landmark program and provide certification. To qualify, these properties must be listed on the National Register of Historic Places or on the Georgia Register of Historic Places.<sup>27</sup>

Certified brownfield properties are also eligible to receive a preferential assessment for up to ten years, if the savings is used for the clean-up of the property.<sup>28</sup> The Environmental Protection Division (EPD) of the Georgia Department of Natural Resources regulates this program. Tax savings are the difference between the taxes that would be generated on the actual FMV, versus the taxes generated on a FMV equal to the lesser of two options:

1. Acquisition cost of the property.
2. Appraised FMV of the property at the time of application to EPD.<sup>29</sup>

Additionally, state law provides for a different assessment for two types of property that are assessed and taxed only when sold: standing timber and vehicles. Standing timber is assessed at 100% of its FMV but it is only taxed once when the timber is harvested and sold, rather than annually as it grows.<sup>30</sup> Most motor vehicles are taxed upon the issuance of a title for the vehicle (title ad valorem tax or TAVT). Typically, TAVT is assessed at a statutory combined state and local tax rate and collected at the dealership based on the purchase price of the motor vehicle. Vehicles purchased through a private sale are assessed based upon the value in the DOR Motor Vehicle Assessment Manual, averaging the wholesale value with the retail value.<sup>31</sup> These motor vehicles are not taxed annually but are taxed at the time of the first and most subsequent title transfers.

### Tangible Personal Property

Tangible personal property is tangible property other than real property. Real property includes the land or assets affixed to the land, whereas personal property may be moved more easily. In Georgia, tangible personal property includes business inventory, equipment, fine art, aircraft, boats, and other vehicles. This property is assessed in the county where it is primarily located.<sup>32</sup> The value of this property is generally determined by the tax assessors, based on the owner filing a return declaring the property's value; however, the DOR values the personal property of utilities and railroads.

### Property Tax Exemptions

The Constitution sets strong limits on the power to grant property tax exemptions. Nearly any form of property tax exemption may be granted *statewide* following approval by a two-thirds vote of each chamber of the General Assembly and a majority of voters voting in a statewide referendum, whereas property tax exemptions that do not apply statewide are limited to three types: 1) local homestead exemptions; 2) business inventory exemptions; and 3) temporary tax relief for severely damaged or destroyed properties. Local homestead exemptions must be approved through a local Act by a two-thirds vote of each chamber of the General Assembly and a majority of voters in that local jurisdiction, whereas business inventory exemptions and disaster relief exemptions may be initiated by the county governing authority.<sup>33</sup>

### Business Inventory Exemptions

County and city governing authorities can exempt all or a portion of business inventory from property taxes if approved in a local referendum. Local governments are specifically authorized by the Constitution to grant freeport tax exemptions under the statutory scheme adopted by the General Assembly. School property taxes are included in this exemption, even though the local board of education has no authority in authorizing the local referendum.<sup>34</sup>

Business inventory exemptions are classified as Level 1 Freeport and Level 2 Freeport exemptions.<sup>35</sup> Level 1 Freeport includes manufactured goods and inventory in warehouses destined for shipment out of state or through local and regional fulfillment centers. Level 2 Freeport includes all similar business inventory that does not qualify under Level 1 Freeport. The percentage of the exemption can be set at rates of 20, 40, 60, 80, or 100%.

### Temporary Property Tax Relief in Federal Disaster Areas

Pursuant to a constitutional amendment passed in 2022, state law allows local governing authorities to provide property tax relief to properties significantly damaged or destroyed in a federally declared disaster area.<sup>36</sup> The local emergency management director determines the list of qualified properties and the tax commissioner determines the tax digest value of those properties. Based upon this information, the county, city,

consolidated government, and school governing authority will determine the amount of tax relief to provide these properties from their respective property tax levy.

Local governing authorities are authorized, but not obligated, to adopt a resolution providing temporary tax relief to these properties for the taxable year in which the disaster occurred. ACCG has created a [model county resolution](#) for temporary tax relief for buildings located in a federally declared disaster area. Each local governing authority may independently make the decision whether to grant this relief. If it chooses to do so, the resolution must state the total dollar amount of property tax relief and the relief application method: either a reduction in the millage rate or a credit of a flat dollar amount. The relief applies automatically without application by the taxpayer. The taxpayer will receive either a refund or a tax credit based on the timing of the property tax cycle, which will be paid by the local governing authority granting the relief. The property owner may appeal to the local emergency management director if they believe their property was overlooked or misclassified.<sup>37</sup>

#### Homestead Tax Exemptions (Statewide and Local)

Homestead exemptions are the most common type of property tax exemption. These exemptions can be created through statewide legislation and passage of a statewide referendum though it is more common that they are granted through local legislation adopted by the General Assembly and a local voter referendum. Each county usually has a combination of state and local homestead exemptions. It is important to note that some exemptions can be taken in conjunction with others while others are used in lieu of other exemptions. What constitutes homestead property is defined in state law but there may be modifications to the state's definition within the local legislation creating the local homestead exemption.<sup>38</sup>

#### HB 581 (2024) Floating Homestead Exemption

Floating homestead exemptions are a special type of homestead exemption, also known as a base year value exemption or value offset exemption. They establish a base year value, and the exemption "floats" to offset any inflationary increase in value above the base year value. Prior to 2025, all floating homestead exemptions were passed via local Act. HB 581 from the 2024 legislative session implemented a floating homestead exemption for all local governments that did not opt out by March 1, 2025. This floating homestead exemption applies in addition to all state and local non-floating homestead exemptions. If a local government has both the HB 581 floating homestead exemption and a local floating homestead exemption, the taxpayer receives whichever of the two provides the largest benefit that year. This floating homestead exemption's applicability is limited to the homestead and no more than five acres of immediately surrounding land, unless the property is enrolled under the preferential assessments for CUVA or FLPA, in which cases the floating homestead exemption is limited to the homestead dwelling and the lesser of two acres or the local government's minimum acreage

requirement for zoning. A surviving spouse may continue the floating homestead exemption without need to apply or reapply following their spouse's death.

Pursuant to HB 92 (2025), local governments that opted out of the HB 581 floating homestead exemption and do not have a generally applicable floating homestead exemption or freeze for their jurisdiction are required to follow the opt out procedure again in 2027. To opt out again, the local government must complete three public hearings and pass a resolution, otherwise the floating homestead exemption from HB 581 becomes effective in that jurisdiction for 2027 and thereafter. Local governments that opted out of the HB 581 floating homestead exemption are allowed to rescind their decision to opt out and join the HB 581 floating homestead exemption prospectively by adopting a resolution to do so by March 1 of any year from tax year 2026 through 2029.

A disclaimer is added to the tax bill stating the name of the governing authority that opted out of the HB 581 exemption and providing the main phone number to contact that governing authority.

#### Filing for Homestead Exemption

Homestead exemptions can be filed anytime of the year; however, to apply to taxes in the current calendar year, the application must be received by April 1. Taxpayers may apply for a homestead exemption during their 45-day appeal window if they missed the April 1 deadline. Homestead exemptions can only be filed in the county where the property is located, and the home must be the owner's primary residence.<sup>39</sup> Once the homestead exemption is granted, it automatically renews in future years as long as the property remains eligible.<sup>40</sup>

#### Tax Exempt Properties and Entities

Georgia law allows some properties to be completely exempt from property tax by virtue of ownership or use, including the following:

- Properties owned by local governments or state government.
- Cemeteries.
- Places of religious worship.
- Institutions of purely public charity.
- Nonprofit hospitals.
- Colleges and institutions of post-secondary education.
- Nonprofit homes for the aged or mentally disabled.
- Certain veterans' organizations and facilities.<sup>41</sup>

State law also provides that certain equipment and inventory may be fully exempt from property taxes. These types of property include agriculture equipment and products,<sup>42</sup> personal property used within a home,<sup>43</sup> boats, and other personal property valued at \$20,000 or less.<sup>44</sup>

### **Property Tax Appeals**

Georgia law provides an appeals process for property owners to use if there is a dispute or disagreement with a property's assessed value as determined by the board of assessors. County commissioners are often the first contacted by a property owner — whether for guidance or out of frustration. Therefore, it is important that commissioners have a strong understanding of the process to best guide their respective constituents.

Each year the board of assessors must send an assessment notice to every property taxpayer in the county.<sup>45</sup> The notice must contain the following information:

- FMV of previous year.
- FMV of current year.
- Year for which current assessment is applicable.
- Brief property description, broken down into real and personal property classifications.
- Assessed (40%) value of property for previous year and current year.
- Necessary contact information and website of county where an appeal can be made.
- Statement that all documents and records used to determine current value are available upon request.
- Current year's estimated roll-back rate.

Upon receipt of the assessment notice, the clock starts ticking in terms of how long a taxpayer has to file an appeal, when the assessors must make a decision and respond to the appeal, and how long the taxpayer has to decide whether to pursue the original appeal based on the feedback received from the board of assessors.

## Property Tax Appeal Process

Once an assessment notice is received, taxpayers have 45 days to file an appeal.



Board of Assessors reviews appeal and, within 180 days, decides if a change should be made.



**If change is made**, taxpayer receives notice and has 30 days to decide if he or she would like to continue the appeal.



**If change is not made or taxpayer decides not to accept the changes offered by the assessors**, a hearing may be sought with one of the following:<sup>46</sup>

- Board of Equalization
- Hearing Officer
- Arbitrator

Initial appeals are most commonly heard by the county's board of equalization (BOE). Each county BOE is made up of three members and three alternate members who are chosen by a grand jury and can only be removed by a grand jury. The appeal administrator is the superior court clerk, who has oversight, scheduling, and supervisory responsibility over the BOE.<sup>47</sup> State law allows the governing authorities of two or more counties to partner together to create a regional BOE.<sup>48</sup>

Under certain circumstances, instead of appealing to the BOE, a taxpayer may appeal to a hearing officer or go through the process of arbitration. An appeal using arbitration may be used when the value of the property is in dispute, and the property owner submits a recent, independent appraisal of the property.<sup>49</sup>

An appeal made for a value dispute or a uniformity claim can use a hearing officer. The hearing officer is a state certified general real property or state certified residential real property appraiser, approved as a hearing officer by the Georgia Real Estate Commission and the Georgia Real Estate Appraiser Board. The property must be non-homestead with a FMV that exceeds \$500,000, as shown on the taxpayer's assessment notice.<sup>50</sup>

In some instances, the taxpayer and BOA may mutually agree to have the matter heard directly by the superior court without an initial appeal.

A taxpayer or governing authority may appeal from a decision of the board of equalization, hearing officer, or arbitrator to the superior court of the county. This is less common due to the potential legal expenses involved. It does mean that a taxpayer has an additional avenue to continue their appeal if they are dissatisfied with the results of their initial challenge. Appeals to superior court trigger settlement conferences, in which the taxpayers and assessors try to reach an agreement. If the taxpayer does not participate in the settlement conference in good faith, then the appeal may be canceled. The detailed procedures for appeals to superior court are set out in state law.<sup>51</sup>

### **Tax Digest Approval**

The board of tax assessors must finish its work on the tax digest and turn it over to the tax commissioner by July 15 or by June 1 for counties with installment billings.<sup>52</sup> It is the responsibility of the tax commissioner to collect county and school property taxes, as well as issue tax executions for any unpaid property taxes.<sup>53</sup>

Before the digest can be approved, all hearings and public notice requirements must be met for establishing a millage rate. As discussed previously, a five-year history must also be published in a newspaper and posted on the county's website.<sup>54</sup> Following the approval and adoption of the millage rates by the county governing authority, the county must then complete a resolution of levy and send it to the tax commissioner.

Once the tax commissioner receives the resolution, he or she must complete a required checklist of items to be included in the digest package. The commission chair, as well as the chair of assessors, must sign multiple forms before the digest can be submitted. In addition, if outstanding appeals exceed 5% of the total taxable digest (or, in a complete revaluation year, 8% or more of the total digest or 8% of the number of properties), the digest cannot be submitted.<sup>55</sup>

The tax commissioner cannot begin collecting property taxes until the tax digest has been submitted to the DOR and approved, and he or she receives authorization to begin collections.<sup>56</sup> The digest is due to the DOR by September 1; after that date, the tax commissioner may be forced to begin forfeiting a portion of his or her receiver commissions.<sup>57</sup> In certain circumstances, Georgia law allows that temporary collection orders may be granted by a superior court judge.<sup>58</sup>

### **Collections**

Once the DOR authorizes collections to begin, the tax commissioner may start the process. In addition to collecting taxes for the county and board of education, the tax commissioner and the board of commissioners also have the authority to enter into a contract with cities within the county boundaries for municipal tax collections.

In terms of a payment schedule, the governing authority of each county or city can pass a resolution or ordinance setting either a single due date or multiple due dates for

property tax payments in the form of installments. The governing authority may set up an installment system for both its own property tax and the local school system's property tax that the governing authority levies. This change must be made prior to the beginning of the tax year that the change affects.<sup>59</sup>

Georgia law requires that tax bills must be sent 60 days prior to the due date. If sent later, then the due date for that year will be 60 days from the date the bills are mailed. Bills can be sent electronically with the consent of the tax commissioner and taxpayer.<sup>60</sup>

The Constitution also allows counties to enter into contracts with other contiguous counties and cities to allocate proceeds of property taxes received on regional facilities such as industrial parks, conference and convention centers, airports, athletic facilities, recreation facilities, jails, or correctional facilities.<sup>61</sup> Such tax proceeds may be used in the development, management, and operation of the regional facility as outlined within the terms of the contract.

### **Delinquencies and Tax Sales**

After the tax bill becomes delinquent, the tax commissioner must mail a notice giving taxpayers 30 days to pay before liens can be issued and recorded.<sup>62</sup> A penalty of 5% is charged when the taxes are 120 days delinquent; an additional 5% is added for every 120 days the payment continues to be delinquent, with a maximum past due charge of 20%.<sup>63</sup> Interest is also charged on late taxes at the bank prime loan rate established during the first week of the calendar year, plus an additional 3%. The interest accrues monthly from the date the tax is due to the date the tax is paid.<sup>64</sup>

The county governing authority can authorize the tax commissioner to waive penalties and interest on late payments when a reasonable circumstance led to the late payment.<sup>65</sup> Additionally, the governing authority also has the power to grant tax refunds for overpayment or to delegate this authority to the tax commissioner.<sup>66</sup> It is important to note that counties do not have the power to waive underlying ad valorem taxes.

A tax sale – the sale of real estate property – begins when the tax commissioner deems taxes to be uncollectable. The tax sale process includes designating a procedure for identifying the tax delinquencies needed for levy and sale. The levy process requires property title exams to identify interested parties entitled to notice, entry of levy,<sup>67</sup> and notifications sent by certified mail.<sup>68</sup> Advertisement of the tax sale must be published for four consecutive weeks prior to the sale.<sup>69</sup> All parcels whose delinquent taxes are not paid while advertising is in process typically have a notice tacked to the property. While actual posting of the property is not required in state law, notice on the property is a standard practice used by most counties. This practice not only helps reduce the county's liability if the sale is eventually challenged, but also ensures that the county is selling the correct parcel. A 2006 case, *Jones v. Flowers*,<sup>70</sup> found that if the original

attempt to notify the property owner failed, further attempt through another mechanism must be made. If the county knows that the certified mail notice was not received (e.g., mail being returned unclaimed or undeliverable), the county must take further steps to provide notice, such as posting a notice on site.

Final notices of the tax sale must be sent by certified mail no less than 10 days prior to the sale.<sup>71</sup> At this point, an auction style sale must start on the first Tuesday of the month, as advertised, between the legal hours of sale — 10:00 am and 4:00 pm.<sup>72</sup>

Within 30 days of the completed sale, the tax commissioner or sheriff must mail a first-class letter to all interested parties who were entitled to notice at the time of sale, disclosing any overbid/excess monies that may be due to them. If it is not clear who is entitled to these excess funds, the tax commissioner may file an interpleader action with superior court to make that determination.<sup>73</sup>

Upon adoption of a resolution by the governing authority, the tax commissioner (when acting as ex-officio sheriff) may use judicial “in rem” tax foreclosures as an alternative method for delinquent tax collections. This tax foreclosure process involves a petition filed in superior court requesting judicial foreclosure of a specified property, allowing for good title and quicker possession than traditional tax sales. This process is typically reserved for urban revitalization and properties that present health and safety hazards.<sup>74</sup> An in rem tax foreclosure is typically more costly due to involvement of the courts.

#### Title Ad Valorem Tax

A vehicle purchased or transferred in Georgia after March 1, 2013, will be subject to a one-time Title Ad Valorem Tax (TAVT) that is paid when the vehicle title is transferred.<sup>75</sup>

Rates are set as follows:

- New or used vehicle purchases - 7%.
- Vehicles transferred from out of state - 3%.
- Dealer financed sales of used vehicles - 2.5 percentage points less than the normal tax rate.
- Rental vehicles that remit \$400 in sales tax during prior year - 1.25%.
- Vehicles donated to a nonprofit 501(c)(3) - 1%.
- Model year vehicles 1963 through 1989 - 1%.
- Model year vehicles 1962 or older - 1% if they receive a conditional title; not taxed if they remain untitled.

Valuations are set as follows:

- The tax is applied to the FMV of the vehicle at the time the title is transferred.
- The FMV of a new or used vehicle purchased through a dealership is the retail sales price minus the value of any trade-in.
- The FMV of a vehicle sold through a private sale is the average of the retail and wholesale value, as defined in the vehicle assessment guide used by the DOR.
- For leased vehicles, the rate is applied to the amount of the down payment plus the total of all lease payments not including interest on the principal payments through the end of the lease agreement.<sup>76</sup>

Proceeds from TAVT are split between the state and local governments within 20 days of the end of each month. The state receives 35% of the total, and the local governments receive 65% of the total. The local share is then divided based upon where the vehicle is titled and the following calculation:

- If the vehicle is titled to an address in the unincorporated area of the county, the county receives 51%, and the school system receives 49%.
- If the vehicle is titled to an address inside a city, the county receives 23%, the county school system receives 49%, and the city receives 28%. However, if the city has an independent (city) school system, the county receives 23%, the independent school system receives 43%, and the city receives 34%.

State law allows the county governing authority to retain 1% of all TAVT proceeds as an administrative fee, prior to splitting tax proceeds between the state and local governments.<sup>77</sup> According to state law, the 1% administrative fee is to be retained by the tag agent, not to exceed 1% of the total amount otherwise required to be remitted to defray the cost of administration.<sup>78</sup>

#### Alternative Ad Valorem Tax

The Alternative Ad Valorem Tax (AAVT) is the property tax on vehicles and trailers that register through the International Registration Program (IRP). The tax is collected by the DOR Motor Vehicle Division at the same time that the annual IRP registration fees are collected.

The tax is determined by the value and rate assigned to each weight class. The DOR distributes the tax to local governments annually, before August 1, based upon the previous year's tax digest and the local government's proportionate share of all property taxes in the state.<sup>79</sup>

### Standing Timber Ad Valorem Tax

Taxes on standing timber are due at the time the timber is sold or harvested. Standing timber includes softwood and hardwood, pulpwood, chip and saw logs, saw timber, poles, posts, and fuel wood. The timber (once harvested or timber value if the land is sold) is subject to tax even if the underlying land is exempt. The tax is calculated by applying the millage rate to 100% of the timber's FMV.<sup>80</sup>

Standing timber ad valorem tax is assessed and collected in one of three ways: (1) lump sum, (2) unit price sale, or (3) owner harvest.

*Lump sum* sales occur when timber is to be harvested within three years after the date of sale and the timber is sold for a lump sum price. The sale is assessed for taxation as of the date of sale at 100% of its FMV. The FMV of the timber is the lump sum price paid by the purchaser. Taxes are calculated by multiplying 100% of the FMV times the millage rate levied by the tax authority for the previous calendar year. The purchaser is responsible for reporting the sale and paying the taxes to the tax commissioner.<sup>81</sup>

Under a *unit price sale*, the purchaser is required to furnish a report with value and sales data to the seller and the county board of tax assessors within 45 days after the end of each calendar quarter. The seller is required to furnish a copy of the same report to the tax assessors within 60 days after the end of the calendar quarter. The seller is responsible for paying the ad valorem taxes. The taxes are calculated by multiplying 100% of the timber's FMV times the millage rate levied by the tax authority on tangible property for the previous calendar year.<sup>82</sup>

Under the *owner harvest* basis for tax collection, if there are no purchasers for the standing timber, owners are required to report harvested timber from their property to the tax assessors within 45 days after the end of each calendar quarter. To assess the value of timber without a purchaser, the DOR provides the tax assessors with the weighted average price paid in pounds and measured volume of softwood and hardwood pulpwood, chip and saw logs, saw timber, poles, and fuel wood. Weighted averages are figured for each county or multicounty area.<sup>83</sup> This report to the tax assessors is due within 60 days of each calendar year.

### Other Taxes

Beyond property taxes, counties may levy other types of taxes that serve as additional revenue streams. While the most well-known is sales tax, counties have the ability to impose a wide array of taxes.

### Intangible Tax

The intangible tax pertains to real estate security deeds securing notes that are in excess of 62 months.<sup>84</sup> The tax rate is \$1.50 for each \$500 or fraction of the face amount of the

note secured by the real estate. The maximum amount of tax due on any note is \$25,000.

The superior court clerk or tax commissioner collects the tax from the person holding the real estate note at the time that the security deed is filed and recorded. The tax proceeds are distributed monthly to local governments, based upon their proportionate share of the previous year's millage rates applied to the real property secured by the debt.<sup>85</sup>

#### Real Estate Transfer Tax

The real estate transfer tax is an excise tax on the sale of real property. The tax rate is set in state law at \$1.00 for the first \$1,000 or fractional part of \$1,000 and at the rate of 10 cents for each additional \$1,000 or fractional part of \$1,000 on each deed or other instrument conveying the sale of a property. The clerk of superior court collects the tax from the person executing the deed or from the person benefiting from the execution of the deed prior to the filing and recording of the deed. The tax proceeds are then distributed at least once every 30 days to the county, school system, and city where the property is located, based upon their proportionate share of the millage rates applied to the property.<sup>86</sup> The county portion of the tax is then deposited into its general fund. The use of those tax collections is up to the county's discretion and not restricted by law.

#### Local Option Sales and Use Taxes

Local governments in Georgia are fortunate to have access to several types of local option sales and use taxes to fund operation and capital needs. Most counties have a combined local sales tax rate between 3% and 4%, in addition to the state sales tax rate of 4%.<sup>87</sup> The DOR collects the sales tax and remits it monthly to the eligible local governments after withholding a 1% administrative fee.<sup>88</sup> The sales tax exemptions that apply to state sales tax also apply to local sales tax, unless the law includes a provision that would expressly not apply the state exemption to the local sales tax.<sup>89</sup>

All types of local option sales and use taxes can only be done through voter approval in local referendums. When considering the placement of a new local sales tax on a local referendum for voter approval, commissioners should be mindful of the following:

- Referendum timing and the number of sales tax approvals that should be requested on a single referendum date.
- Any additional annual operating costs that would not be paid through the sales tax revenues.
- How much the tax would generate.
- Alternative funding sources.
- Impact on the local economy.

- How much revenue would be generated from non-residents.
- How long the tax should be collected.

There are several different types of local option sales and use taxes, each with its own set of rules for levying and expending the funds:

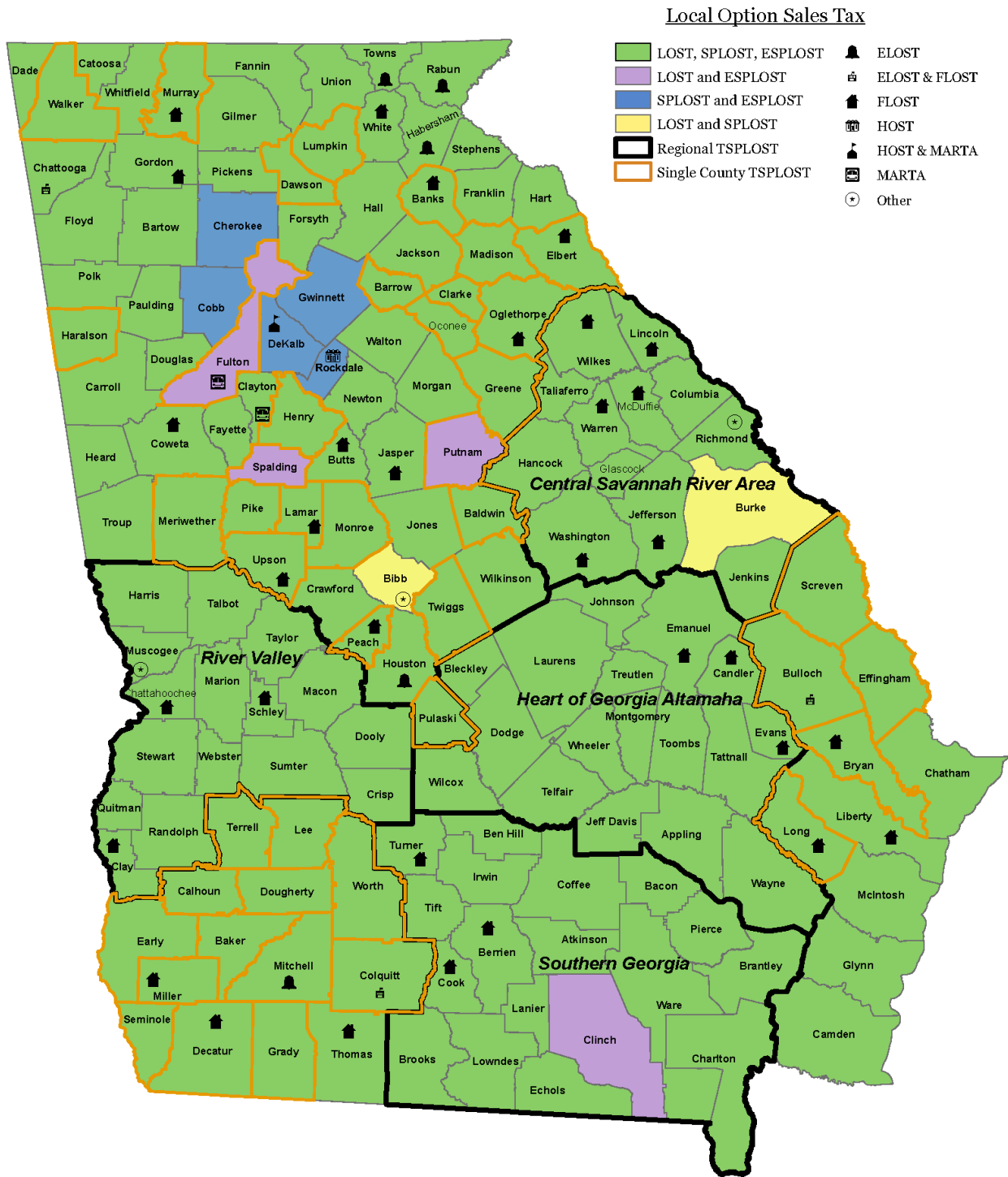
- Local Option Sales Tax (LOST).
- Special Purpose Local Option Sales Tax (SPLOST).
- Education Special Purpose Local Option Sales Tax (ESPLOST).
- Education Local Option Sales Tax (ELOST) (only seven schools that had local constitutional amendments grandfathered in are eligible).
- Other Local Option Sales Tax (OLOST) (only consolidated governments are eligible).
- Homestead Option Sales Tax (HOST) (only counties without a LOST are eligible).
- Regional Transportation Special Purpose Local Option Sales Tax (TSPLOST).
- Single County Transportation Special Purpose Local Option Sales Tax (TSPLOST) (only counties that have a regular SPLOST and are not in a regional TSPLOST are eligible).
- MARTA Transit Sales Tax (MARTA).
- Water and Sewer Projects and Costs Tax (MOST) (Limited to cities that are interconnected to the City of Atlanta's water system).
- Other transit-related SPLOSTs.
- Floating Local Option Sales Tax (FLOST) / Property Tax Relief Local Option Sales Tax (PTRLOST).

## Limitations on Local Option Sales Taxes

There are limitations on the total amount and types of local option sales taxes that a jurisdiction may levy.<sup>90</sup> As of July 1, 2025, caps would typically apply within counties as shown in this table.

<b>2% General Cap</b>	<b>Typical Uses</b>	LOST SPLOST MARTA ELOST HOST
<b>Exceptions to 2% Cap</b>	<b>Education (1%)</b>	ESPLOST
	<b>Transportation (up to 1%)</b>	Regional SPLOST Regional TSPLOST Single-County TSPLOST Metro Transit SPLOST Regional Transit SPLOST MARTA DeKalb Atlanta TSPLOST Fulton TSPLOST Atlanta Additional MARTA
	<b>Other optional taxes (up to 1%)</b>	FLOST/PTRLOST* OLOST Augusta Coliseum SPLOST MOST

# Local Option Sales and Use Taxes by County, 2025



This chapter focuses on the most common types of local option sales tax: LOST, SPLOST, and TSPLOST. A few specific local option sales and use taxes only apply to one or a few counties and — along with the school local option sales and use taxes — are not discussed here. However, commissioners should keep in mind that all of these types of taxes exist as potential revenue streams where appropriate.

#### *Local Option Sales Tax*

LOST was the first local option sales and use tax authorized in the State of Georgia. The tax was originally passed by the General Assembly in 1975 to help alleviate some of the local government reliance on property taxes. It provides the participating local governments with an annual funding source for general operations and a rollback on the property tax bill.<sup>91</sup>

LOST tax revenue is shared between the county and its qualified cities based upon a distribution certificate filed with the DOR. The tax does not lapse, but can be terminated through a local referendum or the failure of the county and its cities to file a new distribution certificate with the DOR within two years after each ten-year census.<sup>92</sup> As of 2025, 154 counties levy a LOST.

Further information regarding local option sales and use tax can be found in the Association County Commissioners of Georgia (ACCG) publication, [Local Option Sales Tax Renegotiation Guidebook](#).

#### *Special Purpose Local Option Sales Tax*

SPLOST was authorized by the General Assembly in 1985.<sup>93</sup> SPLOST represents a 1% sales tax that is shared between counties and cities based upon an intergovernmental agreement or under the formula described in law.

Revenues from this tax can only be used for capital projects approved by the voters via a local referendum. A SPLOST automatically terminates after a specific period of time or when the stated amount of desired collections is reached. Except for consolidated governments that have issued bonds in conjunction with their SPLOST, the maximum time frame that the tax can be collected is six years.<sup>94</sup> As of 2025, 155 of Georgia's 159 counties have an active SPLOST.

Additional information regarding SPLOST as a revenue source for counties can be found in the ACCG publication, [Special Purpose Local Option Sales Tax \(SPLOST\) Guide](#).

#### *Transportation Special Purpose Local Option Sales Tax*

In 2010, the [Transportation Investment Act](#) (TIA) provided an opportunity for regions throughout Georgia to impose a 1% Regional TSPLOST to fund transportation improvements across multi-county regions. In 2015, the Georgia General Assembly passed additional legislation for another transportation funding alternative, providing individual counties the option of implementing a Single County TSPLOST.

### *Regional TSPLOST*

A Regional TSPLOST is a sales tax that can be levied for a period of 10 years at a fractional rate of .05% increments up to 1%. Regional TSPLOSTs are defined by the service delivery boundaries of Georgia’s 12 regional commissions. These regional commissions – public agencies created and established by the Georgia Planning Act (O.C.G.A. § 50-8-32) – assist local governments on a regional basis.

The Georgia Department of Transportation (GDOT) uses 75% of the funds raised through the Regional TSPLOST for execution of projects included on the approved investment list for the region. Transportation projects are defined in state law<sup>95</sup> and GDOT is responsible for the management of the budget, schedule, execution, and delivery of all projects contained on the approved investments lists.

The Georgia State Financing and Investment Commission (GSFIC) serves as the regional trustee and disburses funds to GDOT for managing projects.<sup>96</sup> The GSFIC also distributes the local share (remaining 25%) to counties and cities in the region. GDOT has the authority to grant project funds to local governments to manage and construct specific projects that have been previously approved.

As of 2025, 4 of the 12 regional commission service areas have successfully implemented a Regional TSPLOST based on voter approval: Central Savannah River, Heart of Georgia-Altamaha, River Valley, and Southern Georgia. The 64 counties included within those service areas are listed in the table below.

Regional TSPLOST/Regional Commission Service Areas (2025)
<b>Central Savannah River Area (13 counties)</b> Burke, Columbia, Glascock, Hancock, Jefferson, Jenkins, Lincoln, McDuffie, Richmond, Taliaferro, Warren, Washington, and Wilkes
<b>Heart of Georgia - Altamaha (17 counties)</b> Appling, Bleckley, Candler, Dodge, Emanuel, Evans, Jeff Davis, Johnson, Laurens, Montgomery, Tattnall, Telfair, Toombs, Treutlen, Wayne, Wheeler, and Wilcox
<b>River Valley (16 counties)</b> Chattahoochee, Clay, Crisp, Dooly, Harris, Macon, Marion, Muscogee, Quitman, Randolph, Schley, Stewart, Sumter, Talbot, Taylor, and Webster
<b>Southern Georgia (18 counties)</b> Atkinson, Bacon, Ben Hill, Berrien, Brantley, Brooks, Charlton, Clinch, Coffee, Cook, Echols, Irwin, Lanier, Lowndes, Pierce, Tift, Turner, and Ware

### *Single County TSPLOST*

Georgia law allows for counties to implement a Single County TSPLOST, but it is not permitted in counties that are already part of a Regional TSPLOST effort. However, counties may choose to enact a Single County TSPLOST prior to participating in a Regional TSPLOST, if approved by the voters.

The Single County TSPLOST allows individual counties to levy a sales tax solely dedicated for transportation purposes at the local level. To qualify, a county must already impose a regular SPLOST.

Single County TSPLOSTs can be levied up to five years (six with an IGA signed by all municipalities within the special district), regardless of the amount raised, at a fractional rate of .05% increments up to 1%.<sup>97</sup> The IGA must be signed by at least the city or cities which collectively represent more than 50% of the aggregate municipal population within the county. Cities that do not sign the IGA are treated as absent municipalities and may not receive less than their formula share comparing their population and centerline road miles against the total municipal population and centerline road miles in the county. Funds can be spent on “transportation purposes” as defined in law.<sup>98</sup>

As of 2025, 46 of Georgia’s counties have passed a single county TSPLOST referendum.

### *Exemptions*

Five items are exempt from both the Regional and Single County TSPLOST:<sup>99</sup>

1. Sale or use of any type of fuel used for off-road heavy-duty equipment, off-road farm or agricultural equipment, or locomotives.
2. Sale or use of jet fuel to or by a qualifying airline at a qualifying airport.
3. Sale or use of fuel that is used for propulsion of motor vehicles on the public highways.
4. Sale or use of energy used in the manufacturing or processing of tangible goods primarily for resale.
5. Sale or use of motor fuel for public mass transit.

Additional information regarding TSPLOST is available on the ACCG website: [ACCG TSPLOST Resources](#).



### Floating Local Option Sales Tax (FLOST)

The newest local option sales tax is the FLOST. It was created for the primary purpose of property tax relief and may be levied in increments of .05% up to a full 1% and may run for up to five years. To have access to the FLOST, the county and every city within the county that levies a property tax must all have a generally applicable floating homestead exemption in effect. If even one city that levies a property tax does not have a floating homestead exemption, then the county is barred from utilizing the FLOST. It does not matter if the school has a floating homestead or not since the schools cannot share in the proceeds of the FLOST absent a future constitutional amendment.

For the county to implement a FLOST, an IGA must be negotiated between the county and a city or cities representing more than 50% of the total municipal population of all cities within the county that levy a property tax and the voters must adopt the tax in a local referendum. The other city or cities may be treated as absent municipalities and will receive a part of the negotiated city share based on the proportion of their population within the county compared to the population of all cities within the county that levy a property tax. Cities representing less than five percent of the municipal population counting only cities that levy a property tax are not needed for a FLOST IGA and may be excluded. Cities levying a MOST (Municipal Option Sales Tax) are excluded from the calculations and may not share in the proceeds of the FLOST. This tax may be renewed only by the passage of a local Act of the General Assembly calling for its reimposition.

The proceeds of the FLOST must be used exclusively for property tax relief. Each taxpayer's property tax bill must state the amount by which property tax has been reduced because of the imposition of this tax. The roll-back rate must be reduced annually by the millage equivalent of the net proceeds of this tax received by the political subdivision during the prior taxable year. If any political subdivision is not in compliance with the use of the proceeds of this tax, then the state revenue commissioner will not certify the tax digest of that political subdivision until it comes into compliance.

As of 2025, 36 counties have passed a FLOST referendum. Additional information regarding FLOST is available on the ACCG website: [ACCG FLOST Resources](#).

### Business Occupation Tax

The business occupation tax is enacted through a local ordinance or resolution. Often referred to as a business license, it is not a prerequisite or permit to do business in the county. The taxes are levied on businesses and practitioners of professions and occupations with one or more locations or offices in the unincorporated part of the county.

Counties cannot collect business occupation taxes within any city's limits. These taxes are calculated using one or more combinations of gross receipts, profitability ratios,

number of employees, or a flat fee. Practitioners of certain professions listed in law may pay up to a \$400 fee per practitioner, instead of the locally required method for calculating the tax.

All businesses must be classified by the same criterion or combination of criteria. However, a local government may provide for an exemption or reduction in business occupation tax as part of a plan for economic development or to encourage selected types of businesses or practitioners of selected occupations or professions to locate in the area. A separate administrative fee also may be charged for administering the tax.<sup>100</sup>

#### Financial Institutions Business License Tax

Counties and cities may levy a financial institutions tax on depository financial institutions other than credit unions (i.e., banks) that have an office located within the county or city's jurisdiction. The rate may not exceed .25% of the institution's Georgia gross receipts generated within the local jurisdiction. A local government may set a minimum annual amount for this tax, provided such minimum is not more than \$1,000. Unlike the business occupation tax, the county can collect this tax within the city.<sup>101</sup>

#### Insurance Premium Tax

The Constitution authorizes the insurance premium tax.<sup>102</sup> Based upon insurance premiums collected by insurance companies doing business in Georgia, the local tax is imposed by the state at a rate of 1% on life insurance companies' premiums. Local governments are authorized to impose rates up to 2.5% on the direct insurance premiums for other than life insurance companies, such as health, property, and casualty insurance.

The Georgia Commissioner of Insurance and Safety Fire collects and distributes the insurance premium tax to local governments.<sup>103</sup> Each county's share of the insurance premium tax is determined by applying the above tax rates to the total insurance premiums collected in the state, multiplied by the county's proportionate share of the total unincorporated population. The total local premiums collected are distributed amongst the cities and counties based on their population. Revenues from the tax must be spent on services that primarily benefit the unincorporated area. If there are not services that primarily benefit the unincorporated area or there is insurance premium tax remaining after these services have been funded, the tax can be used for a rollback on the unincorporated general maintenance and operation millage rate.

#### Alcohol Beverage Excise Tax

Counties may levy excise taxes on either the wholesale or retail sale of distilled spirits and wine at rates not to exceed 22 cents per liter or proportional rates for other sized containers of distilled spirits sold by the package. Counties may also levy excise taxes at rates up to 3% of the price charged for mixed drinks.<sup>104</sup>

A uniform local government beer tax is levied at 5 cents per 12 ounces for bottled and canned malt beverages with proportional rates for sizes other than 12 ounces. The rate for bulk (tap or draft) malt beverages is \$6 per container for containers up to 15 1/2 gallons with proportionate rates for other sized containers. This tax can be levied only in the unincorporated portions of the county.<sup>105</sup>

These tax revenues are a general source of revenue that can be spent on any county services. The retailer or wholesaler collects the local taxes and remits them to the county monthly. Failure to pay the tax can result in the revocation of the local alcohol license.

#### Hotel Motel Tax

Counties can levy an excise tax on the sale of rooms, lodgings, and accommodations for the first thirty consecutive days. The general rate authorized is up to 3%. However, many counties may exceed this rate in varying amounts from 3% to 8% when it is used for certain, specified purposes related to tourism.<sup>106</sup>

Local governments imposing this tax are required to file an annual report to the Georgia Department of Community Affairs (DCA) within 180 days of the end of the government's fiscal year. Each government must also file a copy of its ordinance that imposes the tax. The county must also adopt a budget plan specifying how the expenditure requirements in state law will be met.<sup>107</sup> Additionally, the county must include in its annual audited financial statements a determination as to whether the county has complied with applicable expenditure requirements.<sup>108</sup>

Tax rates available to local governments range from as little as 1% to as high as 8% under a multitude of state law authorizations.<sup>109</sup> However, many of these authorization paragraphs are specific to certain local governments — at times mentioned by name — or otherwise defined by local venues, locations, or characteristics within the paragraphs themselves. Since the law was amended in 2008, all authorization paragraphs require that a set portion of taxes collected over the first 3% be submitted to a Destination Marketing Organization (DMO). DMOs are 501(c)(6) organizations whose primary purpose is the promotion of tourism through advertising and marketing.<sup>110</sup> However, as DMOs were not defined in law until the 2008 amendment, older authorizations do not use that term.

In 2008, a major addition to the law was implemented — a 6% to 8% tax option.<sup>111</sup> With this new addition, Tourism Product Development (TPD) was introduced, making it legal to use restricted funds for tourism-related construction and expansion (i.e., brick and mortar projects).<sup>112</sup> This new authorization requires a county to seek legislative approval from the General Assembly through the passage of a local Act.<sup>113</sup>

The 2008 change also limited the number of authorization paragraphs that can now be authorized by any county in the state. Even though there are 19 existing paragraphs, any

government wishing to impose the hotel motel tax for the first time or alter their current imposed tax rate, may only select from the following three authorization paragraphs:

1. O.C.G.A. § 48-13-51(a)(1) at a tax rate of 1 to 3%.
2. O.C.G.A. § 48-13-51(a)(3) at a rate of 5%.
3. O.C.G.A. § 48-13-51(b) at a rate of 6 to 8%.

The hotel motel tax can be better understood when broken into parts. Other than one exception (provided below), the “base” tax rate for all authorization paragraphs is 3%. This first 3%, or three pennies, can be retained in the county’s general fund. The only exception<sup>114</sup> states that if at any time a county gives any percentage of the tax to a DMO for tourism purposes (1% to 3% under this specific paragraph), the county must continue to provide that same percentage to a legal tourism entity every year thereafter.

Counties may charge a rate of 5% to 8% based upon the specific paragraph that is applicable to that county and situation. However, collections above the first 3% must be given to a DMO based upon the county’s authorization paragraph — except in the case of TPD or other authorization specific carveouts. It is important to note which authorization paragraphs apply to the county’s tourism organization and whether it operates as a legally defined DMO or not.

The hotel motel tax serves as a great resource for additional revenue from outside the county’s general budget. The tax is useful for advertising and promoting counties through local chambers of commerce or convention and visitors bureaus (CVBs).

However, along with this bonus revenue comes a required level of knowledge on how the law operates in order to avoid any misuse or legal complications. The state’s depository for records and reports regarding the hotel motel tax is the DCA. The DCA serves as a good resource for questions and complaints related to this law.

#### Energy Excise Tax

Beginning January 1, 2013, local governments gained the authority to levy an excise tax on energy used in manufacturing to replace the lost revenue from the concurrent statewide sales tax exemption on energy used in manufacturing. In order to levy the energy excise tax, the county must hold a meeting and confer with the cities to provide them with the opportunity to participate in the levy. The county then executes an intergovernmental agreement with the participating cities that provides for the distribution of the revenues. For those cities that do not participate, any revenues collected within their limits will remain with the county.<sup>115</sup>

Once the agreements have been executed with the cities, the county must adopt an ordinance by a majority vote of the county governing authority that contains the rate of

the excise tax and its effective date. The tax rate is equal to the county's local sales tax rate but no higher than 2%.

Notice of the tax must be sent to all energy providers (e.g., electricity, gas, oil, or other types of fuel) that provide energy to manufacturers within the county. The energy providers then collect the tax and distribute the proceeds to the county on a monthly basis. The excise tax on energy used in manufacturing can only be levied county-wide and can be repealed at any time by a majority vote of the governing authority.<sup>116</sup>

The energy excise tax does not apply to a manufacturing project of regional significance or manufacturing facilities that have been approved for the Georgia Agriculture Tax Exemption (GATE) Program.<sup>117</sup> The county retains a 1% administrative fee for collecting the tax and distributes to the participating cities their share of the revenue. The county also has the authority to conduct audits as necessary.<sup>118</sup>

#### Excise Tax on Rental Vehicles

Counties may levy an excise tax of 3% on the charge for rental or leasing of a motor vehicle for 31 or fewer consecutive days. Counties cannot levy this tax inside a city that levies the tax or on rentals where the vehicle is picked up or returned outside the State of Georgia.

Georgia law provides guidance as to how revenue from this tax can be used. Excise tax revenue from rental vehicles must be spent in the following manner:

- On the promotion of tourism, industry, trade and commerce.
- For the provision of convention, trade, sports, and recreational facilities.
- For public safety purposes associated with an eligible facility as described above.

Excise tax on rental vehicles is levied by a county governing authority ordinance, which must specify the projects and purposes that will be funded from the proceeds of the tax. By law, all excise taxes on rental vehicles must terminate by December 31, 2047.<sup>119</sup>

#### Fireworks Excise Tax

Georgia's counties may collect revenue from licensing fees and statewide excise taxes on the sale and licensing of consumer fireworks. The state collects a 5% state excise tax on the sale of fireworks.

The revenue from the fireworks excise tax is split into three components:

1. 55% to the Georgia Trauma Care Network Commission.
2. 40% to the Georgia Firefighter Standards and Training Council.

3. 5% to local governments to be used solely for public safety purposes related to operation of 9-1-1 systems.<sup>120</sup>

## **NON-TAX REVENUE**

While taxes typically receive the most attention and complaints from constituents, county governing authorities have access to another type of revenue source that can yield significant returns for the county's budget — non-tax revenue.

The most well-known sources of non-tax revenue are fines, fees, licenses, and permits, although state law authorizes counties to use several other types of non-tax revenue. Other types of non-tax revenue include forfeitures, user charges, grants, and other intergovernmental revenues. This section provides an overview of other types of non-tax revenue sources that counties may charge and how those collections can be used.

### **Fees**

State law allows counties to establish and charge a host of fees, often in return for specific services rendered to the public. Most fee structures require that the proceeds be used towards the service provided. Georgia law regulates and authorizes how some fees are imposed by counties. However, in many cases, counties regulate their own fees.

Fees discussed within this section include:

- Emergency 9-1-1.
- Cable franchise.
- Building permit and inspection.
- Development impact.
- Motor vehicle tag and title.
- Storm water.
- Special district fees or special assessments (i.e., fire, hospital, streetlights)

#### **Emergency 9-1-1 Fees**

All subscribers of a hard-wired or cellular telephone with an address in the county pay a monthly fee of \$1.50 for every telephone line where the county provides emergency 9-1-1 services (Public Safety Answering Point [PSAP] jurisdictions). The surcharge is collected by the telephone service provider and remitted to the DOR, less a 1% administrative fee. The DOR then distributes the collected 9-1-1 fees within each PSAP jurisdiction, less a 2% administrative fee. Half of the administrative fee goes to the Georgia Emergency Communications Authority, and the other half is split between the State Treasury,

receiving .25%, and the Police Officers' Annuity and Benefit Fund, receiving the remaining .75% to fund a retirement program for 9-1-1 officers.<sup>121</sup>

In addition, every subscriber of a prepaid cellular telephone service pays a \$1.50 fee per month for each line purchased that is used for provision of emergency 9-1-1 services. The surcharge for prepaid cellular service is paid at the point of sale.

State law requires that all 9-1-1 fees collected by local jurisdictions must be placed in a separate account and only be used for the provision of 9-1-1 service.<sup>122</sup>

#### Cable Franchise Fees

Cable franchise fees are the only type of utility franchise fee that counties can impose. Unlike cities, counties cannot levy a franchise fee on electricity, natural gas, and telephone services. Intended to reimburse counties for the use of public right-of-way for installation of infrastructure, cable franchise fees also provide a mechanism to recoup costs for other public services associated with cable television enterprise functioning.<sup>123</sup>

Implemented as part of a service agreement executed between the county and a cable television provider, cable franchise fees are charged for services in the unincorporated areas of the county. Cable franchise fees may be implemented under the cable provider's local franchise or under the statewide video franchise agreement administered by the Corporations Division of the Georgia Secretary of State. The statewide video franchise agreement allows telecommunications companies to avoid negotiating individual agreements with counties and cities in Georgia.

The fee must be set by the county governing authority at a rate not to exceed 5% of the company's gross revenues. Counties must file their fee rates with the Georgia Secretary of State office.

#### Building Permit and Inspection Fees

The most common permits issued by counties involve building construction. Georgia has adopted uniform construction codes to help protect the life, health, and property from the hazards of faulty design, construction, and renovation.

While counties are not required to enforce state building codes, many counties elect to do so by issuing building permits and performing construction inspections. Furthermore, counties may adopt additional building codes if they elect to adopt and enforce at least one state minimum standard building code.<sup>124</sup> Included within the purview of building permits are driveways, fire inspection, demolition, electrical, HVAC, plumbing, swimming pools, manufactured homes, etc.

Counties may use collections from these permitting fees to help defray the actual cost of enforcing their building codes. The fees charged for building permits cannot generate more in revenue than would cover the approximate cost to the county for providing

permit review and inspection services and must be used to fund those permitting services and not general county operations.<sup>125</sup> Local boards of education are exempt from county building permit and inspection fees.<sup>126</sup>

#### Development Impact Fees

Development impact fees<sup>127</sup> are charged to new developments at the time a building permit is issued. As the name suggests, these fees are used to finance public facilities that are impacted by the growth that new development brings, including:

- Water and sewer infrastructure.
- Roads and bridges, as well as traffic signals, landscaping, and local components of state or federal highways.
- Storm water infrastructure.
- Parks and greenspace.
- Public safety — police, fire, emergency and medical services, rescue.
- Libraries and other related facilities.<sup>128</sup>

Development impact fees provide an alternative to raising taxes on existing residents to accommodate new growth and new residents.<sup>129</sup>

Local boards of education are exempt from county and municipal impact fees.<sup>130</sup>

#### Motor Vehicle Tag and Title Fees

The county tax commissioner can charge a \$1 fee for each motor vehicle tag or revalidation decal issued, as well as 50 cents per title application. When the general law refers to and uses the term “county tag agents,” the law is referring to the tax commissioner. State law designates the county tax commissioner as an agent of the state revenue commissioner for purposes of accepting applications for the registration of motor vehicles.<sup>131</sup>

#### Storm Water Fees

Counties may charge a storm water fee to recoup costs related to building and maintaining adequate storm water infrastructure. Storm water fees are dedicated fees used to distribute storm water management costs to property owners based upon the impervious surface area (i.e., rooftops, concrete driveways, sidewalks, etc.) specific to each type of property.

The federal government mandates that local governments manage storm water runoff and preserve surface water quality through the Clean Water Act. In order to secure adequate funding to address these mandates, more than 40 Georgia counties and cities have created storm water utilities. These utilities are funded by user fees, with a rate

structure designed so that all property owners — including those that are traditionally tax exempt — pay a fee based on the relative amount of storm water runoff they put into a public storm drainage system. The amount of the charge is based on a calculation of the amount of impervious area on their property.

#### Special District Fees, or Special Assessments

The Constitution allows counties to create special districts to impose fees, taxes, or assessments to accommodate costs associated with providing a certain service (i.e., fire, hospital, streetlights, garbage, economic development, etc.) within the defined sub-geographic area.<sup>132</sup> Special districts can include the entire county, only unincorporated areas, or a portion of the unincorporated area and/or any portion of the cities within the county. Funding special district services through a special district fee or special assessment provides several advantages. The fees can be structured based upon criteria that is more closely related to the benefits received. For example, a fire fee may be based upon a building's square footage instead of the value when funded through property taxes. The fees are also not subject to exemptions. So, a property exempt from property tax would not be exempt from a special district fire fee. One of the downsides of special district fees and assessments is the ability to collect. Unlike property tax delinquencies, a county cannot sell a property for failure to pay a special district fee or assessment.

#### Licenses and Permits

While Georgia's local governments may charge a "regulatory fee" for permitting certain businesses and practitioners within their jurisdiction, these license and permit fees and their applicability are limited by state law. These fees may only be charged to a business or practitioner if the local government regularly investigates or inspects them in order to protect the public health, safety, or welfare of the community — or if the governing authority enforces a state or local building, health, or safety code.

Most importantly, these fees must approximate the reasonable cost of the actual regulatory activity performed by the governing authority, and as such, cannot be used as a means of raising revenue for the general fund.<sup>133</sup>

#### Alcohol Sales License

Currently, three types of licenses are required to sell alcohol in Georgia: (1) a local alcohol license, (2) a state alcohol license, and (3) a federal basic permit. Counties issue local alcohol licenses within the unincorporated area of the county.

Licenses apply to different types of alcohol, including malt liquor (beer), as well as wine and distilled spirits. The type of alcohol license can also determine how the alcohol can be sold or distributed. Options may include:

- Whether alcohol can be sold by the drink for consumption on the premises.
- By a hotel, for in-room consumption.

- By a retail dealer or package store.

The maximum fee for a local alcohol license for retail or package sale, sale by the drink, distribution, or manufacture of spiritous liquor is \$5,000 annually.<sup>134</sup> There is no maximum license fee on malt beverages.<sup>135</sup> However, a wholesaler of malt beverages licensed to do business in more than one city or county may only be charged \$100 for a license by a jurisdiction other than the wholesaler's principal place of business.<sup>136</sup>

In 2020, state law was changed to allow for home delivery of beer, wine, and distilled spirits in cities and counties that authorize the retail sale of these beverages. Local governments do not license the delivery of alcohol; rather, locally licensed package retailers and restaurants are authorized to make these deliveries within their licensing jurisdiction under strict state guidelines. Deliveries can only take place during the times when alcohol can be sold by the package retailer.<sup>137</sup> Local governments may adopt a resolution or ordinance prohibiting the delivery of alcohol within their jurisdiction.<sup>138</sup>

#### Marriage License

Couples getting married in Georgia are required to obtain a license for their marriage to be considered legal. Marriage licenses may be issued by the judge of the probate court or probate court clerk and can be obtained in the couple's county of residence or at the location of the wedding.<sup>139</sup>

The probate court ensures that both persons meet eligibility requirements before granting a license.<sup>140</sup> Fees for a marriage license vary by county; many counties discount the fee if couples have completed a qualified premarital education program.

#### Weapons Carry License

Georgia is a "constitutional carry" state, meaning a person who can legally possess a weapon does not have to obtain a weapons carry license to carry a weapon openly or in a concealed manner. The judge of the probate court can also issue weapons carry licenses to individuals who wish to have one. Because Georgia is a "shall issue" state, the judge of the probate court must issue a weapons carry license if the applicant meets the state's qualifications.<sup>141</sup>

However, unlike a marriage license, applicants must apply for a weapons carry license in their county of residence.<sup>142</sup> By law, the probate court cannot charge more than \$30 for issuing the license, but the court will also collect the state's fee for providing the requisite background and mental health records check when issuing the license.<sup>143</sup>

#### Other County Permits

There are other areas in which counties charge for and issue permits, including (but not limited to):

- Utility infrastructure that uses the county's right-of-way.

- Land disturbance permits for construction within their jurisdiction.
- Solid waste collection and disposal.
- Sign permits.
- Special event permits.

#### License for Operating a Temporary Fireworks Stand

In addition to the fireworks excise tax described under the previous section on taxes, governing authorities may also require a license for operating a temporary fireworks stand. The license fee for a distributor selling consumer fireworks from a temporary consumer fireworks retail sales stand must be \$500.00 per location, payable to the governing authority of the county or municipality in which it is located or is proposed to be located.<sup>144</sup>

The license — issued by either the fire department of the local governing authority or the chartered fire department legally organized to operate in Georgia — will expire on the next January 31 after the license is issued.<sup>145</sup>

#### **Fines, Fees, and Surcharges**

Fines, fees, and surcharges primarily related to public safety and court operations provide an additional revenue source for counties. Funds collected through these revenues support the safety and welfare of residents and constituents throughout Georgia's counties.

The base fine amount is retained by the county. In addition, numerous add-on fees and surcharges have been put into place over the years, most of which go to the state or to benefit specific state or local officers or programs. The table below offers a snapshot of add-on fees and surcharges retained at the county level related to public safety uses and court operations.

## County Public Safety and Court Operation Funds

Fund or Program	Action
<b>Jail and Construction Fund</b>	10% add-on to base fine to be used by the sheriff for jail and staffing expenses. <sup>146</sup>
<b>Drug Abuse Treatment and Education (DATE) Fund</b>	50% add-on to base fine for drug and alcohol offenses to be used for the operation of local accountability courts or drug abuse treatment and education services. <sup>147</sup>
<b>County Law Library Fund</b>	\$5.00 fee added to criminal and civil cases to fund local law libraries. <sup>148</sup>
<b>Indigent Defense Fund/Application Fee</b>	\$50.00 application fee for the services of a public defender, if not waived by the judge. <sup>149</sup>
<b>Local Victim Assistance Programs</b>	5% add-on to base fine to fund local victim's assistance programs. <sup>150</sup>
<b>Judicial Operations Fund</b>	\$125.00 added to each civil filing fee in superior and state court; full \$125.00 fee goes to the state general fund for superior court.  In state court, \$75.00 goes to state general fund and \$50.00 goes to county general fund. <sup>151</sup>
<b>Alternative Dispute Resolution</b>	Up to \$10.00 added to the filing fee on civil cases to fund alternative dispute resolution services at the county level. <sup>152</sup>

### Forfeitures

Forfeitures represent yet another source of revenue for counties and are collected from criminal activity or the sale of related items. Collections or monies received through forfeiture are typically invested back into local law enforcement budgets to support their work in communities.

#### Sale of Contraband Property

Counties are usually entitled to the proceeds from the sale of confiscated contraband property. However, all or part of the proceeds must be used for law enforcement purposes, depending on whether the property is seized under state or federal law. In addition, under some circumstances, proceeds may have to be shared with the state.

Sale procedures of contraband property vary based on multiple factors. One such sale includes the sale of controlled substances, otherwise known as “drug fund money.”

#### *Controlled Substances (“Drug Fund Money”)*

All property (e.g., real property and personal property, including weapons, currency, securities, or any kind of privilege, interest, claim, or right) used or intended for use in violation of state or federal drug laws (i.e., controlled substances acts) can be forfeited by court action and sold. Proceeds from forfeited property, including confiscated monies, are distributed pro rata to the state and local government law enforcement agencies. Distribution of these funds is according to the role that the law enforcement agencies played in seizing the property and money, with the limitation that the state cannot receive more than 25% of the distribution.<sup>153</sup>

Funds must be used by the law enforcement agency to which the funds are transferred for law enforcement purposes. However, it is important to note these funds may not be used to pay salaries or rewards to law enforcement personnel.

Money given to the sheriff’s office is within the discretion of the sheriff to use. The sheriff does not have to include federal drug fund money in the budget, but he or she must provide to the county governing authority an annual report of state drug money and its use from the preceding year along with his or her budget request.<sup>154</sup> Drug fund money may not be used to supplant the county’s funding of the sheriff’s office (i.e., the sheriff’s budget funded by the county may not be reduced to reflect the amount of drug fund money).<sup>155</sup> Drug fund monies may be used towards law enforcement purposes, indigent defense, drug treatment, and victim-witness assistance programs.<sup>156</sup>

#### **User Charges**

Counties can charge users of their services a fee that partially or completely offsets the cost of providing the service. They may also require other local governments to pay fees for use of their services. User fees can be charged for services like water and sewer, garbage collection, and recreation services.

A portion of these user charges can be transferred to the general fund to cover overhead costs. Although the total fees collected should approximate the cost of the service provided, there are some fees that have no legal restriction on the amount of the fee or how it is established. However, other user fees are restricted by state law.<sup>157</sup> For example, general law does provide that water and sewer fees charged to customers outside the geographical boundary of the provider must not be unreasonable or arbitrarily higher than the fees charged to customers within the jurisdiction of the government providing the service.<sup>158</sup>

## Grants and Intergovernmental Revenues

The Constitution authorizes the state to provide grants to cities and counties.<sup>159</sup> Because Georgia counties have more own source revenues than counties in many other states, they do not rely as heavily on grants and intergovernmental revenues. Counties raise own source revenues through the authority granted by the state to impose taxes, fees, licenses, and other revenue-producing mechanisms.

Most grants available to counties — regardless of whether the grants are funded by the federal or state government — typically come through a state agency.

### Community Development Block Grant

The Community Development Block Grant (CDBG) Program provides annual grants to help fund projects that benefit low to moderate income people, such as housing improvement projects, water and sewer lines, and buildings that house health centers, employment training services, economic development infrastructure, and other public facilities.

CDBGs are federally funded through the United States Department of Housing and Urban Development (HUD). Entitlement communities — larger counties (over 200,000 population) and cities (over 50,000 population) — receive funds directly from HUD, without a pass-through mechanism. However, monies for non-entitlement communities — those that are not metropolitan cities or part of an urban county program — are administered through the DCA.

### Local Maintenance and Improvement Grant

The Local Maintenance and Improvement Grant (LMIG) program, administered through GDOT, provides funds for road resurfacing, as well as other road and bridge projects. Some state motor fuel tax revenues — a minimum of 10% to a maximum of 20% — are dedicated to funding this grant program. Each county and city is eligible for a share based upon its proportionate share of centerline lane miles and population within the state (2/3 lane miles and 1/3 population).

The Transportation Infrastructure Bank administered through the State Road and Tollway Authority (SRTA) also provides grants and loans to counties for partial funding of eligible transportation projects.

### Forest Land Protection Act Grants

Local governments — through their tax commissioners — may apply for and receive annual Forest Land Protection Act (FLPA) grants to make up most of the tax revenue lost due to the lower tax assessed values for FLPA covenant properties. The amount of the grant is one-half of the first 3% in lost taxes and 100% of lost taxes above that first 3%.<sup>160</sup> The program, discussed previously in the section on tax revenue and preferential assessments, is administered by the DOR.

## Georgia Outdoor Stewardship Program

One of the newest state grant programs is the Georgia Outdoor Stewardship Program (GOSP). Passed in 2018, GOSP is a dedicated funding mechanism providing grants and loans to support park and trail development and to protect and acquire lands critical to wildlife, clean water, and outdoor recreation across the State of Georgia. Eligible proposals include projects that:

- Support state parks and trails.
- Support local parks and trails of state and regional significance.
- Provide stewardship of conservation land.
- Acquire critical areas for provision or protection of clean water, wildlife, hunting, fishing, military installation buffering, or natural resource-based outdoor recreation.

## REVENUE TRACKING AND FORECASTING

Revenue tracking is an important practice for counties in forecasting future revenues. A number of factors can cause significant changes in a revenue's historical trends. Economic changes can be the most difficult to predict. When the 2008 recession reduced real estate values, property tax revenues dropped because most local governments did not want to increase millage rates to offset the reduced property values. This widespread economic event impacted almost every Georgia county.

Changes to economic trends can be more localized, such as the closing of a major employer or changes to an industry that makes up a significant portion of the county's tax base. Communities that do not have a diversified economic base may feel greater shifts in the local economy than those counties whose workforce is spread across many employment sectors. In many rural areas of south Georgia, agriculture makes up a disproportionate share of the local economy; in northwest Georgia, the flooring industry is a large portion of the economy.

Economic shifts can also be the result of changes in individual behaviors or consumer buying trends. For example, local sales tax revenues were impacted as many small retailers were replaced by big box retailers in the 1980s through the 1990s. When rural residents make purchases at a big box store in a neighboring county or city, the sales tax is lost to their community. The local government where the purchase is made receives those revenues instead. Another more recent example is the fact that now many retail sales occur online instead of in traditional brick-and-mortar stores. However, recent changes in Georgia law allow local sales tax revenues from online sales to come back to the community where the item is delivered and the local government where the big box store or distribution center is located loses the revenue.

Changes to state laws, as shown in the example above, can impact local government revenues. Major exemptions to property tax or sales tax laws and changes in state grants or revenue sharing formulas can significantly affect revenues. It is important that commissioners and county staff are always aware of any changes in state laws or regulations that may impact county revenues and when those changes are scheduled to take effect to better plan and adjust accordingly.

One of the best predictors of future revenues is historical trends. Tracking each revenue source from year to year will provide a long-term trend that demonstrates how that revenue stream behaves over time — does it increase or decrease? When significant changes occur in the trend line, an effort should be made to understand and document why the change occurred. Is the change temporary, or does it represent a longer-term or perhaps permanent change in the direction of the trend line?

A good resource for historical trends on sales tax and the local economy is the DOR Sales Tax Commodity Report. The report uses North American Industry Classification System (NAICS) codes to group local businesses by industry sectors. Those broad industry sectors include:

- Accommodations.
- Auto.
- Construction.
- Food.
- General Merchandise.
- Home Furnishings.
- Manufacturing.
- Miscellaneous Services.
- Other Retail.
- Other Services.
- Utilities.
- Wholesale.

Tracking trends over time by sector will provide better information about local sales tax fluctuations due to changes in the local economy and state laws. It can help counties predict potential impacts on other local revenues due to other evolving economic trends.

In addition to tracking revenues within the county, a helpful practice is benchmarking county revenues against other counties of similar size and geography. To do so, there are many sources of county-level data available through state agencies, such as the DCA Report of Local Government Finance Survey (RLGF) or the Government Management Indicators Survey (GOMI).

The DOR also has county level data on sales tax, property tax, TAVT, and 9-1-1 fees. [GeorgiaDATA](#), an online database administered by the University of Georgia's Carl Vinson Institute of Government (CVIOG), has local government budgets, audits, and other financial information. Counties are required to submit their budgets to CVIOG within 30 days of passage and audits must be submitted within 6 months of the end of the fiscal year.<sup>161</sup>

In addition, county officials may also work with their respective economic development partners to gain access to critical economic data when considering historic data and trend analysis. Those partners include local higher education institutions, the University of Georgia Small Business Development Center, and the Georgia Department of Economic Development, as well as private sector partners such as Electric Cities of Georgia (ECG), Georgia Electric Membership Corporation (GEMC), and Georgia Power Company, among others.

## CONCLUSION

As this chapter details, Georgia law provides many options and opportunities for counties to diversify their revenue portfolio. With the responsibility of fiscal oversight for county operations, commissioners should be knowledgeable regarding the wide variety of taxing structures available to them, as well as the non-tax related revenue streams that may be used to fund county services.

Through taxes, fees, licenses, permits, fines, grants and other intergovernmental funding sources, governing authorities have the mechanisms necessary to support mandated county programs, as well as additional services they may choose to implement. While many revenue streams require cooperation among local partners and state government for implementation, most taxes require voter approval. Commissioners should use transparency and clear communications to educate constituents about the purpose and intent of any new revenue stream.

To effectively prepare for their elected duty of adopting and maintaining a balanced budget each year, commissioners must understand citizen needs and external economic trends that will likely impact county revenues. ACCG, as well as many state agencies and private partners, serve as valuable resources in assisting county governments to fulfill their fiscal obligations to both residents and businesses.

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<sup>1</sup> O.C.G.A. § 36-81-3.

<sup>2</sup> 2023 RLGs were unavailable for six counties. As such, the 2022 RLG was used for the following counties: Cusseta-Chattahoochee County, Clay County, Franklin County, and Toombs County. Earlier RLGs also had to be used for DeKalb County (2021) and Marion County (2020).

<sup>3</sup> Ga. Const. art. VII, § I, para. I and art. IX, § II, par. I(c)(4).

<sup>4</sup> [Summary of Ad Valorem Taxes Levied in Georgia Counties Report, Georgia Department of Revenue \(2023\)](#).

<sup>5</sup> [Report of Local Government Finance Reports for County Governments, Georgia Department of Community Affairs \(2020-2023\)](#).

<sup>6</sup> Ga. Const. art. VII, § I, para. III(b).

<sup>7</sup> O.C.G.A. § 48-5-7(a).

<sup>8</sup> O.C.G.A. § 48-5-273.

<sup>9</sup> O.C.G.A. §§ 48-5-32(b) and (c).

<sup>10</sup> O.C.G.A. §§ 48-5-32(c)(3).

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- <sup>11</sup> O.C.G.A. § 48-5-32.1(c).
- <sup>12</sup> O.C.G.A. § 48-5-137.
- <sup>13</sup> O.C.G.A. § 48-5-10.
- <sup>14</sup> Ga. Const. art. VII, § I, para. III(b).
- <sup>15</sup> O.C.G.A. § 48-5-295(a).
- <sup>16</sup> O.C.G.A. §§ 48-8-295(b) and (c).
- <sup>17</sup> O.C.G.A. § 48-5-262.
- <sup>18</sup> O.C.G.A. § 48-5-265. This law was enacted in 2016.
- <sup>19</sup> O.C.G.A. § 48-5-269.1; Rule 560-11-10, [Appraisal Procedure Manual](#).
- <sup>20</sup> O.C.G.A. § 48-5-274.
- <sup>21</sup> O.C.G.A. § 48-5-20(a)(1).
- <sup>22</sup> Ga. Const. art. VII, § I, para. III(c); O.C.G.A. § 48-5-7.1; See HB 90 (2025) for pending referendum increasing the acreage from 2,000 to 4,000 acres.
- <sup>23</sup> Ga. Const. art. VII, § I, para. III(e); O.C.G.A. § 48-5-7.4.
- <sup>24</sup> Ga. Const. art. VII, § I, para. III(f); O.C.G.A. § 48-5-7.7.
- <sup>25</sup> O.C.G.A. § 48-5-7.2.
- <sup>26</sup> O.C.G.A. § 48-5-2(3)(C).
- <sup>27</sup> O.C.G.A. § 47-5-7.3.
- <sup>28</sup> O.C.G.A. § 48-5-7.6.
- <sup>29</sup> O.C.G.A. § 48-5-2(3)(F).
- <sup>30</sup> Ga. Const. art. VII, § I, para. III(e)(2); O.C.G.A. § 48-5-7.5.
- <sup>31</sup> O.C.G.A. § 48-5-473(a).
- <sup>32</sup> O.C.G.A. § 48-5-16.
- <sup>33</sup> Ga. Const. art. VII, § II, para. II.
- <sup>34</sup> Ga. Const. art. VII, § II, para. III.
- <sup>35</sup> O.C.G.A. §§ 48-5-48.2 and 48-5-48.6; see generally Freeport Exemption. Georgia Department of Revenue. Retrieved Aug. 8, 2020, <http://dor.georgia.gov/freeport-exemption>.
- <sup>36</sup> 'Disaster area' means that portion of any county which is wholly or partially located in a nationally declared disaster area under the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. Sections 5121-5207.
- <sup>37</sup> Ga. Const. art. VII, § I, para. III (h); O.C.G.A. § 48-5-33.
- <sup>38</sup> O.C.G.A. § 48-5-40(3).
- <sup>39</sup> O.C.G.A. §§ 48-5-44 and 48-5-45(a).
- <sup>40</sup> O.C.G.A. § 48-5-45(b).
- <sup>41</sup> O.C.G.A. § 48-5-41.
- <sup>42</sup> O.C.G.A. § 48-4-41.1.
- <sup>43</sup> O.C.G.A. § 48-5-42.
- <sup>44</sup> O.C.G.A. § 48-5-42.1.
- <sup>45</sup> O.C.G.A. § 48-5-306(b)(1).
- <sup>46</sup> O.C.G.A. § 48-5-311(e).
- <sup>47</sup> O.C.G.A. §§ 48-5-311(a.2)-(d).
- <sup>48</sup> O.C.G.A. § 48-5-311(a.2)(4).
- <sup>49</sup> O.C.G.A. §§ 48-5-311(e)(1)(A)(ii) and (f).
- <sup>50</sup> O.C.G.A. §§ 48-5-311(e)(1)(A)(iii-iv) and (e.1).
- <sup>51</sup> OCGA 48-5-311(g)
- <sup>52</sup> O.C.G.A. § 48-5-302.
- <sup>53</sup> O.C.G.A. § 48-5-127(a).
- <sup>54</sup> O.C.G.A. § 48-5-32.1(c).
- <sup>55</sup> O.C.G.A. § 48-5-304.
- <sup>56</sup> O.C.G.A. § 48-5-345(a).
- <sup>57</sup> O.C.G.A. § 48-5-205.
- <sup>58</sup> O.C.G.A. §§ 48-5-345(a)(2) and 48-5-310.
- <sup>59</sup> O.C.G.A. § 48-5-23.

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- <sup>60</sup> O.C.G.A. § 48-5-148(a)(3).
- <sup>61</sup> Ga. Const. art. IX, § IV, para. IV.
- <sup>62</sup> O.C.G.A. § 48-3-3 (b).
- <sup>63</sup> O.C.G.A. § 48-2-44(b).
- <sup>64</sup> O.C.G.A. § 48-2-40.
- <sup>65</sup> O.C.G.A. § 48-5-242.
- <sup>66</sup> O.C.G.A. § 48-5-241.
- <sup>67</sup> O.C.G.A. § 9-13-12.
- <sup>68</sup> O.C.G.A. §§ 9-13-12, 9-13-13, and 48-3-9.
- <sup>69</sup> O.C.G.A. §§ 9-13-140 and 9-13-141.
- <sup>70</sup> *Jones v. Flowers*, 547 U.S. 220 (2006).
- <sup>71</sup> O.C.G.A. § 48-4-1(a).
- <sup>72</sup> O.C.G.A. § 9-13-161(a).
- <sup>73</sup> O.C.G.A. § 48-4-5.
- <sup>74</sup> O.C.G.A. § 48-4-75.
- <sup>75</sup> O.C.G.A. § 48-5C-1(b)(1)(A).
- <sup>76</sup> O.C.G.A. §§ 48-5C-1(b) through (g).
- <sup>77</sup> O.C.G.A. §§ 48-5C-1(b)(1)(B) and (c)(2).
- <sup>78</sup> O.C.G.A. § 48-5C-1(c)(2).
- <sup>79</sup> O.C.G.A. §§ 48-5-442.1; 40-2-152; 48-5C-1; Rule 560-11-7-.06, Distribution of Alternative Ad Valorem Tax on Apportionable Vehicles.
- <sup>80</sup> O.C.G.A. § 48-5-7.5(a).
- <sup>81</sup> O.C.G.A. § 48-5-7.5(c).
- <sup>82</sup> O.C.G.A. § 48-5-7.5(d).
- <sup>83</sup> O.C.G.A. § 48-5-7.5(e). The Georgia Department of Revenue provides valuation and assessment information on timber at <https://dor.georgia.gov/taxes/business-taxes/sales-use-tax/sales-tax-rates-current-historical-and-upcoming> and at <https://dor.georgia.gov/local-government-services/digest-compliance-section/table-owner-harvest-timber-values>.
- <sup>84</sup> O.C.G.A. §§ 48-6-60. Effective July 1, 2025, the minimum length of the taxable note increased from 36 months to 62 months pursuant to HB 586 (2025).
- <sup>85</sup> O.C.G.A. §§ 48-6-60(3), 48-6-61, and 48-6-72(c) and (d).
- <sup>86</sup> O.C.G.A. §§ 48-6-1, 48-6-5, 48-6-8.
- <sup>87</sup> O.C.G.A. § 48-8-30. The Georgia Department of Revenue website provides several sales tax rate documents at <https://dor.georgia.gov/taxes/business-taxes/sales-use-tax/sales-tax-rates-current-historical-and-upcoming>.
- <sup>88</sup> O.C.G.A. § 48-2-10. The Georgia Department of Revenue website has an online sales tax distribution database that provides monthly sales tax distributions by jurisdiction at <https://gtc.dor.ga.gov/>.
- <sup>89</sup> O.C.G.A. § 48-8-3.
- <sup>90</sup> O.C.G.A. § 48-8-6.
- <sup>91</sup> 1975 Ga. L. p.984, § 2.
- <sup>92</sup> O.C.G.A. §§ 48-8-83.1, and 48-8-92.
- <sup>93</sup> Ga. Const. art. IX, § II, para. VI; see also 1985 Ga. L. p.232, § 1.
- <sup>94</sup> O.C.G.A. §§ 48-8-110.1 through 48-8-112.
- <sup>95</sup> O.C.G.A. § 48-8-242(10).
- <sup>96</sup> O.C.G.A. §§ 48-8-240 through 48-8-256.
- <sup>97</sup> O.C.G.A. § 48-8-262(d)(2)(C).
- <sup>98</sup> O.C.G.A. § 48-8-260(4).
- <sup>99</sup> O.C.G.A. §§ 48-8-241 and 48-8-269.
- <sup>100</sup> O.C.G.A. §§ 48-13-6, 48-13-10, and 48-13-20.1; see generally O.C.G.A. §§ 48-13-1 through 48-13-38.
- <sup>101</sup> O.C.G.A. §§ 48-6-90 and 48-6-93(a).
- <sup>102</sup> Ga. Const. art. IX, § IV, para. I(c).
- <sup>103</sup> Ga. Const. art. IX, § IV, para. I(c); O.C.G.A. §§ 33-8-8.1 and 33-8-8.2.
- <sup>104</sup> O.C.G.A. §§ 3-4-80(a), 3-4-130, and 3-4-131.

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- <sup>105</sup> O.C.G.A. § 3-5-80; see also O.C.G.A. § 3-5-84. For definitions, see O.C.G.A. §§ 3-4-1, 3-5-1, and 3-6-1.
- <sup>106</sup> O.C.G.A. § 48-13-51(a); see generally O.C.G.A. §§ 48-13-50 through 48-13-63.
- <sup>107</sup> O.C.G.A. §§ 48-13-51(a)(9)(A) and 48-13-56.
- <sup>108</sup> O.C.G.A. § 48-13-51(a)(9)(B).
- <sup>109</sup> O.C.G.A. § 48-13-51(a).
- <sup>110</sup> See, e.g., O.C.G.A. § 48-13-51(a)(3.7)(B).
- <sup>111</sup> O.C.G.A. § 48-13-51(b).
- <sup>112</sup> O.C.G.A. § 48-13-50.2(6).
- <sup>113</sup> O.C.G.A. § 48-13-51(b)(4).
- <sup>114</sup> O.C.G.A. § 48-13-51(a)(1).
- <sup>115</sup> O.C.G.A. §§ 48-13-113 and 48-13-115.
- <sup>116</sup> *Id.*; O.C.G.A. § 48-13-112(d).
- <sup>117</sup> O.C.G.A. § 48-13-112(f).
- <sup>118</sup> O.C.G.A. §§ 48-13-114(b) and 48-13-118.
- <sup>119</sup> O.C.G.A. § 48-13-93; see generally O.C.G.A. §§ 48-13-90 through 48-13-97.
- <sup>120</sup> O.C.G.A. § 48-13-131.
- <sup>121</sup> O.C.G.A. § 46-5-133.
- <sup>122</sup> O.C.G.A. §§ 46-5-133 through 46-5-134.2; See generally O.C.G.A. §§ 46-5-120 through 46-5-139.
- <sup>123</sup> O.C.G.A. §§ 36-18-1 through 36-18-5.
- <sup>124</sup> O.C.G.A. § 8-2-28.
- <sup>125</sup> O.C.G.A. § 48-13-9(a).
- <sup>126</sup> O.C.G.A. § 20-2-261(d).
- <sup>127</sup> O.C.G.A. § 36-71-2 (8).
- <sup>128</sup> See generally, O.C.G.A. § 36-71-2(17).
- <sup>129</sup> See O.C.G.A. § 36-71-1; see generally O.C.G.A. §§ 36-71-2 through 36-71-13.
- <sup>130</sup> O.C.G.A. § 20-2-261(d).
- <sup>131</sup> O.C.G.A. §§ 40-2-30, 40-2-33(b), 40-2-43, and 40-2-23(a).
- <sup>132</sup> Ga. Const. art. IX, § II, para. VI.
- <sup>133</sup> O.C.G.A. § 48-13-9(a).
- <sup>134</sup> O.C.G.A. § 3-4-48.
- <sup>135</sup> O.C.G.A. § 3-5-41.
- <sup>136</sup> O.C.G.A. § 3-5-43.
- <sup>137</sup> O.C.G.A. § 3-3-10(b)(11).
- <sup>138</sup> O.C.G.A. § 3-3-10 (d.1).
- <sup>139</sup> O.C.G.A. § 19-3-30(a).
- <sup>140</sup> See generally, O.C.G.A. § 19-3-2 through O.C.G.A. 19-3-10.
- <sup>141</sup> O.C.G.A. § 16-11-129(a) and(d)(4).
- <sup>142</sup> O.C.G.A. § 16-11-129(a)(1).
- <sup>143</sup> *Id.*
- <sup>144</sup> O.C.G.A. § 25-10-5.1(c)(1).
- <sup>145</sup> *Id.*
- <sup>146</sup> O.C.G.A. §§ 15-21-90 through 15-21-95.
- <sup>147</sup> O.C.G.A. §§ 15-21-100 through 15-21-101.
- <sup>148</sup> O.C.G.A. § 36-15-9.
- <sup>149</sup> O.C.G.A. §§ 15-21A-6(b)(c) and (e).
- <sup>150</sup> O.C.G.A. §§ 15-21-130 through 15-21-134.
- <sup>151</sup> O.C.G.A. §§ 15-21A-6.1 and 15-21A-6.2.
- <sup>152</sup> O.C.G.A. §§ 15-23-7 through 15-23-12.
- <sup>153</sup> O.C.G.A. § 16-13-49.
- <sup>154</sup> *Chatham County v. Kiley*, 249 Ga. 110, 111(1982). O.C.G.A. § 9-16-19(g)(2).
- <sup>155</sup> O.C.G.A. § 9-16-19 (f)(4)(A)(ii).
- <sup>156</sup> O.C.G.A. § 9-16-19 (f)(4)(A)(iii).

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<sup>157</sup> O.C.G.A. § 36-70-24(2) and (3); Ga. Const. art IX, § II, para. I, III, and VI (regarding home rule).

<sup>158</sup> *McLeod v. Columbia County*, 278 Ga. 242 (2004).

<sup>159</sup> Ga. Const. art. VII, § III, para. III.

<sup>160</sup> Ga. Const. art. VII § I para. III (f)(4). Instructions on how to apply for a FLPA grant and all the documentation to make the calculations are available at <https://dor.georgia.gov/forest-land-protection-grant-reimbursement>.

<sup>161</sup> O.C.G.A. §§ 36-80-21 and 36-81-7(d).