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County Revenues

Counties operate and finance their activities within a federal system. Like municipalities, they are not stand-alone units of government. They are “offspring” of the state and must function within constraints imposed by the state and, to a lesser degree, the federal government. As creations of the state constitution, counties must adhere to state laws, rules, and regulations, and their capacity to generate revenue is determined by the explicit revenue-raising authority granted to them under state law. As noted in Chapter 19, Georgia, like most states, requires that county budgets be balanced. This means that local budgeting processes are to a large extent revenue driven because “available revenues determine the level of spending for any given year.”¹

This chapter describes the revenue sources currently available to Georgia counties, discusses several criteria used in evaluating alternative revenue sources,² and examines revenue patterns based on the yield from specific revenue sources. (For a discussion of county financial policies to guide revenue decisions, see Chapter 17.)

TAX REVENUE

Tangible Property Tax

Over the last three decades, the property tax has declined in importance as a revenue source for local governments in the United States.³ Despite the decline, nationally the property tax remains the major source of revenue for counties. In Georgia, property taxes accounted for 39.5 percent of total county revenues in 2008.⁴

While the property tax has been the object of criticism (e.g., inequitable appraisals and anxiety about reappraisal, cumbersome and expensive to administer), it is likely to remain a permanent fixture of county revenue systems. Its attributes include the following:

1. It provides a stable source of revenue since property values typically do not fluctuate widely from year to year.
2. It taxes nonresident property owners who benefit from local services.
3. It is used by counties to finance property-related services that add value to property such as law enforcement, fire protection, parks, comprehensive land-use planning, and the construction of publicly owned infrastructures such as roads, bridges, curbs and sidewalks, and storm drainage systems.
4. The tax on real property is difficult to evade, thus making collection and enforcement easier for county governments.
5. The tax has enabled local governments in the United States to achieve their unique form of autonomy from state and federal control, thereby forestalling centralization of power at higher levels of government.

In Georgia, the ad valorem (according to value) property tax remains the major revenue source for counties, generating \$3.27 billion in FY 2008.⁵ Ad valorem taxes are levied on the following types of property:

1. Real property—land, buildings, permanent fixtures, and improvements
2. Personal property—property that can be moved with relative ease, such as motor vehicles, boats, machinery, and inventoried goods
3. Intangible property—long-term notes secured by real estate and the transfer of real property

General law dictates that tangible real and personal property for counties be assessed at 40 percent of its fair market value.⁶ The state reviews the correctness of county assessments once every three years and will impose sanctions, including fines, if the average level of assessment for each class of property is not between 36 percent and 44 percent of fair market value.⁷ The state constitution authorizes special favorable assessment values for certain kinds of property. Examples are rehabilitated historic property, landmark historic property, bona fide residential transitional property, bona fide conservation-use property not exceeding 2,000 acres, and forest land conservation-use property exceeding 200

acres.⁸ Also, real property of no more than 2,000 acres owned by a single property owner and devoted to bona fide agricultural purposes must, if certain conditions are met, be assessed at 30 percent of market values (i.e., at 75 percent of 40 percent of fair market value).⁹ Standing timber is to be assessed one time, rather than annually, at 100 percent of fair market value at the time it is cut.¹⁰ Timber land is assessed annually as other property and may qualify as bona fide conservation-use property, agricultural-use property, or forestland conservation-use property and qualify for those favorable assessment classifications.¹¹ General law provides for the assessment of combined real and personal property of public utilities, airlines, and railroads by the state revenue commissioner and for apportionment of valuation among the applicable local tax jurisdictions.¹²

After real property has been assessed, all applicable exemptions must be deducted from the assessed value of the property before the millage rate is applied. The most common of these exemptions are the state general homestead exemption, exemptions for persons over age 62 and for disabled veterans, and various local homestead exemptions.¹³

The tax rate is stated in terms of mills, with 10 mills equal to 1 percent of a property's assessed valuation. County ad valorem tax (millage) rates are set by the county governing authority before the county tax digest is approved by the Georgia Department of Revenue.¹⁴ The tax rate is set by dividing the amount of money the county needs from property taxation by the amount of the tax digest: tax (millage) rate = amount needed from property taxation / tax digest. The amount of taxes due from an individual property owner is the tax rate times the assessed value of the individual's property: tax (millage) rate x assessed value = taxes due.

Taxpayer Bill of Rights

There is an additional issue that a county governing authority must consider when setting the millage rate. Local governments must acknowledge to the public that property taxes may be increased even when the millage rate does not increase. In order to determine if there is an increase in property taxes, the previous year's millage rate minus the millage equivalent of the assessed value added by reassessment is known as the "rollback rate." If the county proposes a millage rate greater than the rollback rate (i.e., one that would result in a tax increase from the previous year), the county must advertise its intent and conduct at least three public hearings prior to adoption of the millage rate.¹⁵

Intangible Tax

The intangible personal property tax was repealed in 1996; however, the intangible tax on long-term real estate notes and the real estate transfer tax were preserved. Long-term real estate notes, which are notes that fall due more than three years from the date of execution and are secured by real estate, are subject to an intangible recording tax of \$1.50 for each \$500 of the face amount to be paid before such notes can be recorded in the superior court clerk's office. The maximum intangible recording tax on a note is \$25,000. Examples are mortgages, deeds to secure debt, bonds for title, or any other real estate security instrument that gives the lender a resource to be used if the principal obligation is not paid. In counties with a population of 50,000 or more, this tax is collected by the superior court clerk, and in counties with a population of less than 50,000, this tax is collected by the county tax commissioner. Revenue from the intangible tax on long-term real estate notes is distributed to the state, the county, municipalities, the school district(s), and to other local taxing districts, in proportion to relative millage rates levied by the state and each local taxing district. If property is located in more than one county, this tax is prorated among those counties.¹⁶

Real Estate Transfer Tax

With certain exceptions, a real estate transfer tax is imposed at the rate of \$1 on the first \$1,000 and 10 cents on each additional \$10 on any conveyance of real property when the value of the interest transferred exceeds \$100. The clerk of superior court collects and distributes the tax to the state, county, municipalities, school districts, and other local taxing jurisdictions in proportion to the millage rate levied by each taxing jurisdiction or district.¹⁷

Local Option Sales and Use Tax

A second major source of revenue for most counties is the joint county and municipal local option sales tax.¹⁸ Subject to voter approval, a sales and use tax of 1 percent may be imposed on the purchase, sale, rental, storage, use, or consumption of tangible personal property and related services.

Proceeds from this tax are collected by the Georgia Department of Revenue and disbursed to the county and its qualified municipalities based on the percentages negotiated by the county governments and the cities within each county. However, in eight counties, a local constitutional amendment dedicates the local option sales tax (LOST) to

the school system instead of the county and cities.¹⁹ One percent of the amount collected is paid into the general fund of the state treasury to defray the costs of administration, and a percentage is paid to the dealer for collecting and reporting the tax.²⁰ This tax is subject to the same exemptions that are in the state sales tax, except for the sales tax exemption for eligible food and beverages and a few other minor exemptions.²¹

The tax bill of each property taxpayer must show the reduced county and city millage rate resulting from the receipt of sales tax revenue from the previous year, as well as the reduced dollar amount of the person's property tax resulting from the receipt of such revenue.

All counties and municipalities that impose a joint sales and use tax are required to renegotiate the distribution certificate for the proceeds of the local option sales tax following each decennial census. The criteria to be used in the distribution of such proceeds and for the resolution of conflicts between the county and qualified municipalities are set by state law. In the event that the county and cities fail to reach an agreement, a judge will be appointed to serve as arbitrator and will issue an order containing the new distribution certificate, which is binding on all parties.²²

Special Purpose Local Option Sales and Use Tax

The special purpose local option sales tax (SPLOST) is another significant source of county revenue.²³ The revenues from this tax must be used for capital outlays, and the tax is subject to voter approval. This additional 1 percent sales and use tax may be imposed on the purchase, sale, rental, storage, use, or consumption of tangible personal property and related services. The tax is collected by the Georgia Department of Revenue and disbursed to the county. Qualified cities receive their share of the tax collections from the county. A distinguishing feature of this tax is that it is a county tax rather than a joint county-city tax and can only be initiated by the board of commissioners. Counties must negotiate an intergovernmental agreement with their qualified cities or share the funds with the cities based upon the distribution requirements in the law unless only level one countywide capital projects (courthouse, administrative building for elected officials or constitutional officers, county or regional jail or correction facility, and county health department facility) are to be financed with the SPLOST.²⁴ As a condition to levying a SPLOST, the county must meet and confer with their qualified city officials at least 30 days before the board of commissioners issues the call for the referendum

in order to consider any capital projects for presentation to the public in the referendum.²⁵ One percent of the amount collected is paid into the general fund of the state treasury to defray the costs of administration. This tax is subject to the same exemptions that are in the state sales tax, except for the sales tax exemption for eligible food and beverages and a few other minor exemptions.

The proceeds are to be used for projects anywhere in the county, including the incorporated area, or outside the county for regional facilities and may include the following:

1. Roads, streets, and bridges, which may include sidewalks and bicycle paths
2. A capital outlay project consisting of a county courthouse or administrative buildings; a civic center; a hospital; a county or regional jail, correctional institution, or other detention facility; a county library; a coliseum; local or regional solid waste-handling facilities; local or regional recovered materials processing facilities; or any combination of such projects
3. A capital outlay project to be operated by a joint authority of the county and one or more municipalities within the county for the use or benefit of county citizens and the citizens of one or more municipalities
4. A capital outlay project to be owned or operated by the county, one or more municipalities in the county, one or more local authorities within the special district, or any combination thereof
5. A capital outlay project consisting of a cultural, recreational, or historic facility or a facility for some combination of these purposes
6. A water or sewer capital outlay project or combination thereof to be owned or operated or both by a county water and sewer district and one or more qualified municipalities in the county
7. The retirement of existing general obligation debt of the county, one or more qualified municipalities, or any combination thereof
8. A capital outlay project consisting of public safety or airport facilities or both or related capital equipment used to operate such facilities or any combination of such purposes
9. A capital outlay project consisting of capital equipment for use in voting in official elections or referendums
10. A capital outlay project or projects consisting of any transportation facility designed for the transportation of people or goods,

including but not limited to railroads, port and harbor facilities, mass transportation facilities, or any combination thereof

11. A capital outlay project consisting of a hospital or hospital facility owned by the county, a qualified municipality, or the hospital authority and operated by the county, municipality, or hospital authority or an organization that is tax exempt under Section 501(c)(3) of the Internal Revenue Code, which operates the hospital through a contract or lease with such county, municipality, or hospital authority
12. Any combination of two or more of these projects

This special tax cannot be levied for more than five years, stated in either calendar years or quarters, nor can it be levied in order to raise more than the maximum cost of the project or projects to be funded from the proceeds of the tax, unless there is an intergovernmental agreement or level one projects are included in the referendum. If there is an intergovernmental agreement, the tax may be levied for a full six years regardless of when the projected revenue estimate is reached. If there is not an intergovernmental agreement and level one projects are included that consume less than 24 months of estimated revenues, the tax shall be collected for a five-year period. If the level one projects exceed 24 months of estimated revenue collections, the tax shall be collected for a six-year period.²⁶ With voter approval, a SPLOST may be reimposed following the expiration of the existing tax. If the call for the referendum is properly timed, the levy can continue without interruption. A referendum to impose a SPLOST, however, can only take place on the third Tuesday in March or the Tuesday after the first Monday in November in odd-numbered years and on the date of the presidential preference primary, general primary, or the Tuesday after the first Monday in November in even-numbered years.²⁷

General obligation debt may be incurred for all purposes, including roads, streets, and bridges, but if it is not repaid by the tax, the remaining debt must be satisfied from county general funds. Only one SPLOST may be levied at any time. Moreover, the aggregate of all local sales and use taxes imposed in any period cannot exceed 2 percent.²⁸ However, there are three exceptions to this cap. First, a sales tax for education purposes does not count toward this limit. Second, the sales tax created to support improvements to Atlanta's water and sewer system is not subject to the cap. Third, the regional transportation sales tax, if enacted, is not subject to this restriction.

Regional Transportation Sales Tax

In 2010, the General Assembly enabled voters in regions, defined by regional commission boundaries, to approve the levy for 10 years of a 1 percent sales tax for transportation. A regional roundtable, made up of the chairman and one mayor from each county, chooses projects for approval by the voters and calls for the election. Failure to call for the election or failure by voters to approve the tax increases the amount of local match required for future state transportation funds. A portion of the revenues raised in each region are distributed back to each county and city based on a formula defined by law for their own discretionary transportation purposes.²⁹

Sales Tax for Education Purposes

Subject to voter approval, the board of education of a county school district (if there is no independent school district in the county) or the board of education of a county school district together with the boards of education of each independent school district located in the county may levy a 1 percent sales and use tax. The revenue from this tax is not distributed to county government.

Imposition of this tax does not affect the authority of a county or city to impose other local option sales and use taxes. This tax is not subject to the 2 percent cap on local sales taxes.³⁰ The school board or boards calling for the referendum, not the county commissioners, are responsible for the cost of holding the referendum.³¹

Homestead Option Sales and Use Tax

Subject to enactment of local legislation by the General Assembly and voter approval in a local referendum, those counties that do not levy a joint county-municipal local option sales and use tax are authorized to impose a 1 percent sales and use tax on the purchase, sale, rental, storage, use, or consumption of tangible personal property and related services, in conjunction with an additional homestead exemption. Voters must approve both the homestead exemption and the sales tax, and once imposed, this tax may only be discontinued with voter approval to end both the tax and the homestead exemption.

Proceeds of this tax are collected by the Georgia Department of Revenue and disbursed to the county. One percent of the amount collected is paid into the general fund of the state treasury to defray costs of administration. This tax is subject to the same exemptions as the state sales tax, except for a few other minor exemptions.

At least 80 percent of the revenue from the homestead option sales tax must be used to provide for the homestead exemption; however, a county can apply up to 100 percent of the homestead option sales tax revenues to fund the exemption. Whatever is not used for the exemption (i.e., up to 20 percent of the revenue from the homestead option sales tax) may be used to fund capital projects. Any surplus funds remaining, after the county provides a 100 percent homestead exemption, must be used to rollback the county millage rate on non-homesteaded property on the digest. If a surplus remains after this rollback, such surplus funds may then be used to fund other services in the county. The homestead exemption imposed in conjunction with this tax is in addition to any other homestead exemption granted in a county. The homestead exemption begins only after the tax has been levied for a complete calendar year. Proceeds of this tax received during the first year may be used by the county to fund general county services or capital outlays.³²

Alcoholic Beverage Excise Taxes

Counties may levy an excise tax of no more than 22 cents per liter of wine and no more than 22 cents per liter of distilled spirits, but not within cities imposing an excise tax.³³ General law requires counties to impose an excise tax of 5 cents per 12 ounces on all bottles, cans, and like containers of beer sold in the county. Containers of draft beer are taxable at the rate of \$6 for every 15½ gallons. This tax can be levied only in the unincorporated portions of the county.³⁴

Local Option Mixed Drink Tax

Where distilled spirits that are sold by the drink, an excise tax not exceeding 3 percent may be imposed by the county on such sales, but not within cities imposing an excise tax. This tax may not be imposed on sales of fermented beverages made wholly or in part from malt (i.e., beer) or any similar fermented beverage.³⁵

Franchise Tax

Counties do not have the authority to levy franchise charges on electric, gas, or telephone companies. They can, however, impose charges on private cable and video television systems in the unincorporated areas but not within a municipality, except by agreement. Cable and video service providers can apply for a predefined state franchise or a custom local franchise. Counties can require the service provider operating under a state or local franchise to pay the county a fee not to exceed 5 percent of the company's gross revenues.³⁶

Insurance Premium Taxes

A tax of 1 percent is levied on life insurance companies based on gross direct premiums on policies of persons residing within the unincorporated area of a county. The tax is collected by the Georgia Commissioner of Insurance and distributed on a population ratio basis. No administrative fee is authorized for the collection of this tax. On all other types of insurance companies, counties may levy a gross premium tax of no more than 2.5 percent. High-deductible health plans sold or maintained in connection with a health savings account are exempt from the local insurance premium taxes until January 1, 2015. This tax is collected by the Georgia Commissioner of Insurance and distributed to the counties levying the tax, based on premiums allocated on a population ratio formula to the unincorporated area.³⁷ No administrative fee is authorized for the collection of this tax.

County revenue from the life insurance premium tax must be utilized in a certain way. Proceeds are to be spent for police (excluding the sheriff) and fire protection, solid waste collection, and curbs, sidewalks, streetlights, and any other services provided primarily to the inhabitants of the unincorporated area. Any revenues remaining after incorporated services are paid must be used to roll back property taxes of unincorporated property owners.³⁸ In essence, state law requires that counties use insurance premium taxes to benefit unincorporated residents and property owners. Municipalities also receive a pro rata share of insurance premium tax revenues, and city residents get that portion of the tax through their city.

Business and Occupation Tax

The Georgia Constitution provides that counties may levy and collect business and occupational taxes in the unincorporated areas of the county.³⁹

With certain limited exceptions, applicable primarily to out-of-state businesses, a county may tax a business or the practitioner of an occupation or profession only if the business or practitioner maintains a location or office within the unincorporated county. Counties may use one or a combination of the four acceptable methods of taxation: the flat tax, profitability ratios, gross receipts, and number of employees.⁴⁰

The law distinguishes between the imposition of a tax, a regulatory fee, and an administrative fee. A county may impose a tax on a business or practitioner solely for the purpose of raising revenues. However, it may only impose a regulatory fee if the county actually regulates the

particular type of business or practitioner, and any regulatory fee must approximate the reasonable cost of the actual regulatory activity performed by the county.⁴¹ Counties may impose an administrative fee as a part of an occupation tax to cover the reasonable cost of handling and processing the occupation tax.⁴²

There are 18 professions that are permitted by law to choose between payment of an occupation tax imposed under the county's normal business taxation ordinance or a flat fee, not to exceed \$400, set by the county.⁴³ Examples include lawyers, doctors, dentists, veterinarians, and accountants.

Counties are not required to impose an occupation tax, but if they choose to do so they must adopt an ordinance or resolution imposing the business and occupation taxes and regulatory fees according to the requirements of general law.⁴⁴ The authority granted to counties to levy occupation taxes on other types of business (e.g., banks, utility companies regulated by the Public Service Commission, and insurance companies) by other general laws remains unchanged.⁴⁵ In addition, counties may levy a local occupational license tax on banks.⁴⁶

Financial Institutions Business License Tax

Counties and municipalities may each levy a business license tax on depository financial institutions (i.e., banks and savings and loans) that have an office located within their jurisdictions. The rate of such tax is 0.25 percent of the financial institution's Georgia gross receipts, with the minimum tax being \$1,000. Each county is assigned the gross receipts of a financial institution as allocated by the home office to its branches.⁴⁷ Unlike other occupation and business taxes, the county collects this tax on offices located in the unincorporated areas of the county as well as locations within municipalities.

Hotel-Motel Tax

Counties may impose an excise tax on charges made for rooms, lodging, or accommodations furnished by hotels, motels, inns, lodges, and tourist camps, campgrounds, or any other place in which rooms, lodgings, or accommodations are regularly furnished for value. Counties may impose a levy of 3 percent or 5 percent. Different conditions apply, depending on which alternative is chosen. The hotel-motel tax cannot be levied within cities imposing a hotel-motel tax or on rooms, lodgings, or accommodations after the first 30 consecutive days of continuous occupancy; charges for the use of meeting rooms and other facilities or

to any rooms, lodgings, or accommodations provided without charge; or rooms, lodgings, or accommodations furnished for one or more days to Georgia state or local government officials and employees traveling on official business.⁴⁸

If a county's levy is at a rate of up to 3 percent, from these tax revenues, the county must spend for promoting tourism, conventions, and trade shows a percentage of the revenue that is not less than the percentage spent in the previous year for these purposes. If, during the previous year, any portion of the receipts from the tax was spent for these purposes through a grant to or contract with the state, a state department or authority, or a private-sector, nonprofit organization, at least the same percentage must be spent each year thereafter for those purposes through a contract with one or more of those entities.⁴⁹ Any balance may be placed in the general fund for any governmental purpose.⁵⁰ If a county levies the tax at the rate of 5 percent, the additional 2 percent levy must be used to support tourism, convention, or trade activities by supporting state, county, or nonprofit facilities or programs that promote these activities.⁵¹

The law allows counties to levy this tax at 6, 7, or 8 percent for certain purposes.⁵² Typically, the higher tax rate is authorized as a means of financing a specific facility such as a conference or convention center in a given county or city. Counties that levy a hotel-motel tax at these rates must meet specific conditions set forth in general statute or must be authorized to levy the tax through the adoption of a resolution and local act.⁵³ The distribution of the tax above the rate of 5 percent is set by statute or, if passed by a local act, is divided between tourism promotion and tourism product development, with at least 50 percent of the taxes collected dedicated to tourism promotion.⁵⁴

Each county that levies a hotel-motel tax must file an annual report with the Department of Community Affairs specifying the rate of the tax and the amount collected and expended.⁵⁵ Complaints regarding the misuse of the funds may be filed with the Hotel Motel Tax Performance Review Board.⁵⁶

Excise Taxes on Rental Motor Vehicles

Counties may impose an excise tax of 3 percent on the rental charge for the rent or lease of a motor vehicle for 31 or fewer consecutive days. A county may not levy this tax within any city that imposes the tax or if the vehicle is either picked up or returned outside the state of Georgia. A county must expend the proceeds of this excise tax on promoting industry, trade, commerce, and tourism; capital outlay projects for the construction

and equipping of convention, trade, sports, and recreation facilities or public safety facilities; and for maintenance and operation expenses or security and public safety expenses associated with those capital outlay projects. Proceeds may also be expended pursuant to intergovernmental contracts for those types of capital outlay projects. This excise tax is scheduled to terminate no later than December 31, 2038.⁵⁷

NONTAX REVENUE

Nontax revenues are an important source of general fund revenues for counties. Primary among nontax revenues are fines, forfeitures, civil filings, court fees, and interest earned on invested funds. Service charges, building permit and license fees, and intergovernmental and miscellaneous revenues make up the remainder of other general funds received.

Fines, Forfeitures, and Court Fees

Revenue from these sources includes traffic and parking fines, fines from violations of the wildlife laws, forfeitures of money posted to guarantee appearance in court, civil filings, and court fees. Counties may adopt any or all provisions of the Georgia Uniform Rules of the Road law and prescribe fines for violations, except where otherwise expressly provided by law.⁵⁸ Certain funds, such as those for the Drug Abuse Treatment and Education program, are restricted to specific uses. These funds may be used only for drug treatment and education programs related to controlled substances and marijuana.

Investments

Counties can earn interest from investment of idle funds. Monies can be invested in bank savings accounts, certificates of deposit, a variety of U.S. government securities, and the state-managed Local Government Investment Pool, which permits counties to pool their idle funds with those of the state and other local governments to earn higher interest rates.⁵⁹

User Charges

Counties can charge citizens or other governments for services. The amount of such charge may partially or totally offset the cost of providing the service. Services for which user fees can be charged include water, sewage disposal, garbage collection, and recreation. General law provides that fees charged for water or sewer services outside the geographical

boundary of the provider must not be unreasonable or arbitrarily higher for customers located outside its boundaries than for those located within its boundaries.⁶⁰

Counties are also authorized to impose a user fee on telephone and cellular telephone customers to support 9-1-1 service.⁶¹ For a discussion of this fee, see Chapter 14.

Building Permit Fees

Counties may charge building permit and inspection fees to help defray the actual cost of enforcing their building codes.⁶² However, the fees charged cannot generate more in revenue than would cover the approximate cost to the county of providing the service.

Alcoholic Beverage Licenses

The state constitution provides that, in the absence of a general law, counties may be authorized by local law to levy and collect license fees in the unincorporated area of the county.⁶³ Counties are authorized to license and regulate the manufacture, distribution, and sale of distilled spirits, malt beverages, and wine within their unincorporated areas. In addition to the excise tax on alcoholic beverages, discussed earlier in this chapter, county governing authorities are authorized to establish the amount of such an annual license fee, with the limitation that they may not charge dealers in distilled spirits more than \$5,000 annually for each license.⁶⁴

Development Impact Fees

Development impact fees may be imposed by counties to finance the following public facilities needed to serve new growth and development:⁶⁵

1. Water supply production, treatment, and distribution
2. Wastewater collection, treatment, and disposal
3. Roads, streets, and bridges, including rights-of-way, traffic signals, landscaping, and local components of state or federal highways
4. Storm water collection, retention, detention, treatment, and disposal, flood control, and bank and shore protection and enhancement
5. Parks, open space, and recreation areas and related facilities
6. Public safety, including police, fire, emergency medical, and rescue facilities
7. Libraries and related facilities

Storm Water Fees

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 tax exempt, pay a fee based on the relative amount of storm water runoff they put into a public storm drainage system. The amount is based on a calculation of the amount of impervious area on the property.

Motor Vehicle Tag Collection Fees

The county tax commissioner can charge a \$1 fee for each motor vehicle tag or revalidation decal issued; all or part of this fee is available to counties.⁶⁶

Sale of Contraband Property

Counties are usually entitled to the proceeds from the sale of confiscated contraband property, but 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. Also, under some circumstances, proceeds may have to be shared with the state. The sale procedures also vary.

Alcoholic Beverages

Except for beer, contraband alcoholic beverages on which taxes have been paid can be sold at public auction by the Georgia Department of Revenue, with the proceeds to be paid to the state. Vehicles, conveyances, and vessels used to transport or conceal distilled spirits in violation of law are to be condemned through court action and sold, with the proceeds to be paid to the county.⁶⁷

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, plus confiscated money, are distributed pro rata to the state and local government law enforcement agencies according to the role their law enforcement agencies played in seizing

the property and money, with the limitation that the state cannot receive more than 25 percent of the distribution.⁶⁸

Funds must be utilized by the law enforcement agency to which they are transferred for law enforcement purposes except that they 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 commissioners an annual report of state drug money and its use from the preceding year with the budget request.⁶⁹ 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). If there is any money left over, the county may apply it to uses such as law enforcement purposes, indigent defense, drug treatment, and victim-witness assistance programs.

Gambling

Vehicles, airplanes, and vessels used in or derived from gambling activities are subject to forfeiture and, if ordered by the court, may be sold, with the proceeds to be paid to the county.⁷⁰

Racketeering

Property used in, derived from, or realized through racketeering activities is subject to forfeiture proceedings.⁷¹

Unauthorized Dumping of Sewage

Vehicles, trailers, and equipment used in the unauthorized dumping of sanitary sewage or commercial or industrial waste into public sanitary or storm sewers are to be condemned through court action and can be sold, with the proceeds to be paid to the local government or district owning the sewer system.⁷²

Weapons

Weapons used in the commission of a crime and owned by the person convicted can be sold at public auction by the sheriff, with the proceeds to be paid to the county or, if the crime was committed within a city, to be paid to that city.⁷³

Intergovernmental Revenues

Counties receive funds from the federal and state governments and often from other local jurisdictions as described under "User Charges."

Historically, federal funds have generally come to counties through general revenue sharing and block and categorical grant programs. General revenue-sharing funds are no longer available to local governments. Unlike revenue-sharing funds, which could be spent with wide discretion and did not require recipients to provide a matching contribution, block and categorical grants must be spent for specific purposes and usually require a matching contribution. For example, block grants are available to smaller counties under federal community development block grant programs. Their primary objective is to expand economic opportunities, principally for persons of low or moderate income. Also, federal funds are available on a competitive basis for public facilities, economic development, and housing. Larger counties are eligible to participate in the U.S. Department of Housing and Urban Development's (HUD) urban counties program.⁷⁴

State aid generally refers to grants of money to counties either for general purposes or for special programs. State law authorizes such grants.

Grants to Counties

Grants for resurfacing and other road and bridge projects are available through the Local Maintenance and Improvement Grants Program at the Georgia Department of Transportation. A minimum of 10 percent to 20 percent of state motor fuel tax revenues are dedicated to funding the program each year.⁷⁵ The funds are made available to counties based on a ratio of the county public road mileage and population to total public road mileage and population in the state.

The state is authorized to make grants to counties for water pollution control projects, whether qualified for federal aid or not. In addition, the state is empowered to grant funds to assist in the construction of solid waste handling systems. Further, the state is authorized to establish an assistance fund for matching federal and county funds to acquire land for recreational purposes and to improve, expand, develop, or construct outdoor recreational facilities, if approved by the federal government. Such funds cannot finance more than 25 percent of the cost, and to be eligible, the county must fund at least 25 percent of the cost.⁷⁶

The state is empowered to make grants to counties to assist in the construction and modernization of publicly owned and operated medical and auxiliary medical facilities, mental retardation centers, and mental health centers when such projects have been approved for federal grants. Generally, state aid may not exceed one-third of the cost.⁷⁷

Counties and Municipalities: Consolidation Improvement Grants

The state is empowered to grant funds and other assistance to two or more counties or municipalities or any combination thereof for a program in which the state participates when the local governments are able and willing to provide for the consolidation, combination, merger, or joint administration of the program to reduce its cost or simplify its administration.⁷⁸ However, funds have not been appropriated for such grants in recent years.

Counties are authorized by the state constitution and general law to enter into contracts with other counties and municipalities for the purpose of sharing ad valorem tax proceeds and other revenues for the development and operation of regional facilities, including business and industrial parks, conference centers, convention centers, airports, athletic facilities, recreation facilities, and jails or correctional facilities.⁷⁹

Borrowed Revenue

Counties may borrow funds to meet operating expenses and to finance capital expenditures. Commonly used instruments include tax anticipation notes for annual temporary loans payable by December 31 from general county funds. These instruments are typically considered sources of short-term revenue to pay for maintenance and operation expenditures early in the year and until property tax receipts are collected later in the year. Other borrowing mechanisms include general obligation bonds, certificates of participation, installment purchase agreements, and revenue bonds. Bonds, certificates, and installment contracts are repaid from either general county funds or a particular source of revenue.

General obligation bonds are paid by the county that issues them, and the funds to repay them are derived from specific taxes levied by the county. They are backed by the full faith and credit of the county. Revenue bonds are repaid solely from specific revenue generated by public works facilities purchased or constructed with the bonds and, by law, are not debts of the county. The borrowing of funds is subject to numerous legal restrictions, procedures, and requirements, including prior voter approval of general obligation bonds to be paid from general county funds. Voter approval is not required for temporary loans, revenue bonds, certificates of participation, or installment purchase agreements.⁸⁰ Borrowing is discussed more fully in Chapter 21.

Other Revenues

Other possible revenue sources include leases, parking lots and garages, and public concessions.

EVALUATIVE CRITERIA

Revenue and taxation decisions are complex political decisions, and those involved in making these decisions are well aware that individual members of the taxpaying public do not want to bear more than their fair share of the revenue burden.⁸¹ Decisions determining fair share, or how to distribute the revenue burden in a community, represent the most important choices made by a governing authority. Two general approaches come into play in decisions about revenue sources: benefits-received approach and ability-to-pay approach.

The benefits-received approach implies that the revenue burden should be allocated according to the benefits received from public services. User fees and charges are nontax revenue sources that directly reflect this approach. Although this approach has wide appeal in a society with a market economy, one in which consumers pay for the benefits received from private goods and services, there are problems associated with its application in the public sector. In the delivery of many county services (e.g., sheriff, roads, and recreation), it is impossible to measure the benefits received by specific county residents. Governmental services usually produce general benefits for the entire community, making the benefits-received approach difficult to apply in financing the delivery of public services.

The ability-to-pay approach underlies most local government revenue systems and their heavy reliance on taxes. Under this approach, the tax burden is distributed according to some indication of taxpayer ability to bear the burden, usually income, property, or some other indicator of wealth. The ability-to-pay approach allows for some redistribution of affluence in society, a value associated with tax system design, but is inconsistent with the benefits-received approach.

In making decisions to increase existing tax rates or to adopt new revenue sources, the following criteria warrant careful consideration:

- Equity
- Balance
- Ease of administration

Equity

Equity implies a fundamental concern for the fairness of the distribution of the revenue burden in a community. The equity issue has two components—horizontal equity and vertical equity.

Horizontal equity involves equal treatment of taxpayers who have equal ability to pay taxes. If two taxpaying units are essentially equivalent in all respects but one unit pays significantly more tax, the tax system lacks horizontal equity. With regard to the property tax, for example, when owners of homes of equivalent market value pay different property tax amounts (because of different assessed valuations), the principle of horizontal equity is violated. Vertical equity, on the other hand, involves unequal treatment of taxpayers who have unequal or different capabilities to pay taxes. Although there are no clear guidelines, “most would argue that those with more capacity ought to pay more taxes.”⁸² With regard to the income tax, for example, when lower-income individuals pay a higher income tax amount and/or percentage than do individuals with higher income, the principle of vertical equity is challenged.

Vertical equity involves the relationship between income and taxes actually paid (effective rate). The nominal or statutory tax rate is the rate legally defined as applicable to the tax base. The effective tax rate is different, reflecting the actual fiscal impact on the taxpayer. The effective rate is usually calculated by dividing the tax paid by a relevant measure of affluence, usually income. Thus, vertical equity reflects an understanding that statutory tax rates affect individual taxpayers according to their unique financial conditions. With this in mind, a tax can be classified in one of three equity categories reflecting three different revenue burden distributions:⁸³

1. Regressive—a tax with effective rates that are lower for individuals or families with high affluence than they are for those with low affluence
2. Progressive—a tax with effective rates that are higher for individuals or families with high affluence than they are for those with low affluence
3. Proportional—a tax with effective rates that do not change across individuals or families with different affluence levels

Balance

Revenue must be maintained at a steady flow from year to year to support the continuous and uninterrupted provision of needed public services. Some revenues such as the sales tax and income tax are elastic, meaning that their yields are highly responsive to changes in economic activity. In periods of economic growth or high inflation, for example, revenue yields would rise at roughly the same rate as inflation. Likewise, revenue yields would decrease during recessions, reflecting the slowdown in economic activity.

Although it is desirable for tax systems to include elastic revenues, stable revenue sources are also important. The yields from stable revenue sources such as property taxes and user fees and charges will not fluctuate automatically with changes in the economy. Yields from these sources change only when the tax rate is altered. One important exception has been the significant devaluation of real property in some parts of Georgia due to the severe recession. Typically, property values remain stable, slowly increasing over time. Fortunately, economic recovery should result in the property tax base slowly rising in value once again. It is important, then, for county revenue systems to maintain a balance of both stable and elastic revenue sources so that counties can adequately support their operations no matter what the state of the economy.⁸⁴

Ease of Administration

Just as equity and balance are important considerations, the collectability of the revenue and the ease of administration warrant careful attention as well. The goal of administration is to extract desired revenues while minimizing the costs of revenue collection. Revenue collection involves both administrative costs (the costs to the government of collecting the tax) and compliance costs (the costs to the taxpayer of complying with the tax law). These two types of costs vary significantly from one revenue source to another, showing that revenue collection requires effort by both the taxpayer and the collecting government.

While the property tax involves relatively high administrative costs, nonproperty tax revenue involves high compliance costs. In administering the property tax, the government maintains parcel records, assesses the value of property, calculates individual tax liability, and distributes tax bills to property owners. The taxpayer is simply responsible for paying the bill. And in many cases, this task is handled by the bank through an escrow account. Since the taxpayer is minimally involved in the process, the compliance costs are low while the administrative costs to the collecting agency are extremely high.

On the other hand, nonproperty taxes are essentially taxpayer administered, relying to a large extent on voluntary compliance. The individual or firm maintains records of taxable transactions, tabulates the tax base, calculates liability, and makes the payment. The county conducts private audits to ensure an acceptable level of compliance. In such voluntary systems, administrative costs are minimized and the taxpayer bears the bulk of total collection costs.

REVENUE PATTERNS

Local governments in the United States operate in an intergovernmental system. They generate revenues from their own sources as authorized by their state governments and receive intergovernmental revenues in the form of federal and state aid. A small amount of funds are also transferred between local governments pursuant to interlocal agreements, but these funds usually make up less than 1 percent of total local revenues for Georgia county governments. Over the past decade and a half, the amount of revenue derived from intergovernmental revenues for Georgia counties has grown, accounting for 7.6 percent of revenues in 2007 com-

Table 18-1. Revenue Yield, by Source, 1990, 2000, and 2007

Revenue sources	1990			2000			2007		
	1,000s of 2007 dollars	Per capita 2007 dollars	Percent of Total	1,000s of 2007 dollars	Per capita 2007 dollars	Percent of Total	1,000s of 2007 dollars	Per capita 2007 dollars	Percent of Total
Own-source revenue (OSR)									
Property tax	2,027,489	311	42.50	3,144,356	382	34.06	3,695,910	387	42.94
Local option sales tax	371,991	57	7.80	948,246	115	10.27	875,689	92	10.17
Special purpose sales tax	662,507	102	13.89	1,043,428	127	11.30	1,324,211	139	15.39
Excise and selective use tax	69,141	11	1.45	140,002	17	1.52	125,293	13	1.46
Licenses, permits, and fees	110,744	17	2.32	264,981	32	2.87	224,081	23	2.60
Service charges	705,185	108	14.78	1,817,626	221	19.69	753,640	79	8.76
Other revenue	580,529	89	12.17	1,258,833	153	13.64	952,440	100	11.06
Total OSR	4,527,585	695	94.90	8,617,473	1,047	93.35	7,951,564	833	92.38
Intergovernmental revenue (IGR)									
Federal	42,349	7	0.89	159,839	19	1.73	183,686	19	2.13
State	155,680	24	3.26	403,334	49	4.37	403,186	19	4.68
Local	45,474	7	0.95	50,970	6	0.55	69,389	7	0.81
Total IGR	243,503	37	5.10	614,142	75	6.65	656,261	69	7.62
Total revenue	4,771,089	733	100.00	9,231,615	1,122	100.00	8,607,825	902	100.00

Source: Georgia Department of Community Affairs; Tax and Expenditure Data Center, Carl Vinson Institute of Government.

Note: Figures have been adjusted for inflation using the U.S. Bureau of Economic Analysis price index for state and local government purchases of goods and services. All figures are in constant 2007 dollars.

pared with 5.1 percent in 1990 (Table 18-1).⁸⁵ Own-source revenues continue to provide more than 90 percent of total county funding.

The two dominant county revenue sources are property and sales taxes, which when combined account for more than two-thirds of all county revenues. Generating nearly \$3.7 billion in 2007, the property tax continues to be the mainstay of county revenue despite revenue system diversification that began three decades ago. While the amount of revenue produced by the property tax dropped as a percentage of the total from 1990 to 2000, its growth in dollars collected has been steady, and rising property values in the mid 2000s propelled it back to its historical proportion of 42 percent to 43 percent of total revenue. Most property tax revenue comes from taxes on real and personal property (82.1 percent), with significantly smaller amounts coming from taxes on motor vehicles (7.4 percent), public utilities (3.3 percent), intangibles (2.7 percent), mobile homes (0.3 percent), and railroad equipment (less than 0.1 percent). During the 1990s and early 2000s, some diversification continued, especially in fees and charges for services.

The amount of revenue from sales taxes (\$2.2 billion) accounted for 27 percent of total revenue compared with 23.1 percent in 1990. Much of this growth has been in the adoption of the SPLOST used to fund capital needs. In 2007, 150 of Georgia's 159 counties collected \$1.3 billion in SPLOST revenues compared with only \$744 million (\$1.04 billion constant 2007 dollars) collected in 127 counties seven years earlier. The LOST has been a significant source of general revenue for counties since 1975, with 148 counties receiving \$876 million in LOST revenue in 2007. State and local governments suffered a reduction in sales tax revenues from 2008 to 2010. Complete county data from the Department of Community Affairs were unavailable at press time, but for the 67 counties that had submitted data for 2008, sales tax collections were flat, with only a 1 percent increase from \$1.043 billion to \$1.053 billion. A significant decline in sales tax revenues began in 2009 and continued in 2010. Recovery of this revenue source is expected in late 2010 and 2011.

In addition to these two major revenue sources, counties receive revenue from excise and special-use taxes (e.g., alcoholic beverage, insurance premiums, hotel-motel, and franchise payments); licenses, permits, and fees (e.g., business licenses and occupation taxes, alcoholic beverage licenses, and building permits); and service charges (e.g., ambulance, parks and recreation, and garbage and trash collection). Counties also derived \$952 million in other revenues, with much of this other revenue coming from interest earnings, fines, forfeitures, and court fees.

NOTES

1. Robert L. Bland, *A Revenue Guide for Local Government* (Washington, DC: International City Management Association, 1989), 17. See also James J. Gosling, *Budgetary Politics in American Governments* (New York: Longman, 1992), 159.
2. Portions of this chapter are drawn from Betty J. Hudson and J. Devereux Weeks, *County and Municipal Revenue Sources in Georgia*, 3rd ed. (Athens: Carl Vinson Institute of Government, University of Georgia, 1997).
3. See U.S. Advisory Commission on Intergovernmental Relations (ACIR), *Local Revenue Diversification: Income, Sales Taxes and User Charges*, Report A-47 (Washington, DC: ACIR, 1974); *Principles of a High Quality State Revenue System* (Cambridge, MA: Lincoln Institute of Land Policy and the National Conference of State Legislatures, no date).
4. Georgia Department of Community Affairs, *Georgia Local Government Finance Highlights 2009* (www.dca.state.ga.us).
5. *Ibid.*
6. OFFICIAL CODE OF GEORGIA ANNOTATED (O.C.G.A.) §48-5-7(a).
7. O.C.G.A. tit. 48, ch. 5, art. 5A; GA. COMP. R. & REGS. 560-11-2-.56(2)(d).
8. GA. CONST. art. VII, §1, ¶3(d), (e)(1); O.C.G.A. §§48-5-7, 48-5-7.2, 48-5-7.3, 48-5-7.4.
9. GA. CONST. art. VII, §1, ¶3(c); O.C.G.A. §§48-5-7, 48-5-7.1.
10. GA. CONST. art. VII, §1, ¶3(e)(2); O.C.G.A. §48-5-7.5.
11. GA. CONST. art. VII, §1, ¶3(c)(2), (e)(1), (f); O.C.G.A. §§48-5-7, 48-5-7.1, 48-5-7.4.
12. GA. CONST. art. VII, §1, ¶3(g); O.C.G.A. tit. 48, ch. 5, arts. 11, 12.
13. O.C.G.A. §§48-5-44, 48-5-47.1, 48-5-48. Local homestead exemptions are found in local acts of the General Assembly.
14. O.C.G.A. §48-5-273.
15. O.C.G.A. §48-5-32.1.
16. O.C.G.A. tit. 48, ch. 6, art. 3.
17. O.C.G.A. tit. 48, ch.6, art. 1.
18. O.C.G.A. tit. 48, ch. 8, art. 2.
19. The counties of Bulloch, Chattooga, Colquitt, Habersham, Houston, Mitchell, Rabun, and Towns dedicate their LOST to schools via local constitutional amendment.
20. O.C.G.A. §§48-8-87, 48-8-50.
21. O.C.G.A. §§48-8-3, 48-8-82.
22. O.C.C.A §48-8-89.
23. O.C.G.A. tit. 48, ch. 8, art 3.
24. O.C.G.A. §48-8-110.
25. O.C.G.A. §48-8-111.
26. O.C.G.A. §§48-8-111, 48-8-112, 48-8-115. See also O.C.G.A. §48-8-111.1. A consolidated government that levies this special local option sales and use tax is not subject to the five-year limitation on imposition of this tax. Consolidated governments are also exempt from the requirements to contract with cities on capital outlay projects or to operate projects jointly with a city.
27. O.C.G.A. §§48-8-112, 21-2-540.

28. O.C.G.A. §§48-8-6(b), 48-8-112, 48-8-121.
29. O.C.G.A. tit. 48, ch. 8, art. 5.
30. GA. CONST. art. VIII, §6, ¶ 4; O.C.G.A. tit. 48, ch. 8, art. 3, pt 2.
31. 1978 Op. Att'y Gen. No. 85-18.
32. O.C.G.A. tit. 48, ch. 8, art. 2A.
33. O.C.G.A. §§3-4-80, 3-6-60.
34. O.C.G.A. §3-5-80.
35. O.C.G.A. §3-4-131.
36. O.C.G.A. tit. 36, ch. 18; §36-76-3.
37. GA. CONST. art. IX, §4, ¶1(c); O.C.G.A. §§33-8-8.1, 33-8-8.2.
38. O.C.G.A. §33-8-8.3.
39. GA. CONST. art. IX, §4, ¶1(b).
40. O.C.G.A. §48-13-10.
41. Greater Atlanta Home Builders Association v. DeKalb County, U.S. District Court, Case No. 1:00-CV-1290-GET, *aff'd without opinion* 11th Circuit Court of Appeals, 37 Fed. Appx. 980 (May 30, 2002); O.C.G.A. §48-13-9.
42. O.C.G.A. §§48-13-5, 48-13-10(e).
43. O.C.G.A. §§48-13-9(c), 48-13-10(g).
44. O.C.G.A. §48-13-6.
45. O.C.G.A. tit. 48, ch. 13, art. 1.
46. O.C.G.A. §§7-1-758, 7-1-958, 48-6-93, 48-13-16.
47. O.C.G.A. §48-6-90 et seq.
48. O.C.G.A. §48-13-51 (h).
49. O.C.G.A. §48-13-51(a)(1)(D), (2).
50. O.C.G.A. §48-51-13(2).
51. O.C.G.A. §48-13-51(a)(3).
52. O.C.G.A. tit. 48, ch. 13, art. 3.
53. O.C.G.A. §48-13-51.
54. *Ibid.*
55. O.C.G.A. §48-13-56.
56. O.C.G.A. §48-13-56.1.
57. O.C.G.A. tit. 48, ch. 13, art. 5.
58. O.C.G.A. tit. 15, chs. 6, 7, 9, 10; ch. 21, arts. 1, 3, 5, 6; tit. 40, ch. 6, art. 14; §27-1-14.
59. O.C.G.A. §36-80-3; tit. 36, ch. 83.
60. GA. CONST. art. IX, §§2, 3; O.C.G.A. §36-70-24.
61. O.C.G.A. §46-5-134.
62. GA. CONST. art. IX, §2, ¶3(12); O.C.G.A. tit. 8, ch. 2; §§36-13-6, 48-13-8, 48-13-9.
63. GA. CONST. art. IX, §4, ¶1(b)(1).
64. O.C.G.A. §§3-4-50, 3-5-40-3-5-43, 3-6-40.
65. O.C.G.A. tit. 36, ch. 71.
66. O.C.G.A. §40-2-33.
67. O.C.G.A. §§3-2-33, 3-2-34, 3-2-35, 3-10-1, 3-10-11.
68. O.C.G.A. §16-13-49.

69. Hill v. Clayton County Board of Commissioners, 283 Ga. App. 15 (2006). See O.C.G.A. §16-13-48.1; Chatham County v. Kiley, 249 Ga. 110, 111 (1)(1982). For state drug fund money, see O.C.G.A. §16-13-49(u)(4)(D)(iii).
70. O.C.G.A. §16-12-32.
71. O.C.G.A. §16-14-7.
72. O.C.G.A. §12-8-2.
73. O.C.G.A. §17-5-52.
74. 42 UNITED STATES CODE ANNOTATED (U.S.C.A.) §5301 et seq.; O.C.G.A. §50-8-8.
75. O.C.G.A. §32-5-27(d).
76. O.C.G.A. §§12-5-32–12-5-34, 12-5-37, 12-8-37.1, 12-3-8.
77. O.C.G.A. tit. 31, ch. 7, art. 3.
78. O.C.G.A. §36-80-6.
79. GA. CONST. art. IX, §4, ¶4; O.C.G.A. tit. 36, ch. 73.
80. GA. CONST. art. IX, §§5, 6; tit. 36, ch. 82, arts. 1, 2, 3; §§36-80-2, 36-80-10–36-80-14, 36-60-13, 36-60-15.
81. This section relies heavily on chapters 6 and 9 in John L. Mikesell, *Fiscal Administration: Analysis and Applications for the Public Sector*, 3rd ed. (Belmont, CA: Brooks/Cole, 1991).
82. *Ibid.*, 154.
83. *Ibid.*, glossary.
84. See Sanford M. Groves, *Financial Trend Monitoring System: A Practitioner's Workbook* (Washington, DC: International City Management Association, 1980), 21–25; Bland, *Revenue Guide for Local Government*, ch. 2.
85. Financial data from the *Survey of Georgia Local Government Finance* conducted annually by the Georgia Department of Community Affairs are used in this analysis. Data on general revenue categories for fiscal years 1990, 2000, and 2007 are presented in Table 1; data on specific revenue sources are presented in the text only. Data on the number of counties receiving sales tax revenue came from the Georgia Department of Revenue, *Statistical Report* (Atlanta: Georgia Department of Community Affairs 2008).