

STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

GEORGIA COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State Funds:

- The Local Maintenance and Improvement Grant program (LMIG) is a state grant program run by the Georgia Department of Transportation (GDOT) that provides transportation funding for local projects. The LMIG budget is solely based on collection of state motor fuel taxes from the previous year. For FY 2013, the LMIG budget was \$110.6 million, which was approximately 11 percent of the total motor fuel taxes collected by the state in FY 2012. In FY 2013, GDOT allocated LMIG funding to counties and cities for transportation projects.

From County Funds:

- In 2012, voters in three of the 12 regions in Georgia approved the Transportation Investment Act (TIA) referendum, authorizing a 1 percent regional sales tax over a ten year period starting January 1, 2013. All revenues generated by this sales tax are dedicated to transportation improvements within the three regions – Central Savannah River Area, River Valley and Heart of Georgia-Altamaha – with 75 percent of the revenues going towards approved regional projects. The Regional Transportation Roundtable – composed of municipal representatives from each county in the district – approves the projects. The remaining 25 percent is divided among all local governments within the region. The Georgia Department of Transportation is responsible for the management of the budget, schedule, execution and delivery of all approved projects. The Georgia Department of Revenue is responsible for collecting and enforcing the regional transportation sales and use tax. The three regions, composed of 46 Georgia counties, are expected to self-generate approximately \$1.8 billion in new revenue dedicated to local transportation improvements over the 10 year period. As of April 2014, the three districts cumulatively generated \$153.8 million through the sales tax to fund a total of 871 TIA projects.
- The Title Ad Valorem Tax (TAVT) is a one-time title tax levied on the value of all new and used vehicles titled in Georgia. The county tax commissioner collects the TAVT before a new title is issued and the vehicle is registered. Residents must pay the one-time title tax on all vehicles transferred into Georgia where the TAVT has not previously been paid.
- The Special Purpose Local Option Sales Tax (SPLOST) is an optional 1 percent county sales tax used to fund capital outlay projects, which may include transportation projects, proposed by the county governments and participating cities. As of April 2014, 122 counties in Georgia are collecting a SPLOST. The tax needs passage through a local referendum and can be levied for up to five or six years if certain conditions are met.

Share of County Owned Road Miles Out of Public Roads Statewide	69%
Share of County Owned Bridges Out of Public Bridges Statewide	50%
Share of Structurally Deficient Bridges Out of County Owned Bridges	9%

COUNTY FINANCIAL AUTHORITY

	County Authority	Limitations
Levy Property Taxes	X	Property tax limitations apply to schools only.
Levy Personal Property Taxes	X	
Levy Local Option Sales Taxes	X	Counties may levy a 1% sales tax for special purposes such as transportation or capital improvements (SPLOST).
Levy a Local Gas Tax		
Charge a Motor Vehicle License or Registration Fee		
Form Special Districts for Transportation		

COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- Counties depend on state funding through the Local Maintenance and Improvement Grant program (LMIG) to maintain their transportation infrastructure. However, Georgia dedicated only 11 percent of the total motor fuel taxes collected by the state in FY 2012 for local government transportation projects. These state programs are not funded at a level to meet the growing demands of the state's transportation system.

NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- The Georgia Transportation Infrastructure Bank (GTIB) is a financing mechanism started in 2010 by the State Road and Tollway Authority that local governments may use to apply for loans for eligible transportation and transit projects. According to the Georgia state statute, eligible projects should provide public benefits by enhancing mobility and safety, promoting economic development, or increasing the quality of life and the general welfare of the public. Counties with eligible projects may apply for a loan, the amount of which can range from \$25,000 to no more than 25 percent of the annual GTIB appropriation amount, which is equal to \$9.3 million (as of April 2014). The interest rate is based on the Merrill Lynch Tax-Exempt Bond Index or an equivalent index approved by the GTIB. The maximum term of the loan is limited to the lesser of 25 years (including the spend-down period) or the useful life of the project. The maximum spend-down period is five years, during which interest will accrue on any draws and compound annually. Priority is given to projects that are ready to start or already under construction.