Georgia Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

Counties have authority to:

• Levy real property and personal property taxes.

• Propose a 1% sales and use tax for special purposes such as transportation or capital improvements. Passage of such a proposal requires the approval of a majority of qualified voters in a referendum.

• Engage in interlocal agreements with municipalities with overlapping jurisdictions in which they mutually levy a joint sales and use tax. However, some sharing of revenues can be mandatory.

•Choose to exercise its authority to impose a local option sales tax by doing so on the rental of motor vehicles at a rate of 3% of the rental price. Implementation of this tax requires the approval of a majority of qualified voters in an election.

• Impose a local income tax at a rate of 1% on all the taxable income of their residents, provided that a majority of qualified voters approve the tax in an election.

• Levy ad valorem personal property taxes. (Motor vehicles are subject to this tax.)

Mandated/Authorized Transportation Services:

• County commissions are charged with laying out, constructing, maintaining, and vacating public roads, as well as installing curbs, sidewalks, street lights, parking facilities, and devices to control the flow of traffic.

• Pursuant to that power, commissions may use county personnel and inmates to construct roads, purchase equipment, and hire engineers to plan for the county’s road system. The county may also delegate any of these powers to a private entity in a contract, if necessary.

• Along with public streets, the county may provide public transportation to county residents. The county may receive grants from the state legislature to fund the execution of these responsibilities.

• Counties which border the ocean or have within them navigable rivers or streams may construct port and dock facilities.

## **Funding Sources for County Transportation Projects:**

## **Challenges in Funding and Financing Transportation Projects:**

• Counties depend on state funding sources such as the Local Maintenance and Improvement Grant program (LMIG), Airport Aid Program and transit funds to maintain their transportation infrastructure. However, these programs are not funded at a level to meet the growing demands of the state’s transportation system. A safe and efficient transportation network including well-maintained local roads and bridges, transit, commuter rail, HOV lanes, and bus and van systems requires sufficient transportation funding.

• At the state level, Georgia uses little more than the gas tax to fund transportation. Georgia's state gas tax is the second-lowest in the U.S.

## **Innovative Solutions to Funding and Financing Challenges:**

HB 277 Transportation Investment Act 2010Transportation Sales and Use Tax:

* Creates 12 Special tax districts based on RC boundaries.
* Each district can levy 1 percent sales tax for 10 years.
* Individual counties cannot opt out.
* Money raised in a district stays in the district.
* Money is not subject to congressional balancing
* Criteria set by Director of Planning.
* Roundtables ultimately select projects.
* Funds start flowing in 1st quarter of 2013 Regional Sales Tax
* Creates 12 Special Tax Districts for Transportation along boundaries of Regional Commissions.
* Based on revenue numbers from 2009, a 1 percent Sales Tax could raise over $1.5 billion per year.