



## CITY COUNCIL AGENDA ITEM STAFF REPORT

To: Honorable Mayor & City Council  
Date: August 11, 2017

### Introduction

At the August 21, 2017 Work Session of City Council, we will review the Special Purpose Local Option Sales Tax (SPLOST) enabling legislation approved by the Georgia General Assembly and signed by the Governor during the last legislative session. This legislation corrects the same subject legislation that was passed in 2015.

Although on August 21<sup>st</sup>, we will discuss specific capital projects that may be funded with the City of Doraville's share of SPLOST revenue (should the voters approve it in November), the goal of the Work Session discussion is:

- 1.) to provide an overview of action steps that will need to be taken by DeKalb County and the cities; and
- 2.) for the City of Doraville to identify "**categories**" of projects and the percentage of the funds to be spent in each category.

### Analysis

SPLOST, along with and Equalized Homestead Option Sales Tax (HOST), requires a Referendum, which will occur on the November 7, 2017 ballot.

Currently a part of DeKalb County's current sales taxes is a 1 percent levy called the HOST. Eighty (80) percent of HOST funds go toward property tax relief, and the rest is used by the County for capital projects and distributed to cities. If voters approve, all HOST revenue would go toward reducing County residential property taxes, i.e. E-HOST.

In November if voters approve SPLOST it would raise sales taxes from 7 percent to 8 percent. The special purpose local option sales tax (SPLOST) could raise approximately \$110 million a year for either five or six years. Each of the cities share will be based on its proportionate percentage of the County population.

SPLOST can only be used for transportation, public safety and a 15% limit for repair and maintenance. None of the funds may be used on "government" facilities.

If voters reject either the SPLOST or the E-HOST, they both fail to become law.

Respectfully Submitted,

Regina Williams-Gates  
Interim City Manager