

CITY OF CLARKSTON

ITEM NO: G1

CLARKSTON CITY COUNCIL MEETING

HEARING TYPE:
Council Meeting

BUSINESS AGENDA / MINUTES

ACTION TYPE:
Resolution

MEETING DATE: March 4, 2014

SUBJECT: To consider approving a Referendum to enact a Freeport Tax Exemption.

DEPARTMENT: Administration

PUBLIC HEARING: YES NO

ATTACHMENT: YES NO
Pages:

INFORMATION CONTACT: City Manager
PHONE NUMBER: 404-296-6489

PURPOSE: To approve the attached Resolution approving a Referendum to enact a Freeport Tax Exemption.

NEED/ IMPACT: The Freeport Exemption is a crucial factor in making warehouse and distribution facilities competitive in attracting and retaining regional and national distribution centers which distribute goods throughout the southeast. Facilities unable to compete with Freeport Exempt municipalities will have low occupancy rates and will lose new development opportunities, jobs, and the additional benefits that regional and national distribution facilities provide.

Over sixty percent of Georgia counties and cities have adopted the Freeport Tax Exemption at some level. The majority of metro Atlanta offers exemption. DeKalb County offers a 100% exemption on inventory values. Adopting a 100% Freeport Exemption will eliminate a disincentive for any potential new warehouse and distribution facilities to locate from locating in the City of Clarkston.

Georgia State law allows a Municipal government to enact Freeport Tax Exemptions to exempt specified personal property from taxation after the approval by the local governing body and a citizen referendum vote.

The process would call for a referendum vote by the citizens for the following question:
Whether the citizens authorize the following "Level 1" Freeport Tax Exemptions:

- 1) Goods in the process of being manufactured
(O.C.G.A. § 48-5-48.2(c) (1));
- 2) Inventory of finished manufactured goods in the possession of the manufacturer
(O.C.G.A. § 48-5-48.2(c) (2));
- 3) Finished manufactured goods destined for distribution out-of-state
(O.C.G.A. § 48-5-48.2(c) (3)).

An additional question for the referendum would be to ask the City's voters whether to authorize a "Level 2" Freeport Tax Exemption pursuant to O.C.G.A. § 48-5-46.6

RECOMMENDATIONS: Staff recommends that the Mayor and Council approve the attached Resolution for the Freeport Tax Exemption (Level 1 and Level 2) and to call for the DeKalb County Election Superintendent to place the four separate ballot questions, initiated by the resolution, for decision by the voters on the May 20, 2014 Election.