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ACCG POLICY STAFF

Clint Mueller  
Legislative Director  
cmueller@accg.org  
404.589.7846

Todd Edwards  
Deputy Legislative Director  
General County Government  
tedwards@accg.org  
404.589.7820

Kathleen Bowen  
Associate Legislative Director  
Federal Government  
natural Resources and the Environment  
Transportation  
kbowen@accg.org  
404.589.7850

Debra Nesbit  
Associate Legislative Director  
Health and Human Services  
Public Safety and the Courts  
dnesbit@accg.org  
404.589.7822

Larry Ramsey  
Deputy General Counsel  
Economic Development and Revenue and Finance  
ramsey@accg.org  
404.589.7824

Dave Wills  
Executive Director  
dwills@accg.org  
404.522.5022

ACCG POLICY COUNCIL

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Dear ACCG Members and Partners in County Government,

ACCG looks forward to another successful legislative session on behalf of Georgia’s counties. Our success is attributed to our dedicated county members and partners in state government. It is our hope that we will build upon our successes in an effort to continue the advancement of Georgia’s counties while moving our great state forward in 2020.

For the sixth consecutive year, ACCG is providing its members and partners in county government with a legislative toolkit that will inform individuals about the key issues of significance to counties. The 2020 ACCG Legislative Toolkit includes a policy brief on the association’s top legislative priority and an outline of the Policy Objectives and Guiding Principles – all which comprise the ACCG Policy Agenda. The Toolkit will also aid Georgia’s county officials in becoming more engaged in the state’s policymaking process while asserting the collective voice of county commissioners in legislative affairs.

ACCG’s top legislative priority for 2020 is Marketplace Facilitator Tax Collection which entails the proposed requirement for online platforms to collect sales tax. The legislative priority policy brief includes more detail on this issue including background information as it pertains to county governments, the status of the issue, and talking points. As there are several issues which impact counties that will arise during the session, ACCG has outlined other significant items it will actively pursue in the list of Policy Objectives.

It is our hope that this information will contribute to constructive and productive dialogue for the benefit of all Georgians. ACCG looks forward to continuing its work of advancing Georgia’s counties while best serving in our role as a key player in the state’s government arena. County officials are encouraged to use this resource when participating in the legislative process. Please do not hesitate to contact a member of the association’s policy team if they can be of assistance as we all work to advance Georgia’s position as a national model for effective and efficient government.

Sincerely,

Billy Pittard
ACCG President and Oglethorpe County Chairman
BACKGROUND

In recent years, the Georgia General Assembly has taken steps to modernize Georgia’s sale tax system by requiring collection of state and local sales taxes by out-of-state companies that make at least $100,000 in sales to Georgia customers. However, identifying and enforcing against those companies is a huge challenge for the Department of Revenue. Additionally, technology advancements and new business models have created a host of new transactions, such as short-term property rentals and ride sharing, for which taxes are owed but are not being collected. Many transactions occur via “marketplace platforms” (such as eBay, Airbnb, Amazon Marketplace, Google, and Walmart) that may not be the actual seller of the goods but rather “facilitate” transactions between sellers and buyers. Because current Georgia law requires the seller of goods – but not “facilitator” platforms -- to collect taxes, it is often the case that taxes owed on such transactions are not being collected. A 2017 study by the U.S. Government Accountability Office estimated that between $232 million and $367 million of total annual Georgia state and local sales taxes go uncollected from sales from out-of-state sellers.

COUNTY INTEREST

As more and more transactions occur via online marketplace facilitators, failure to require those facilitators to collect state and local taxes further increases the amount of lost revenue for counties and other Georgia governments. Because the demand for, and cost of, county services continues to rise, a decrease in sales tax and hotel/motel tax collections will increase pressure to raise property taxes and find other revenue sources. Analysis by the Georgia State Fiscal Research Center estimates that adoption of legislation requiring tax collections by marketplace facilitators would capture $60-$80 million annually in currently uncollected local government (county, city, and schools) sales taxes and $30-$35 million annually in currently uncollected county and city hotel/motel taxes.

STATUS

Several bills are currently pending that would require marketplace facilitators to collect various taxes:

- Sales tax collections: HB 276/SB 128,
- Hotel-motel tax collections: HB 448, and
- Rental car excise tax collections: HB 378.

These bills would apply to those companies who facilitate, via their platforms, at least $100,000 in annual sales to Georgia customers (or, for hotel/motel taxes, for properties located in Georgia).
TALKING POINTS

- These marketplace facilitator bills will not impose any new tax. Rather, they will improve collection of taxes that are already owed but not being paid and will lessen pressure to replace these lost revenues via property tax increases.

- These bills will help level the playing field for Georgia bricks-and-mortar stores, hotels, and other businesses that are already collecting these taxes. For example, an out-of-state company selling an item into Georgia via a site such as eBay usually does not collect sales taxes – while a Georgia store selling the exact same item does collect those sales taxes. This imbalance causes many purchasers to choose the online sale, thereby taking business away from Georgia businesses.

- Marketplace facilitators (Amazon, Airbnb, etc.) already have the technology to process tax collections on a nationwide basis. In fact, Georgia is one of only six states where Airbnb is not already collecting sales taxes. Moving collection responsibility to marketplace facilitators will lessen the burden on smaller out-of-state sellers who otherwise might have to purchase the technology to process and pay sales (and other) taxes to different states and local governments around the country.

- 38 states have already adopted marketplace facilitator tax collection legislation. Georgia needs to be on equal footing with the rest of the country regarding tax collection.

- Requiring tax collection by the limited number of marketplace facilitators (as opposed to the huge number of sellers around the country) will lessen the administrative burden and costs of collection and enforcement by the state and local governments of taxes owed.
STATE

ISSUE: Bridge Improvement Program
ACCG supports the use of formal asset management programs and innovative technology as a supplement to inspection of the condition of local bridge infrastructure. As of July 2019, counties are responsible for maintaining 8,034 bridge structures. Many were built between 1950 and 1965 and carry a 40-50 year life span. More than 1,350 bridges in the state are posted for weight restrictions or are closed to traffic. Ninety-seven percent of these bridges are on local roads. County officials rely on asset management data provided by GDOT to prioritize the use of limited infrastructure funding for repairing and replacing these structures. When possible, ACCG encourages the Georgia Department of Transportation (GDOT) to use objective methods to assess bridge infrastructure conditions to ensure clarity and certainty of information and the most efficient use of funding. ACCG supports state bond investment in bridges and encourages the General Assembly and GDOT to maintain or increase earmarked funding for local bridges.

ISSUE: Service Delivery Strategy and Local Option Sales Tax Negotiations
ACCG and the Georgia Municipal Association (GMA) formed a Joint Task Force for Local Option Sales Tax (LOST) and Service Delivery Strategy (SDS) issues at the beginning of 2019 with the primary goal of reducing conflict and improving working relations between counties and cities. The Task Force is working on recommendations that include more closely tying SDS and LOST negotiations together, clarifying definitions in both laws, replacing the LOST criteria with clear guidance on the purpose and use of LOST proceeds, and developing a dispute resolution process for negotiations that reach an impasse. ACCG and GMA have agreed to only pursue recommendations from the Joint Task Force during the 2020 Legislative Session. ACCG asks the General Assembly and the Department of Community Affairs to support the joint efforts of ACCG and GMA to resolve SDS and LOST issues.

ISSUE: Modify Legal Organ Notice Requirements
Counties should be allowed to post legal notices on their county website or common statewide websites in addition to the required paid post in the county’s legal organ. Should the legal organ fail to post the notice, the publication on the county website or common statewide website should serve as adequate notice to the public.

ISSUE: Limit Charges for All Inmate Medical Services to Medicaid Rates
All providers of medical services for inmates housed in local jails should be capped at the Medicaid rate.

ISSUE: Fees on Property Tax Bills
Local elected officials and their citizens should control the substance of what will or will not be placed on a local property tax bill. To make fees a viable option to the property tax, they must be easy to administer and collect. Having the option to collect fees on the property tax bill ensures that the fees can be collected efficiently. ACCG asks the General Assembly to protect this important local tool for charging a fee for service as an alternative to the property tax.

ISSUE: Redirection of Dedicated Fees
ACCG supports the legislative intent for various fees collected at the state level to go toward their statutorily-designated purposes. To end the practice of these fees becoming taxes that bolster the state’s general fund, ACCG urges the General Assembly to adopt one or more constitutional amendments creating constitutional trust funds to truly dedicate these fees to their intended purposes.

ISSUE: Increase Add-On to Criminal and Quasi Criminal Fines to Fund the Peace Officer Annuity and Benefit Fund (POAB)
One result of criminal justice reform has been the elimination or reduction of fines on many criminal cases resulting in a decrease in contributions to the POAB fund. ACCG supports the increase in the fine add-on to ensure this valuable recruitment and retention tool remains a viable option for counties to maintain a quality law enforcement staff.
ISSUE: Support Policy and Rule Changes by the Department of Public Health (DPH) to Increase Transparency

ACCG supports the proposed policy and rule changes by DPH to increase accountability and transparency around the awarding of EMS Zone Providers and standardized operating procedures for the regional councils that oversee the operation of EMS zone providers.

ISSUE: Public Notification of Tax Increase

The tax increase notice required under the Taxpayer Bill of Rights has created great confusion about tax increases for the public. To promote public notification of tax increases, ACCG requests that the notification required by the Taxpayer Bill of Rights and the five-year history be replaced with one annual notification that is simple for the taxpayer to understand. Additionally, the General Assembly should consider exempting those local governments with “floating” homestead exemptions from compliance with these additional notification steps, in the same manner as the General Assembly has exempted the City of Atlanta.

ISSUE: Location of Taxable Transactions

For businesses to accurately determine the proper sales tax allocation to each county, state law should clearly prescribe a uniform method for businesses to identify the county where the transaction occurs. Such steps could include requiring the Department of Revenue (DOR) rate and boundary database to include information at the street address level in addition to the 9-digit zip code when this information is provided to DOR by a county or city in an approved format.

ISSUE: Marketplace Facilitator Tax Collection

(a) Online Platforms – ACCG asks the General Assembly to require online platforms that host third-party sellers (e.g., Amazon, Ebay, AirBnb, etc.) to collect and remit applicable taxes on sales to Georgia customers.

(b) Short Term Rentals and Ride Share Services – ACCG asks the General Assembly to require any business that provides an online or other platform for the transaction of short-term rentals or ride share network services to collect and remit sales taxes on such services to the Department of Revenue. Taxes collected through such platforms should be distributed to counties, cities, and boards of education in the same manner as other local sales taxes. Additionally, the General Assembly should require any business that provides an online or other platform providing short-term rentals to collect and remit hotel/motel taxes to the relevant local jurisdictions.

ISSUE: Revenue Flexibility

Multiple options for generating needed revenues allow local governments to respond to local conditions and constituents’ desires, including allowing for property tax relief to their citizens. ACCG supports maximum flexibility for counties regarding sales taxes.

(a) Homestead Option Sales Tax (HOST): Allow for All Counties – The Homestead Option Sales Tax (HOST) is a 1% county sales tax, of which the proceeds are used to fund a homestead exemption to reduce or eliminate the county property tax levy on homeowners. However, due to limitations in state law, HOST is only available to the handful of counties that do not have a Local Option Sales Tax (LOST). ACCG recommends removal of this impediment so that any county can choose any combination of the sales tax options available.

(b) Special Purpose Local Option Sales Tax (SPLOST) – ACCG asks the General Assembly to make changes to the SPLOST law, including clarifying that repayment of debt on a courthouse, administrative building, or jail qualifies for the level-one category.

(c) Sales Tax to Offset Property Tax – ACCG asks the General Assembly to help counties reduce their reliance on property tax by expanding the existing sales tax base through reductions in exemptions and including additional services and digital goods such as digital music, books, and video. Commissioners should also be granted greater flexibility to determine the appropriate local sales tax rate for their county.

(d) Local Exemption from Transportation Taxes and Fees – During the 2015 Session of the General Assembly, several changes were made to the tax code to provide more funding for transportation. Unlike the historical practice of exempting government from paying taxes, the new taxes and fees for transportation were applied to purchases by both state and local government. ACCG does not believe it is appropriate to tax a government and asks the General Assembly to exempt local governments from the new state hotel/motel fee, motor fuel excise tax, heavy weight truck fee, and the alternative fuel vehicle tax.
ISSUE: Telecommunications Excise Tax

ACCG asks the General Assembly to eliminate the current franchise fees and taxes on telecommunication service providers and replace these revenues with a local telecommunications excise tax. The local revenues should be split between the counties and the cities based upon a population formula.

ISSUE: Title Agent Fees and Equipment Costs

Although tag and title administration is a state function, counties currently provide all of the equipment for and data input into the tag and title system but have not received an increase in compensation for such services. ACCG recommends that the title fee be raised from $18 to $20 and the fee for a replacement title be raised from $8 to $20. In addition, the counties’ share of the base tag fee should be increased, and the General Assembly should provide funding to assist counties in acquiring upgraded equipment necessary to implement the state’s new DRIVES system.

FEDERAL

ISSUE: Medicaid/Medicare/Federal Benefit Inmate Exclusion

ACCG requests the federal government to allow Medicaid/Medicare coverage and other federal benefits for eligible inmates/detainees in local jails pre-adjudication and for hospital stays of more than 24 hours post adjudication. The inmate exception rule must be rescinded for those awaiting trial that have not been convicted. Those accused should not lose their Medicaid/Medicare/Federal benefits until the adjudication process is complete for those individuals in a pretrial status.

ISSUE: Infrastructure Investment/Truck Weight Increases

Counties play a critical role in our state’s transportation system with local governments owning and maintaining 80 percent of all public roads in Georgia. ACCG encourages Congress to allocate funding for locally-owned public infrastructure, which includes surface transportation projects, bridges, transit systems and airports and involve local governments in the decision-making process. In addition, ACCG urges Congress to refrain from passing legislation that increases allowable weight limits on local roads and bridges. Increasing the weight limits contributes to the rapid deterioration of local road and bridge infrastructure.
ACCG GUIDING PRINCIPLES

LOCAL ISSUES
ACCG provides a common platform that allows counties to maximize their legislative influence by making requests of the General Assembly and Congress through a unified effort. Through ACCG’s policy development process, a policy platform is adopted, containing issues of significant importance to all counties or a reasonable portion of them. ACCG will not become directly involved in lobbying local legislation or general legislation that is drafted to affect only one county. ACCG will, however, notify the affected county of the pending legislation and will, at the request of the county, provide technical assistance. ACCG urges members of the General Assembly to refrain from passing this type of legislation without the support of the county governing authority. Where legislation will benefit some counties at the expense of others, ACCG will notify all counties of the potential benefits and consequences of the legislation but will not take a position.

HOME RULE
Home rule is the right of the people to determine and implement a public policy at the grassroots level. Home rule power is conferred on Georgia counties by Article IX, Section II, Paragraph I of the Georgia Constitution. Local governing authorities have the power to adopt ordinances, resolutions, or regulations relating to its property, affairs, and local government, as long as they are not inconsistent with state law or the Georgia Constitution. Although state laws may define minimum standards, they should not preempt counties from passing ordinances that establish a more stringent standard for their communities. The preservation of administrative and fiscal home rule authority allows counties to develop and implement community-based solutions to local problems. ACCG believes that counties, as the government closest to the people, are the most appropriate authority to serve the needs and requirements of the community.

COST SHIFTING
A state directive that compels local governments to provide a service, program, or benefit without providing the appropriate monies or a funding source is regarded as an unfunded mandate. County officials recognize that some state mandates are justified because they achieve agreed upon statewide policy goals. However, many, if not most, mandates on counties are imposed without the consensus of local governments or the resources necessary for their implementation. Mandates shift costs to local property taxpayers, financially drain county governments, and impede a county’s ability to adequately deliver the fundamental services required by law. Mandates also compromise a county’s ability to provide discretionary services requested by the local community. ACCG opposes any state or federal actions that limit the ability of local elected officials to make fiscal and public policy decisions for the citizens they represent. Furthermore, counties support the establishment of an agreed upon course of action whereby state and county elected officials deliberatively evaluate the appropriate funding and delivery of intergovernmental service responsibilities between counties and the state.

LOCAL REVENUES
To provide services requested by the local community or required by the state, counties need an adequate stable revenue source that is diverse and fairly spreads the tax burden across the residents of the county. State-determined restrictions on local revenues hinder a local community’s ability to establish a revenue structure that fairly distributes the financial burdens of local government to all citizens of the county based
on the unique characteristics of the county. When new state laws or annexation erodes a portion of the local revenue base, county commissioners must shift the tax burden to other residents or reduce the level of county services provided. Politically, neither of these choices is popular. The decision to tax should occur at the same level of government where the decision is made to enact a new service or enhance an existing service. Local governments should have an equal share of flexibility and control over both revenues and expenditures as they are directly linked.

**SERVICE DELIVERY**
To help create and maintain the quality of life desired by the residents of a community, counties should be given the flexibility to create new services, expand existing services, or discontinue a service. If a service is funded partially or fully using county revenues, then the county governing authority should have a level of control over the service commensurate to its share of the funding. Local government services in the unincorporated areas should be provided solely at the discretion of the county governing authority and such services should not be disrupted by annexation. Service delivery responsibilities within the incorporated areas of the county should be determined jointly with the city. When the state wishes to provide services locally, they should coordinate with the counties to determine the most efficient method of service delivery and funding of the service.

**LAND USE**
County officials must have the ability to make reasonable decisions for zoning, comprehensive planning, and infrastructure issues to ensure that the local community grows and develops in a way that adds value to the community and improves the quality of life for all residents. This includes a county’s right to adopt local land use and other environmental regulations to protect its unique natural resources and vision for the community. Citizens expect the county commission to exercise its ability to manage and direct growth without being subjected to prohibitive claims for damages for infringement on private property rights. Likewise, county land use decisions should not be thwarted by municipal annexations. Locally elected officials are in the best position to balance the rights of individual property owners with the rights and wishes of all property owners within a county.

**STATE/COUNTY PARTNERSHIP**
Counties were created to function as local subdivisions of the state. To tailor services to the needs of the different geographic and demographic areas of the state, decision making power must be granted to locally elected representatives. The state sets general parameters, including minimum standards and levels of service, then local officials should decide what additional services and enhancements the local community desires. The state and its local county subdivisions must work in tandem to improve the quality of life for all Georgia residents. To facilitate this partnership the state should:

- Fully fund state services and not require or attempt to coerce counties into subsidizing the service.
- Provide support (i.e., funding and technical assistance) to attain a minimum level and standard of services needed statewide (i.e., crime information center, crime lab, utility assessments, training public safety officers, establishing uniform assessment procedures and transportation improvements).
WAYS TO ENGAGE YOUR LEGISLATORS

FIVE WAYS TO CONNECT WITH YOUR STATE LEGISLATORS

1. Make sure you have your legislators' contact information should you need to reach them on short notice.

2. Invite your legislators to attend the networking breakfast at the Capitol Connection Conference.

3. Meet with your legislators, before and during the session, to review the legislative toolkit and to discuss bills that impact your county.

4. Meet periodically with your legislators for briefings on current issues.

5. Invite your legislators to attend your county commission meetings and tour your county facilities.
WAYS TO ENGAGE YOUR LEGISLATORS

INVITE YOUR LEGISLATORS TO ATTEND YOUR COUNTY COMMISSION MEETINGS AND TOUR YOUR COUNTY FACILITIES.

MAKE SURE YOU HAVE YOUR LEGISLATOR'S CONTACT INFORMATION SHOULD YOU NEED TO REACH THEM ON SHORT NOTICE.

INVITE YOUR LEGISLATORS TO ATTEND THE NETWORK BREAKFAST AT THE CAPITOL CONNECTION CONFERENCE.

MEET WITH YOUR LEGISLATORS, BEFORE AND DURING THE SESSION, TO REVIEW THE LEGISLATIVE TOOLKIT AND TO DISCUSS BILLS THAT IMPACT YOUR COUNTY.

MEET PERIODICALLY WITH YOUR LEGISLATORS FOR BRIEFINGS ON CURRENT ISSUES.

FIVE WAYS TO CONNECT WITH YOUR STATE LEGISLATORS

SAVE THE DATE

2020 CAPITOL CONNECTION CONFERENCE

FEBRUARY 27 - 28

HILTON ATLANTA
255 COURTLAND STREET, NE
ATLANTA, GA 30303
POLICY COMMUNICATION TOOLS

STAY UP TO DATE ON THE LATEST ACCG POLICY NEWS

**WEEKLY LEGISLATIVE UPDATES**

Published every Friday during the legislative session, the Legislative Update is the weekly report that helps keep county officials informed about the various issues moving through the General Assembly.

Contact Schuyler Harding (sharding@accg.org) if you would like to receive this publication.

**ACTION ALERTS**

ACCG will periodically release Action Alerts regarding issues that require immediate action from county officials. The Action Alerts will include background information on the issue as well as talking points that county officials can use when speaking to their legislators.

**FACEBOOK LIVE**

Tune in every Friday at 8:30 a.m. for the Facebook Live Legislative Update. Join the policy team as they provide weekly recaps of what took place under the Gold Dome. Be sure to like the official ACCG Facebook page (ACCG Georgia Counties/@gacounty) to join the conversation.

**TWITTER**

Follow us on Twitter (@GACounty) as we’ll share real-time information and updates from the Capitol as various events take place.
LET YOUR VOICE BE HEARD!

Get actively engaged in the policy development process.

ACCG has seven standing policy committees:

- Economic Development and Transportation
- General County Government
- Health and Human Services
- Natural Resources and the Environment
- Public Safety and the Courts
- Revenue and Finance
- Federal Committee

Membership is open to all and your input is needed to help shape the policy positions.

Visit accg.org/policy_resources.php for more information.