

House Bill 757 (AS PASSED HOUSE AND SENATE)

By: Representatives Nguyen of the 89<sup>th</sup>, Holland of the 54<sup>th</sup>, Cannon of the 58<sup>th</sup>, Metze of the 55<sup>th</sup>, Dreyer of the 59<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend the "Atlanta Urban Enterprise Zone Act," approved March 24, 1988  
2 (Ga. L. 1988, p. 4164), as amended, so as to provide for findings and purpose of urban  
3 enterprise zones; to provide for definitions; to provide for types of ad valorem property tax  
4 exemptions; to provide criteria for designating urban enterprise zones; to provide for the  
5 amount of exemptions; to provide for time limitations; to provide for identification of exempt  
6 properties; to provide for annual reports; to reserve Sections 11 and 12 of said Act; to provide  
7 for related matters; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 The "Atlanta Urban Enterprise Zone Act," approved March 24, 1988 (Ga. L. 1988, p. 4164),  
11 as amended, is amended by revising Sections 2 through 12 as follows:

12 **"SECTION 2.**

13 Economically distressed areas exist within the City of Atlanta and show higher  
14 unemployment, poverty, and less investment than other areas of the city. It is further found  
15 that these areas are commonly characterized by no investment or under investment by private

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16 enterprise in ventures which produce housing units, jobs, trade, provision of services, and  
17 other economic activities that individually and together contribute to a healthy society. This  
18 lack of private investment, economic activity, and housing activity contributes materially to  
19 economic distress in such areas. Additionally, the city recognizes the importance of  
20 workforce housing in all areas of the city. Therefore, it is in the public interest that  
21 incentives be provided to private enterprise to invest in such areas by developing housing  
22 units, creating jobs and trade, providing services, and by other economic activities. It is the  
23 purpose of this Act, therefore, to grant special powers of tax abatement to the city to provide  
24 such incentives. It is the intention of the General Assembly of Georgia that this Act be  
25 liberally construed to carry out such purpose as authorized by amendments to the  
26 Constitution as contained in Ga. L. 1982, p. 2645, and continued by an Act approved  
27 March 20, 1986 (Ga. L. 1986, p. 4426), and Ga. L. 1982, p. 2647, and continued by an Act  
28 approved March 20, 1986 (Ga. L. 1986, p. 4424).

29 SECTION 3.

30 As used in this Act, the term:

- 31 (1) "Ad valorem property tax" means property taxes levied for county or municipal  
32 operating purposes but does not include property taxes imposed by school districts or  
33 property taxes imposed for general obligation debt.
- 34 (2) "Board of commissioners" means the board of commissioners of Fulton County.
- 35 (3) "Business enterprise" means any business engaged primarily in retail, manufacturing,  
36 warehousing and distribution, processing, telecommunications, tourism, research and  
37 development industries, new residential construction, and residential rehabilitation.
- 38 (4) "City" means the City of Atlanta.
- 39 (5) "City council" means the council which is the legislative body of the city.
- 40 (6) "County" means Fulton County.
- 41 (7) "Governing body" means the city council or the board of commissioners.

42 (8) "Neighborhood statistical areas" means the geographic areas created and used by the  
43 city and the Atlanta Regional Commission to delineate socially meaningful neighborhood  
44 boundaries.

45 (9) "Qualifying business or service enterprise" means a business enterprise or service  
46 enterprise vetted and approved to receive the ad valorem tax abatement within a  
47 designated urban enterprise zone and that complies with subsection (b) of Code  
48 Section 36-88-4 and paragraph (2) of subsection (a) of Code Section 36-88-8 of the  
49 O.C.G.A.

50 (10) "Service enterprise" means an entity engaged primarily in finance, insurance, and  
51 real estate activity or other service activities.

52 (11) "Urban redevelopment area" means an area as defined by and consistent with  
53 Chapter 44 of Title 36 of the O.C.G.A., the "Redevelopment Powers Law," as amended.

54 (12) "Zones" means urban enterprise zones nominated and designated by the city.

55 SECTION 4.

56 (a) The city council, by ordinance, may create urban enterprise zones within the corporate  
57 limits of the city to encourage economic development and workforce housing. Within  
58 these zones, qualifying business and service enterprises shall be eligible for exemption  
59 from ad valorem taxation of property.

60 (b) Pursuant to Code Section 36-88-4 of the O.C.G.A., the city shall determine the quality  
61 and quantity of such additional economic stimulus to be provided by firms, businesses, and  
62 industries locating in designated urban enterprise zones. The goal of additional economic  
63 stimulus is to pursue opportunities for shared value creation and benefits to the public for  
64 the abatement of ad valorem taxes. Benefits to the public should be designed for maximum  
65 impact for neighborhoods nearest to the location of participating firms, businesses, and  
66 industries.

67

## SECTION 5.

68 (a) The council may nominate and designate eligible areas to be urban enterprise zones.

69 (b) By joint resolution, the council and the county commissioners of Fulton County may  
70 elect to designate joint urban enterprise zones in overlapping jurisdictions.

71 (c) Urban enterprise zones shall be designated in accordance with comprehensive  
72 development plans and other policies, plans, and regulations.

73 (d) By ordinance, the council may delegate administrative approval authority to city staff  
74 to implement the program by receiving applications and determining qualifying businesses  
75 and service enterprises for exemptions within designated boundaries and program  
76 parameters.

77 (e) Public hearing and public notice shall take place consistent with the requirements of  
78 city and Fulton County.

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## SECTION 6.

80 (a) In order to be designated as an enterprise zone, a nominated area shall meet at least  
81 three of the five criteria specified in subsections (b) through (f), or the criteria specified in  
82 subsection (g), of this section. In determining whether an area suffers from poverty,  
83 unemployment, or general distress, the governing body shall use data from the most current  
84 United States decennial census and from other information published by the United States  
85 Bureau of the Census, the Federal Bureau of Labor Statistics, and the Georgia Department  
86 of Labor. In determining whether an area suffers from underdevelopment, the governing  
87 body shall use the data specified in subsection (e) of this section. The data shall be  
88 comparable in point or period of time and methodology employed. In addition to census  
89 geographies, the analysis may use the city's neighborhood statistical areas. In addition to  
90 the following basic criteria, additional variables and methodologies may be used.

91 (b) Pervasive poverty shall be evidenced by showing that poverty is widespread  
92 throughout the nominated area and shall be established by using the following criteria:

- 93 (1) The poverty rate shall be determined from the data in the most current United States  
94 decennial census prepared by the United States Bureau of the Census;
- 95 (2) For parcels within the nominated area, the parcels must be within or adjacent to a  
96 census block group where the ratio of income to poverty level for at least 15 percent of  
97 the residents shall be less than 1.0;
- 98 (3) Census geographic block groups with no population shall be treated as having a  
99 poverty rate which meets the standards of paragraph (2) of this subsection; and
- 100 (4) All parcels of a nominated area must abut and may not contain a noncontiguous  
101 parcel, unless such nonabutting parcel qualifies separately under the criteria set forth  
102 under paragraph (2) of this subsection.
- 103 (c) Unemployment shall be evidenced by the use of data published by the Office of Labor  
104 Information Systems of the Georgia Department of Labor indicating that the average rate  
105 of unemployment for the nominated area for the preceding calendar year is at least 10  
106 percent higher than the state average rate of unemployment or by evidence of adverse  
107 economic conditions brought about by significant job dislocation within the nominated area  
108 such as the closing of a manufacturing plant or federal facility.
- 109 (d) General distress shall be evidenced by adverse conditions within the nominated area  
110 other than those of pervasive poverty and unemployment. Examples of such adverse  
111 conditions include, but are not limited to, a high incidence of crime, abandoned or  
112 dilapidated structures, deteriorated infrastructure, and substantial population decline.
- 113 (e) Underdevelopment shall be evidenced by data indicating development activities, or  
114 lack thereof, through land disturbance permits, business license fees, building permits,  
115 development fees, or other similar data indicating that the level of development in the  
116 nominated area is lower than development activity within the local governing body's  
117 jurisdiction.
- 118 (f) General blight within the nominated area shall be evidenced by the inclusion of any  
119 portion of the nominated area in an urban redevelopment area as defined by this state.

120 (g) The city shall provide special urban enterprise zone designations for the creation and  
121 preservation of workforce housing units especially in areas with strong real estate markets.  
122 To mitigate against the concentration of poverty, lack of access to opportunity, long  
123 commutes, and excessive cost burdens, the city shall provide for special designation of  
124 workforce housing enterprise zones anywhere in the city. The city shall utilize  
125 evidence-based and state-of-the-practice methods to determine the optimum location for  
126 workforce housing enterprise zones. The Atlanta Urban Enterprise Zone Act was  
127 established before July 1, 1997, and pursuant to Chapter 88 of Title 36 of the O.C.G.A.,  
128 preserves its authority to create, maintain, and regulate enterprise zones.

129 SECTION 7.

130 (a) Qualifying businesses and service enterprises are exempt from county and municipal  
131 ad valorem taxes that would otherwise be levied not to exceed the following schedule:

- 132 (1) One hundred percent of the property taxes shall be exempt for the first five years;  
133 (2) Eighty percent of the property taxes shall be exempt for the next two years;  
134 (3) Sixty percent of the property taxes shall be exempt for the next year;  
135 (4) Forty percent of the property taxes shall be exempt for the next year; and  
136 (5) Twenty percent of the property taxes shall be exempt for the tenth year.

137 (b) Firms, businesses, and service enterprise must uphold agreed upon minimum standards  
138 to continue to receive tax abatement from year to year.

139 (c) If the project consists of new construction, rehabilitation, or other rehabilitation of an  
140 existing structure, the exemption schedule may apply when the project meets or exceeds  
141 value-to-improvement thresholds set by the city.

142 (d) In no event shall the value of the property tax exemptions granted to qualifying  
143 business and service enterprises within an enterprise zone created by a city, a county, or  
144 both, exceed 10 percent of the value of the property tax digest of the creating jurisdiction  
145 or jurisdictions.

## 146 SECTION 8.

## 147 (a) Urban Enterprise Zone.

148 (1) An area designated as an urban enterprise zone shall remain in existence for no more  
149 than ten years from its effective date.

150 (2) The city shall establish the effective date for a designated zone as January 1 after the  
151 adoption by the city council of an ordinance designating the zone.

152 (3) Exemptions may be available in any year the area is designated as an urban enterprise  
153 zone.

## 154 (b) Qualifying Firms, Businesses, and Service Enterprises.

155 (1) The city may enter into agreements with qualifying businesses or service enterprises  
156 in designated urban enterprise zones to provide for modification or termination of the tax  
157 and fee exemptions and abatements.

158 (2) Property tax incentives available to a qualified business or service enterprise in an  
159 enterprise zone shall remain in effect no more than ten years regardless of the termination  
160 of the designation of the urban enterprise zone.

## 161 SECTION 9.

162 The tax commissioner and tax assessor of Fulton County shall identify upon the tax digest  
163 of the city, including without limitation the copy of that digest submitted to the state revenue  
164 commissioner pursuant to Code Section 48-5-302 of the O.C.G.A., that property exempted  
165 from taxation under this Act and the amount of that exemption.

## 166 SECTION 10.

167 (a) The city shall annually submit a report to the board of commissioners, the Department  
168 of Community Affairs of the State of Georgia, and the local legislative delegations of the  
169 city and county.

170 (b) The report required by subsection (a) of this section shall include, at a minimum:

- 171 (1) The location, boundary, and size of all zones created in the immediately preceding  
172 calendar year and created since the effective date of this Act;
- 173 (2) The beginning and end dates of each urban enterprise zone designation period; and  
174 (3) The current amount of taxes and fees abated in the preceding calendar year and since  
175 the effective date of this Act.

176 SECTION 11.

177 Reserved.

178 SECTION 12.

179 Reserved."

180 SECTION 2.

181 All laws and parts of laws in conflict with this Act are repealed.