

**CERTIFICATION OF AGREEMENT
FOR THE ALLOCATION AND DISTRIBUTION OF PROCEEDS
FROM THE TITLE *AD VALOREM* TAX**

In accordance with §560-11-14-.03(2)(b) of the Rules of the Department of Revenue, this Certification of Agreement is presented as of the ____ day of _____, 2019, to the **COBB COUNTY TAX COMMISSIONER** (the “Tax Commissioner”) by **COBB COUNTY, GEORGIA** a political subdivision of the State of Georgia (the “County”), and the **CITY OF ACWORTH**, the **CITY OF AUSTELL**, the **CITY OF KENNESAW**, the **CITY OF MARIETTA**, the **CITY OF POWDER SPRINGS**, and the **CITY OF SMYRNA**, municipal corporations of the State of Georgia (the “Participating Municipalities,” individually and collectively), and the **COBB COUNTY BOARD OF EDUCATION** and the **BOARD OF EDUCATION OF THE CITY OF MARIETTA** (the “Participating School Districts”).

Pursuant to O.C.G.A. § 48-5C-1(b)(1)(B)(viii), beginning in calendar year 2016, the Department of Revenue (the “Department”) shall evaluate the tax revenues from the prior year to determine the percentage of the title ad valorem tax (“TAVT”) that will be distributed in the current calendar year to the State and Local Governments, respectively. The law sets forth the specific methodology to be followed by the Department in determining the distribution percentages. Based on the statutory calculation, for the time period of January 1, 2019 through June 30, 2019, the percentage of TAVT that will go the State will be 47.56% and the percentage that will go to the Local Governments will be 52.44%. This determination was published by the Department in Policy Bulletin MVD-2019-01.

Pursuant to HB 329 of 2018, O.C.G.A. § 48-5C-1 was amended to change, among other things, the manner of distribution of the proceeds of the alternative ad valorem tax on motor vehicles such that, effective July 1, 2019, and remaining in effect until amended by law, the Tax

Commissioner shall distribute 35.0% of the TAVT funds collected to the State and 65.0% to the Local Governments.

Effective July 1, 2019, and remaining in effect until amended by law, the distribution of the Local Government's 65.0% percentage shall be made to the County, the Participating Municipalities and the Participating School Districts in accordance with O.C.G.A. § 48-5C-1(c)(3).

Due to the effective date of HB 329, while the distribution of the Local Governments' percentage of tax proceeds garnered from the TAVT shall be made in accordance with O.C.G.A. § 48-5C-1 which is incorporated herein, the assumptions vary by the time period covered. Both sets of assumptions are set forth separately below:

A. The time period of January 1, 2019 through June 30, 2019 is further clarified by the following assumptions:

FINANCIAL ASSUMPTIONS

For the distribution of proceeds under O.C.G.A. § 48-5C-1(c)(3)(B), the following assumptions shall apply:

- (i) There are two school districts within Cobb County: Cobb County School District; and Marietta City Schools.
- (ii) Cobb County currently has in effect a local sales and use tax for educational purposes levied pursuant to Part 2 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia.
- (iii) Cobb County does not currently have in effect, and has never had in effect, a joint county and municipal sales and use tax under Article 2 of Chapter 8 of Title 48 of the Official Code of Georgia.
- (iv) Cobb County does not currently have in effect a local option sales and use tax for educational purposes levied pursuant to a local constitutional amendment.
- (v) Cobb County does not currently have in effect a homestead option sales and use tax under Article 2A of Chapter 8 of Title 48 of the Official Code of Georgia.

- (vi) Cobb County currently has in effect a special purpose local option sales and use tax under Part 1 of Article 3 of Chapter 8 of Title 48 which is in effect through December 31, 2021.
- (vii) Cobb County is not a county in which a tax is levied for purposes of a metropolitan area system of public transportation as authorized by the amendment to the Constitution set out at Ga. L. 1964, p. 1008.

POPULATION ASSUMPTIONS

For the distribution of proceeds under O.C.G.A. § 48-5C-1(c)(3)(B)(ii), the 2010 United States Decennial Census shall be used. The population statistics for this distribution are as follows:

	<u>Population</u>	<u>Percentage</u>
Unincorporated Cobb County:	509,485	74.04%
City of Acworth:	20,425	2.97%
City of Austell:	6,581	0.96%
City of Kennesaw:	29,783	4.33%
City of Marietta:	56,593	8.22%
City of Powder Springs:	13,940	2.03%
City of Smyrna:	51,271	7.45%
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TOTAL: Cobb County	688,078	100%

The Parties agree that these figures will continue to apply for the purposes of this Agreement until the next Decennial Census population figures are published, unless a city is created and reaches qualified local government status or a city is abolished in the County.

FTE ASSUMPTIONS

For the distribution under O.C.G.A. § 48-5C-1(c)(3)(B)(i), the proceeds shall be distributed between the county school district and the independent school district located in Cobb County, in the manner as provided under O.C.G.A. § 48-8-143, and under Article VIII, Section VI, Paragraph

IV (g) of the Georgia Constitution, which provisions are incorporated herein by reference. Based thereon, the applicable ratio for the current distribution is as follows:

	<u>Ratio</u>
Cobb County School District	92.7%
Marietta City Schools	7.3%

These ratios will be adjusted as and in accordance with each ensuing referendum imposing the tax, if any; and if none, then in the same manner as if such tax were in effect.

B. The time period commencing July 1, 2019 is further clarified by the following assumptions:

FINANCIAL ASSUMPTIONS

For the distribution of proceeds under O.C.G.A. § 48-5C-1(c)(3)(A), the following assumptions shall apply:

- (i) The County does not currently have in effect an ad valorem tax in accordance with a local constitutional amendment to a water and sewer authority.
- (ii) The County is not a county in which a tax is levied for the purposes of a metropolitan area system of public transportation as authorized by the amendment to the Constitution as set out at Ga. L. 1964, p. 1008.
- (iii) There are two school districts with the County: Cobb County School District (serving unincorporated Cobb County and the incorporated municipalities of the Cities of Acworth, Austell, Kennesaw, Powder Springs and Smyrna) and Marietta City Schools (serving the incorporated municipality of Marietta).

TAVT FOR VEHICLES REGISTERED IN UNINCORPORATED COBB

Pursuant to O.C.G.A. § 48-5C-1(c)(3)(B), effective July 1, 2019, and remaining in effect until amended by law, with regard to the proceeds associated with and collected on motor vehicle titles for motor vehicles registered in the unincorporated areas of the County, the Tax Commissioner shall allocate and distribute 51.0% of the proceeds to the County *governing*

authority and distribute 49.0% of the proceeds to the board of education of the county school district.

TAVT FOR VEHICLES REGISTERED IN INCORPORATED COBB

Pursuant to O.C.G.A. § 48-5C-1(c)(3)(C), effective July 1, 2019, and remaining in effect until amended by law, with regard to the proceeds associated with and collected on motor vehicle titles for motor vehicles registered in the incorporated areas of the County, the Tax Commissioner shall allocate the proceeds by the municipality from which the proceeds were derived and then as follows:

- (i) 28.0% of such proceeds to the county governing authority;
- (ii) 23.0% of such proceeds to the governing authority of the municipality; and
- (iii) the remaining 49.0% of such proceeds shall be distributed to the board of education of the county school district with the exception of Marietta's allocation which shall be distributed to the board of education for the Marietta City Schools.

EFFECTIVENESS

The Parties agree that these assumptions will continue to be effective until another certification is made. The Parties further agree that, in accordance with Department of Revenue Rule §560-11-14-.03(2)(b) a certification in the nature of this Agreement shall occur at least annually.

IN WITNESS WHEREOF, the County, the Participating Municipalities, and the Participating School Districts, acting by and through their duly authorized agents, have caused this Agreement to be executed in multiple counterparts under seals on the date indicated herein.

COBB COUNTY, GEORGIA

BY: _____
Michael H. Boyce
Chairman, Cobb County Board of Commissioners

DATE: _____

(SEAL)

ATTEST: _____
County Clerk

CITY OF ACWORTH, GEORGIA

BY: _____
Tommy Allegood
Mayor

DATE: _____

(SEAL)

ATTEST: _____
City Clerk

CITY OF AUSTELL, GEORGIA

BY: _____
Joe Jerkins
Mayor

DATE: _____

(SEAL)

ATTEST: _____
City Clerk

CITY OF KENNESAW, GEORGIA

BY: _____
Derek Easterling
Mayor

DATE: _____

(SEAL)

ATTEST: _____
City Clerk

CITY OF MARIETTA, GEORGIA

BY: _____
Steve Tumlin
Mayor

DATE: _____

(SEAL)

ATTEST: _____
City Clerk

CITY OF POWDER SPRINGS, GEORGIA

BY: _____
Al Thurman
Mayor

DATE: _____

(SEAL)

ATTEST: _____
City Clerk

CITY OF SMYRNA, GEORGIA

BY: _____
Max Bacon
Mayor

DATE: _____

(SEAL)

ATTEST: _____
City Clerk

COBB COUNTY SCHOOL DISTRICT

BY: _____
Chris Ragsdale
Superintendent

DATE: _____

NOTARY: _____

(SEAL)

MARIETTA CITY SCHOOLS

BY: _____
Dr. Grant Rivera
Superintendent

DATE: _____

NOTARY: _____

(SEAL)