



# City of Smyrna

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## Issue Sheet

File Number: 2018-290

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Status: ATS Review

In Control: City Council

File Type: Authorization

Agenda Number: D.

**WARD:** Citywide

**COMMITTEE:** Administration and Finance

**\$ IMPACT:**

**Agenda Title:**

Approval of the Certification of Agreement for the Allocation and Distribution of Proceeds from the Title Ad Valorem Tax (TAVT), between the City of Smyrna and Cobb County and Authorize the Mayor to sign any related documents. The percentage for Local Governments in 2017 was 45.61%; this will increase to 51.58%. Smyrna will receive 7.45% of the amount distributed to local governments

**ISSUE:** Based on the statutory calculation, for calendar year 2018 the percentage of TAVT that will go the State will be 48.42% and the percentage that will go to the Local Governments will be 51.58%. This determination was published by the Department of Revenue in Policy Bulletin MVD-2018-01.

**BACKGROUND:** House Bill 386 was passed by the Georgia Legislature in 2012. The Bill included a new Title Ad Valorem Tax (TAVT) on motor vehicles which replaced the sales and use tax at purchase as well as the annual ad valorem tax on motor vehicles. This change became effective March 1, 2013. The Cobb County Tax Commissioner collects this tax and distributes to the City on a monthly basis. In order for the City to receive its portion, an intergovernmental agreement with Cobb County must be signed. On February 18, 2013 an intergovernmental agreement was approved by Mayor and Council to enter into an intergovernmental agreement with Cobb County for the City of Smyrna to receive a distribution of the Title Ad Valorem Tax.

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 for the specific methodology to be followed by the Department in determining the distribution percentages. Based on the statutory calculation, for calendar year 2018 the percentage of TAVT that will go the State will be 48.42% and the percentage that will go to the Local Governments will be **51.58%**. This determination was

published by the Department in Policy Bulletin MVD-2018-01.

**RECOMMENDATION/REQUESTED ACTION:** Approval for the Mayor to sign the Certification of Agreement for the Allocation and Distribution of Proceeds from the Title Ad Valorem Tax with Cobb County for the distribution of the Title Ad Valorem Tax.