

LOCAL OPTION SALES TAX FACT SHEET



WHAT IS "LOST"?

Georgia law allows local governments to collect Local Option Sales Taxes (LOST) to offset property taxes. Every 10 years, counties and cities negotiate how funds will be divided for the next decade. That process is happening now in Fulton County.

FULTON COUNTY'S POPULATION SERVED HAS INCREASED, BUT SHARE OF LOST HAS DECREASED COUNTWIDE SERVICES HAVE CONTINUED UNCHANGED



2014 - 991,847
2022 - 1,065,335
Residents Served



2014 - 14.97%
2022 - 4.98%
Share of LOST Revenue



County LOST revenue supports services like libraries, public health, and courts that are provided countywide. LOST does not support services like fire and police in unincorporated areas; those services are funded separately only by the taxpayers in that area. Fulton County's share of LOST has shrunk because state law requires a newly formed city to receive LOST funds from the County share, even though LOST was not used by Fulton County for the services provided by cities. With each new city, County revenue has reduced while its service obligation has stayed the same. For example, the 2017 creation of the City of South Fulton reduced revenue for countywide services by \$165 million. The burden of reduced revenue is borne by ALL County residents -- through potentially higher property taxes, reduced services, delayed service expansion and delayed improvements to county facilities.

FULTON COUNTY NEEDS MORE FUNDING NOW TO MEET URGENT DEMAND FOR PUBLIC HEALTH & PUBLIC SAFETY SERVICES

While demand is growing for all Fulton County services, health and public safety services are near crisis levels.



Hospital Crisis: Two hospital closures in Fulton County this year are placing additional stress on the already overwhelmed Grady Hospital, which has ongoing funding needs to meet additional demand and rising costs.

Mental Health Crisis: The Fulton County Medical Examiner reported a 20% increase in suicide deaths and a 61% increase in drug-related deaths from 2017 to 2021. Behavioral health services are a critical need.



Courts & Jail: When police officers in our 15 cities make arrests, those individuals must be booked into the Fulton County jail and processed in the County Court system. The daily Jail population is climbing, with thousands of detainees daily. The Fulton County justice system represents a \$392 million investment in 2022, totaling 38% of the General Fund budget. The Jail facility is 40 years old and near the end of its life.

TWO CENTS WORTH...



Because Fulton County's share of LOST has shrunk, LOST revenue now provides just 2% of the County General Fund, and 85% of County revenue now comes from property taxes. The County has recognized this undue burden on property tax payers and has aggressively managed expenses, allowing the county millage rate to be reduced for eight years in a row.

Conversely, the cities disproportionate share of LOST supports 33% of City general fund budgets. Additional sales taxes such as the Transportation Local Option Sales Tax, implemented with Fulton County's leadership, has resulted in \$465 million in new revenue since 2017, and an additional \$500M projected. The City of Atlanta has additional sales taxes that provide similar benefit. Thus, of the 'two cents' sales taxes designated for services provided by the county and city, Fulton County currently gets less than 5% of one penny.

AN OFFER WORTH CONSIDERING?

Fulton County and the cities are in the midst of negotiation over LOST distribution over the next decade.

THE CITIES' OFFERS: The cities have made two offers, both of which would result in REDUCED funding for Fulton County compared to the last decade.

COUNTY'S OFFERS: Fulton County has THREE offers on the table, all of which allow the Cities to MAINTAIN their current funding but allow the COUNTY share of LOST to grow over time through economic and population growth.

The County and cities will soon enter mediation. Without an agreement by December 30, LOST expires in 2023.