

## COMMUNITY IMPROVEMENT DISTRICTS IN GEORGIA

Section VII of the Constitution of the State of Georgia authorizes the Georgia General Assembly to allow local governments within the state to create special tax districts, known as Community Improvement Districts ("CIDs"). CIDs can assist local government in paying the costs of infrastructure and improvement needs, and have become an effective means of restoring and promoting business and commercial activity within commercial areas. CIDs do not replace government sponsored and funded city and county infrastructure improvement programs. Rather, they supplement local government projects by providing an alternative source of funding for facilities and improvements which may be required in densely developed areas.

### WHAT IS A COMMUNITY IMPROVEMENT DISTRICT?

A CID is a self-taxing district that uses self-imposed property taxes to improve conditions within the CID. This can include accelerating transportation projects and contributing to the development of adequate community infrastructure. CID's are comprised of private commercial properties zoned as office, industrial or retail properties. Residential and multi-family properties are not taxable within the CID. A CID is a private business organization and not a government entity.

### HOW IS A CID CREATED?

A CID is created through a local act enacted by the Georgia General Assembly and the approval by resolution of the local city or county government having jurisdiction over the proposed CID area. In addition, written consent to the creation of the CID must be obtained from a majority of the owners of commercial property within the proposed district. The majority of commercial property owners granting consent must constitute at least 75 percent of the taxable value of the commercial property located within the proposed CID.

### HOW DOES A CID WORK?

Private property owners agree to fund the CID by a self-imposed and self-regulated ad valorem real estate tax on commercial properties within the district. The tax consists of additional mills being paid by the commercial property owners. This additional tax is collected by the tax commissioner of the local government and then refunded to the CID in order to address critical infrastructure issues.

Each CID must have a designated administrative body, which may be the local government itself or a separate organization. If a separate organization is created, it must include representatives of the corresponding local jurisdictions. The administrative body is authorized to levy taxes, fees and assessments, up to a level amounting to 2.5 percent of the assessed value of the property, on all commercial property within the CID. Additionally, the administrative body

may mandate design and rehabilitation standards for buildings and other facilities upon a finding that such standards are necessary to prevent or eliminate blight, improve property values or foster economic development within the district.

A CID can be authorized to provide any one or more of the following governmental services and facilities:

- (1) Street and road construction and maintenance, including curbs, sidewalks, street lights, and devices to control the flow of traffic on streets and roads;
- (2) Parks and recreational areas and facilities;
- (3) Storm water and sewage collection and disposal systems;
- (4) Development, storage, treatment, purification and distribution of water;
- (5) Public transportation;
- (6) Terminal and dock facilities and parking facilities; and
- (7) Such other services and facilities as may be provided for by general law.

Any CID created shall terminate and cease to exist on a date specifically determined in the authorizing legislation. The termination date must be no less than five years and no more than ten years from the date of the CID's creation or renewal.

#### **MAY BONDS BE ISSUED BY THE CID?**

Bonds may be issued, and debt incurred, by the administrative body of the CID. The bonds are backed by the full faith, credit and taxing power of the CID; however, they are not considered to be an obligation of the State of Georgia or any other unit of government of the State of Georgia.