

## **ATLANTA URBAN ENTERPRISE ZONE ACT**

To provide for urban enterprise zones in the City of Atlanta; to provide a short title; to provide for findings, purposes, and intent; to provide for definitions; to provide for the creation of certain zones and for ad valorem property tax exemptions upon certain inventories and real property located therein; to provide criteria for the creation of zones; to provide for ad valorem property tax exemptions for taxation for city and county purposes; to provide for what property may be exempt and the conditions thereof; to provide for amount and expiration of exemptions; to provide for abolition and decrease in size of zones; to limit the creation of additional zones and additional exemptions; to provide when zones and exemptions become effective; to provide for determination of eligibility for exemptions and for appeals thereof; to provide for tax digests and annual reports; to provide for all matters relative to the foregoing; to provide for effect on certain prior laws, ordinances, resolutions, or actions; to provide for the specific repeal of certain local Acts; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**Section 1.** This Act shall be known and may be cited as the “Atlanta Urban Enterprise Zone Act.”

**Section 2.** It is found and declared that economically and socially depressed areas exist within the City of Atlanta and that these areas contribute to or cause unemployment, create an inordinate demand for public services, and in general, have a deleterious effect on the public health, safety, welfare, and morals. It is further found that these areas are commonly characterized by no investment or underinvestment by private enterprise in ventures which produce housing units, jobs, trade, provision of services, and other economic activities which individually and together contribute to a healthy society. This lack of private investment, economic activity, and housing activity contributes materially to social and economic depression in such areas. Therefore, it is in the public interest that incentives be provided to private enterprise to invest in such areas by developing housing units, creating jobs and trade, providing services, and by other economic activities. It is the purpose of this Act, therefore, to grant special powers of tax abatement to the City of Atlanta to provide such incentives. It is the intention of the General Assembly that this Act be liberally construed to carry out such purpose.

**Section 3.** As used in this Act, the term:

- (1) “Ad valorem property taxes” means all ad valorem taxes levied by the city or county for city or county purposes, respectively, except those ad valorem property taxes levied to pay bonded indebtedness.
- (2) “Board of commissioners” means the board of commissioner of Fulton County.
- (3) “City” means the City of Atlanta.
- (4) “City council” means the council which is the legislative body of the City of Atlanta

- (5) "City purposes" means purposes of the city including, but not limited to, school and educational purposes.
- (6) Commercial purposes' means property used for neighborhood shopping, planned shopping center, general commercial, transient lodging facilities, tourist services, office or institutional, office services, central business district, or other commercial or business use.
- (7) 'Conversion' means the creation of new dwelling units from property previously nonresidential.
- (8) 'County' means Fulton County.
- (9) 'County purposes' means purposes of the county but including neither school nor educational purposes.
- (10) 'Finished goods' means goods, wares, and merchandise of every character and kind, but shall not include unrecovered, unextracted, or unserved natural resources or raw materials or goods in the process of manufacture or production, or the stock-in-trade of a retailer.
- (11) 'Historic multifamily structure' means a structure which has historically been used principally for multifamily residential purposes or a structure which qualifies as a historic structure and will be converted to multifamily residential purposes pursuant to a plan approved by the city council.
- (12) "Industrial purposes' means any industrial use permitted by the City of Atlanta zoning ordinance.
- (13) 'Inventories' means property described in subsection (a) of Section 7 which may be exempt from ad valorem property taxes.
- (14) 'MARTA station' means Metropolitan Atlanta Rapid Transit Authority station.
- (15) Mixed-used commercial and industrial purposes' means property used for both commercial and industrial purposes.
- (16) 'Mixed-use residential and commercial purposes' means property used for both residential and commercial purposes.
- (17) 'Raw materials' means any material, whether crude or processed, that can be converted by manufacture, processing, or combination into a new and useful product but shall not include unrecovered, unextracted, or unsevered natural resources.
- (18) 'Real property' means land and improvements thereon.
- (19) 'Residential purposes' means improvements to property undertaken to provide single-family or multifamily dwelling units for rent or sale; such purposes to include new construction, conversion, or rehabilitation.
- (20) 'Single-room occupancy residence' means a building containing 50 or more dwelling units, all of which are available for rental occupancy for periods of seven days or longer, in which said dwelling units accessed through a common primary entrance; which contains lounges, living rooms, and other congregate living space of not less than five square feet per dwelling unit; and in which on-site management is provided on a 24 hour basis. For the purposes of this Act, single-room occupancy residences shall be classified as residential uses. As used in this Act, the term 'single-room occupancy residence' refers specifically to the

Welcome House single-room occupancy residence located on the corner of Memorial Drive and Pryor Street in the City of Atlanta.

- (21) 'Taxable property' means real or personal property subject to ad valorem property taxes.
- (22) 'Taxable value' means the net taxable assessed value of property as shown on the tax digest of Fulton County as adjusted and equalized by the state revenue commissioner pursuant to Code Section 48-5-271 of the O.C.G.A., requiring the examination of tax digests for determining uniformity of valuation.
- (23) 'Urban Redevelopment Area (URA)' means an area as defined by and consistent with Chapter 44 of Title 36 of the O.C.G.A., the 'Redevelopment Powers Law.' (Section 3 paragraph (6)-(23) Last Amended 4/13/94 H.B. No.1847)

#### **Section 4.**

(a) As provided in this Act, the city council by ordinance may create urban enterprise zones within the corporate limits of the city, within which zones:

- (1) Inventories of certain goods may be exempted from ad valorem taxation for city and county purposes for the taxable value of those inventories;
- (2) Taxable real property may be exempted from ad valorem taxation for city and county purposes for the taxable value of that real property; or
- (3) Property may be exempted under subsections (a) and (b) of this section.

(b) The ordinance creating a zone or exempting additional property from taxation within an existing zone shall specify whether inventories, real property, or both are to be exempted from ad valorem taxation under this Act and shall further specify the types of inventories to be exempt under subsection (a) of Section 7.

(c) Urban enterprise zones may be created for commercial, industrial, residential, mixed-use commercial and industrial, or mixed-use residential and commercial purposes. If the zone is for residential purposes, only real property or improvements thereon may be exempted, as provided in paragraph (2) of subsection (a) of this section and subsection (b) of Section 8. (Section 4(c) Last Amended 4/13/94 H.B. No.1847)

#### **Section 5**

(a) Two types of geographic methods may be used for determining whether a nominated property or area is eligible for urban enterprise zone designation within the Atlanta City Limits: 1) the 'automatic eligibility method'; and 2) the 'site-specific eligibility method.' The 'automatic eligibility method' shall consist of first verifying that a nominated property or area is not located within an approved tax allocation district, then identifying the geographic boundaries of said nominated property or area as being located within one of the six commercial corridors that are listed below, which were identified as being 'EDP Priority Areas' by the City of Atlanta's adopted 'New Century Economic Development Plan—Version Zero.Five (0.5)' (August 2004), and whose geographic boundaries are

delineated by the attached map comprising Exhibit 'A,' which was prepared by the City of Atlanta Bureau of Planning in December 2004. Any subsequent modifications to the map representing the geographic boundaries of these EDP Priority Areas, any name changes, or any subsequent creation of separate maps delineating the boundaries of each individual EDP Priority Area, shall, for legal and operational purposes, replace or be used in addition to the attached map, and shall not require an amendment to this Act. However, any deletions of entire EDP Priority Areas, or additions of new ones, shall, in fact, require an amendment to this Act. To eliminate possible complications in calculating tax abatements that a property owner of an approved enterprise zone may be entitled to, under the automatic eligibility method, a nominated property or area must be completely, rather than partially, located within the boundaries of one of the six identified EDP Priority Areas.

'EDP Priority Areas' Which Shall Be Automatically Eligible For Urban Enterprise Zone Designation:

1. Donald Lee Hollowell Parkway.
2. Simpson Road.
3. Campbellton Road.
4. Memorial Drive.
5. Jonesboro Road.
6. 'Stadium Neighborhoods' (consisting of several neighborhoods south of Downtown Atlanta).

(b) The 'site-specific eligibility method' shall require a nominated property or site to meet at least three of five possible locational criteria that are specified in subsections (c), (d), (e), (f), and (g) of this section. In determining whether an area suffers from poverty or unemployment, the governing body shall use data from the most current United States decennial census and from other information published by the Federal Bureau of the Census, the Federal Bureau of Labor Statistics, and the Georgia Department of Labor. In determining whether an area suffers from general distress or underdevelopment, the governing body shall use the data that are specified in subsection (f) of this Code section. The data shall be comparable in point or period of time, as well as the methodology that is utilized.

(c) The first locational criterion to be met under the site-specific eligibility method shall be 'pervasive poverty.' Pervasive poverty shall be evidenced by showing that poverty is widespread throughout the nominated area and shall be established by using the following criteria:

- (1) The poverty rate shall be determined from the data on poverty contained in Census of Population and Housing, 2000: on CD-ROM (Georgia), prepared by the U.S. Bureau of Census;
- (2) For each census geographic block group within the nominated area, the ratio of income to poverty level for at least 20 percent of the residents shall be less than 1.0;
- (3) In at least 50 percent of the census geographic block groups within the nominated area, the ratio of income to poverty level for at least 30 percent of the residents shall be less than 1.0;

(4) Census geographic block groups with no population shall be treated as having a poverty rate which meets the standards of paragraph (2) of this subsection but shall be treated as having a zero poverty rate for the purpose of applying paragraph (3) of this subsection; and

(5) All parcels of a nominated area must abut and may not contain a noncontiguous parcel, unless such nonabutting parcel qualifies separately under the criteria set forth under paragraphs (2) and (3) of this subsection.

(d) The second locational criterion to be met under the site-specific eligibility method shall be 'unemployment.' Unemployment shall be evidenced by the use of data published by the Office of Labor Information Systems of the Georgia Department of Labor indicating that the average rate of unemployment for the nominated area for the preceding calendar year is at least year 10 percent higher than the average rate of unemployment for this state or by evidence of adverse economic conditions brought about by significant job dislocation within the nominated area such as the closing of a manufacturing plant or federal facility.

(e) The third locational criterion to be met under the site-specific eligibility method shall be 'general distress.' General distress shall be evidenced by adverse conditions within the nominated area other than those of pervasive poverty and unemployment. Examples of such adverse conditions include, but are not limited to, a high incidence of crime, abandoned or dilapidated structures, deteriorated infrastructure, and substantial population decline.

(f) The fourth locational criterion to be met under the site-specific eligibility method shall be 'underdevelopment.' Underdevelopment shall be evidenced by data indicating development activities, or the lack thereof, through land disturbance permits, business license fees, building permits, development fees, or other similar data indicating that the level of development in the nominated area is at least 20 percent lower than development activity within the local governing body's jurisdiction.

(g) The fifth locational criterion to be met under the site-specific eligibility method shall be 'general blight.' General blight shall be evidenced by data indicating that a nominated property or area is located within the boundaries of an identified urban redevelopment area, for which an urban redevelopment plan has been officially adopted by the affected governing body.

(h) The fact that a nominated property or area has been determined to meet the tests of urban enterprise zone eligibility by either of the two methods that are described above does not, in itself, grant or convey urban enterprise zone designation upon said nominated property or area. Rather, an ordinance to award urban enterprise zone designation to a nominated property or area must be officially introduced and adopted by the Atlanta City Council after an applicant has formally applied for urban enterprise zone designation through the Bureau of Planning.

(i) An existing commercial, industrial, residential, mixed-use commercial and industrial,

or mixed-use residential and commercial purposes zone may be amended to add additional land to the zone, provided that:

- (1) The area to be added complies with the requirements of subsection (a) of this section; and
- (2) Notwithstanding the date of expansion of the existing zone, the schedule of abatements for the area added to the existing zone shall coincide with the schedule of abatements for the existing zone.

(j) The city shall, on at least a quarterly basis, provide a report to the members of the General Assembly whose districts are wholly or partially located within the City of Atlanta. The report shall contain information concerning the status of any areas designated as enterprise zones pursuant to this section.

(Section 5 Last Amended 5/30/06 S.B. No.334)

#### **Section 6.**

(a) Notice of a public hearing and intent to create an enterprise zone shall be published twice by the city in a newspaper of general circulation at least 14 days prior to the date of the public hearing. All property owners within the proposed zone shall be notified in writing by the city.

(b) After the public hearing, the city council may exempt the taxable value of property within a zone only from ad valorem taxation for city purposes. The board of commissioners, by appropriate resolution, may exempt from ad valorem taxation for county purposes under this Act the taxable value of only that same property exempted from ad valorem taxation for city purposes.

(c) A copy of the ordinance creating, abolishing, or decreasing in size a zone for industrial or mixed-use commercial and industrial purposes or creating exemptions in any zone shall be transmitted to the tax commissioner of Fulton County, tax assessors of Fulton County, and the Department of Community Affairs of the State of Georgia within 30 days after its passage. (Section 6 Last Amended 4/13/94 H.B. No.1847)

#### **Section 7.**

(a) Exemptions from ad valorem taxation of inventories within a zone created for industrial or mixed-used commercial and industrial purposes under this Act may be granted for all or any combination of the following types of property: (Section 7(a) Last Amended 4/13/94 H.B. No.1847)

- (1) Inventory of goods in the process of manufacture or production which shall include all partly finished goods and raw materials held for direct use or consumption in the ordinary course of the taxpayer's manufacturing or production business in this state. The exemption provided for in this paragraph shall apply only to tangible personal property which is substantially modified,

altered, or changed in the ordinary course of the taxpayer's manufacturing, processing, or production operations in this state;

- (2) Inventory of finished goods manufactured or produced within this state in the ordinary course of the taxpayer's manufacturing or production business when held by the original manufacturer or producer of such finished foods. The exemption provided for in this paragraph shall be for a period not exceeding 12 months from the date such property is produced or manufactured; and
- (3) Inventory of finished goods which on the first day of January are stored in a warehouse, dock, or wharf, whether public or private, and which are destined for shipment to a final destination outside this state and stored for transshipment to a final destination outside this state. The exemption provided for in this paragraph shall be for a period not exceeding 12 months from the date such property is stored in this state. All property that is claimed to be exempt under the provisions of this paragraph shall be designated as being "in transit" upon the official books and records of the warehouse, dock, or wharf, whether public or private, where such property is being stored. Such official books and records shall contain a full, true, and accurate inventory of all such property, including the date of the receipt of the property, the date of the withdrawal of the property, the point of origin of the property, and the point of final destination of the same, if known. The official books and records of any such warehouse, dock or wharf, whether public or private, pertaining to any such "in transit" property, shall be at all times open to the inspection of the Joint City/County Board of Tax Assessors of Fulton County.

(b) Exemptions from ad valorem taxation of real property within a zone under this Act may be granted for the taxable value of:

- (1) The land itself only if the taxable value of all improvements made thereon, in any year during which the area in which the land is located has an enterprise zone designation, equals or exceeds three times the taxable value of the land on the effective date of the creation of the zone; and
- (2) Only those improvements made in any year during which an area has an enterprise zone designation. (Section 7 (b) Last amended date 4/20/98 H.B. No. 1629)

#### **Section 8.**

(a) For zones created for industrial or mixed-use commercial and industrial purposes:

- (1) Real property in a zone which is exempt from ad valorem taxation under this Act shall be exempt for 100 percent of its taxable value for the first five years, beginning in any year during which the area in which the property is located has an enterprise zone designation, 80 percent of its taxable value in the sixth

and seventh years, 60 percent of its taxable value in the eighth year; 40 percent of its taxable value in the ninth year, and 20 percent of its taxable value in the tenth year;

- (2) Real property in a zone which is exempt from ad valorem taxation under this Act as a result of rehabilitation shall be limited to the value of improvements added to the existing structure, beginning in any year during which the area in which the property is located has an enterprise zone designation, and the value of the land in accordance with paragraph (1) of subsection (b) of Section 7 of this Act. At such time as the value of the improvements added exceed the value of the land, as of the date of the creation of the zone, by a factor of three or more, then the full value of both the improvements added and the land shall be eligible for the exemption granted under this Act. Said real property in such zone shall be exempt in accordance with the following schedule: 100 percent of its taxable value for the first five years, beginning in any year during which the area in which the property is located has an enterprise zone designation, 80 percent of its taxable value in the sixth and seventh years, 60 percent of its taxable value in the eighth year, 40 percent of its taxable value in the ninth year, 20 percent of its taxable value in the tenth year;
- (3) Inventories in a zone which are exempt from ad valorem taxation under this Act shall be exempt for 100 percent of their taxable value for ten years beginning in any year during which the area in which the inventories are located has an enterprise zone designation;
- (4) A zone shall exist for ten years after the effective date of its creation;
- (5) Except as provided in paragraph (4) of this subsection, a zone may only be abolished or decreased in size by an appropriate ordinance of the city council approved by a majority of the registered voters of the city voting in a special election which shall be required to be called for such purpose. No such special election to approve the abolition or decrease in size of a zone may be called within five years from any year during which an area first has an enterprise zone designation; and
- (6) The amount of the exemption for property in a zone may not be changed and the type of property subject to an exemption in a zone may not be decreased by the city council or board of commissioners after the passage of the respective city ordinance or county resolution creating that exemption under this Act, unless the zone and all exemption on property therein are abolished as provided in this subsection. (Section 8 (a) Last Amended 4/20/98 H.B. No.1629)

(b) For zones created for commercial purposes:

- (1) Real property in a zone which is exempt from ad valorem taxation under this Act shall be exempt for 100 percent of its taxable value for the first five years,



beginning in any year during which the area in which the property is located has an enterprise zone designation, 80 percent of its taxable value of the next two years, 60 percent of its taxable value for the next year, 40 percent of its taxable value for the next year and 20 percent of its taxable value for the last year;

(2) Real property in a zone which is exempt from ad valorem taxation under this Act as a result of rehabilitation shall be limited to the value of improvements added to the existing structure, beginning in any year during which the area in which the property is located has an enterprise zone designation, and the value of the land in accordance with paragraph (1) of subsection (b) of Section 7 of this Act. At such time as the value of the improvements added exceed the value of the land as of the date of the creation of the zone, by a factor of three or more, then the full value of both the improvements added and the land shall be eligible for the exemption granted under this Act. Said real property in such zone shall be exempt in accordance with the following schedule: 100 percent of its taxable value for the first five years, beginning in any year during which the area in which the property is located has an enterprise zone designation, 80 percent of its taxable value for the next two years, 60 percent of its taxable value for the next year, 40 percent of its taxable value for the next year, and 20 percent of its taxable value for the last year; (Section 8 (b) (1) and (2) Last Amended 4/20/98 H.B. No.1629)

(3) (A) Except as provided in subparagraph (B) of this paragraph, a commercial zone shall exist for ten years after the effective date of its creation.

(B) This subparagraph shall apply to any commercial enterprise zone which is located within an area designated by the federal government as an 'empowerment zone', where the effective date of the creation of that enterprise zone was January 1, 1996 and where the City of Atlanta issued no certificate of occupancy for any commercial space in the zone before January 1, 1999. For a commercial enterprise zone which meets these criteria, the effective date for tax abatement in such zone shall be January 1 of the year immediately following the year when a building permit for commercial development, construction, rehabilitation, or any combination thereof, is first obtained in said zone.. The period of tax abatement shall begin on that effective date for tax abatement and shall remain in existence for ten years thereafter. The schedule of reduction in the exemptions provided for by paragraph (1) of this subsection shall begin on that effective date for tax abatement. In no event shall property be granted the exemption provided under this subparagraph for more than ten years. In no event shall funds already paid in taxes be retroactively reimbursed as a result of this provision. Further, in no event shall this provision provide for an effective date of tax abatement which chronologically precedes an effective date already established in law. (Section 8(b)(3) Last amended date 4/9/99 H.B.478)

(4) A zone for commercial purposes shall not be abolished or reduced in size nor shall the amounts of exemptions for ad valorem taxation be altered by action of the city council or board of commissioners after adoption of a resolution or

ordinance creating the zone. (Section 8 (b) (4) Last Amended 4/20/98 H.B. No.1629)

(c) For zones created for residential purposes:

(1) (A) Real property in a zone which is exempt from ad valorem taxation under this Act as a result of new construction or conversion shall be exempt for 100 percent of its taxable value for the first five years, beginning in any year during which the area in which the property is located has an enterprise zone designation, 80 percent of its taxable value for the next two years, 60 percent of its taxable value for the next year, to percent of its taxable value for the next year, 40 percent of its taxable value for the next year, and 20 percent of its taxable value for the last year.

(B) Real property in a zone which is exempt from ad valorem taxation under this Act as a result of rehabilitation shall be limited to the value of improvements added to the existing structure, beginning in any year during which the area in which the property is located has an enterprise zone designation, and the value of the land in accordance with paragraph (3) of this subsection. At such time as the value of the improvements added exceed the value of the land, as of the date of the creation of the zone, by a factor of eight or more, then the full value of the improvements added shall be eligible for the exemption granted under this Act. Said real property in such zone shall be exempt in accordance with the following schedule: 100 percent of its taxable value for the first five years, beginning in any year during which the area in which the property is located has an enterprise zone designation, 80 percent of its taxable value for the next two years, 60 percent of its taxable value for the next year, 40 percent of its taxable value for the next year, and 20 percent of its taxable value for the last year; (Section 8 (c)(1) Last Amended 4/20/98 H.B. No.1629)

(2) (A) Except as provided in subparagraphs (B), (C), and (D) of this paragraph, a residential zone shall exist for ten years after the effective date of its creation. (Section 8 (c)(2)(A) Last amended date 4/16/99 H.B. No. 477)

(B) If a zone is located in an area designated as an urban redevelopment area before January, 1, 1994 and the effective date of the creation of the zone was on or after January, 1, 1992, but before January 1, 1994, and no more than five qualifying housing units were completed in that zone before January, 1 1996, such zone shall exist for 14 years after the effective date of its creation. At the end of such 14 year period, the zone and all exemption established therein pursuant to this Act shall be abolished. The exemption under this Act for such qualifying housing construction in such zone which has been completed before January 1, 1996, shall expire ten years after the effective date of the creation of such zone in which is located such completed construction. The schedule of reduction in the exemptions provided for by paragraph (1) of this subsection shall begin on the

effective date of the creation of the zone for qualifying housing construction completed before January 1, 1996, and that schedule shall begin on January 1, 1996, for qualifying housing construction completed on or after January 1, 1996. In no event shall property be granted the exemption provided under this subparagraph for more than ten years; (Section 8(c)(2)(B) Last Amended 4/20/98 H.B. No.1629)

(C) This subparagraph shall apply to any residential enterprise zone which is located within an area designated by the federal government as an 'empowerment zone' where the effective date of the creation of that enterprise zone was January 1, 1996 and where the City of Atlanta issued no certificate of occupancy for any residential space in that zone before January 1, 1999. For a residential enterprise zone which meets these criteria, the effective date for tax abatement in such zone shall be January 1 of the immediately following the year when a building permit for residential development, construction, rehabilitation, or any combination thereof, is first obtained in said zone. The period of tax abatement shall begin on that effective date for tax abatement and shall remain in existence for ten years thereafter. The schedule of reduction in the exemptions provided for by paragraph (1) of this subsection shall begin on that effective date for tax abatement. In no event shall property be granted the exemption provided under this subparagraph for more than ten years. In no event shall funds already paid in taxes be retroactively reimbursed as a result of this provision. Further, in no event shall this provision provide for an effective date of tax abatement which chronologically precedes an effective date already established in law. (Section 8(c)(2)(C) added Last amended date 4/9/99 H.B. No. 484)

(D) This subparagraph shall apply to any residential enterprise zone which is located within an area designated by the federal government as an 'empowerment zone,' where the effective date of the creation of that enterprise zone was January 1, 1998, and where the City of Atlanta issued no certificate of occupancy for any residential space in that zone before January 1, 1999. For a residential enterprise zone which meets these criteria, the effective date for tax abatement in such zone shall be January 1 of the year immediately following the year when a building permit for residential development, construction, rehabilitation, or any combination thereof, is first obtained in said zone. The period of tax abatement shall begin on that effective date for tax abatement and shall remain in existence for ten years thereafter. The schedule of reduction in the exemptions provided for by paragraph (1) of this subsection shall begin on that effective date for tax abatement. In no event shall property be granted the exemption provided under this subparagraph for more than ten years. In no event shall funds already paid in taxes be retroactively reimbursed as a result of this provision. Further, in no event shall this provision provide for an effective date of tax abatement which chronologically precedes an effective date already established by law. (Section 8(c)(2)(D) added Last amended date 4/16/99, H.B. No. 477)

(3) (A) Any tax exemptions granted under this Act shall be restricted to residential purpose improvements made in any year during which an area has an enterprise zone designation. If the value of the improvements exceed the value of the land, as of the date of the creation of the zone, by a factor of eight or more, then the full value of the real property shall be eligible for the exemption granted under this Act. In cases where local zoning allows for mixed use development on property included in a zone for residential purposes, the creation of the zone for residential purposes is not intended to discourage or prohibit development of other locally permissible or permitted uses. However, nonresidential uses of property shall not be exempted from ad valorem taxation where found to exist or as may be developed in any zone for residential purposes created pursuant to this Act.

(B) The only exception to the rule provided for in subparagraph (A) of this paragraph shall be any urban redevelopment area in which housing construction was initiated and completed prior to zone creation. Any urban redevelopment area (URA) officially adopted by the city council as of January 1, 1980, in which housing units were built during the years 1980 through 1986 shall be eligible for consideration as urban enterprise zones, provided that the requirements of subsection (b) of Section 5 and subsection (b) of Section 8 have been met. Such action is deemed consistent with the legislative intent of this Act. The designation of appropriate zones, exemption period, and schedule shall be determined by the city council, provided that the exemption period and schedule do not exceed ten years as provided herein and are not less than five years;

(4) A zone for residential purposes shall not be abolished or reduced in size nor shall the amounts of exemptions from ad valorem taxation be altered by action of the city council or board of commissioners after adoption of a resolution or ordinance creating the zone; and

(5) Notwithstanding paragraph (3) of this subsection, subsequent to the creation of a zone, should the use of property therein be converted to a use other than completely for residential purposes, any exemption from ad valorem taxation under this Act shall cease as of the date the use of the property was converted. (Section 8 (c)(3) and (4), (5) Last Amended 4/20/98 H.B. No.1629)

(d) For zones crated for mixed-use commercial and residential purposes:

(1)(A) Real property in a zone which is exempt from ad valorem taxation under this Act as a result of new construction or conversion shall be exempt for 100 percent of its taxable value for the first five years, beginning in any year during which the area in which the property is located has an enterprise zone designation, 80 percent of its taxable value for the next two years, 60 percent of its taxable value for the next year, 40 percent of its taxable value for the next year, and 20 percent of its taxable value for the last year.

(B) Real property in a zone which is exempt from ad valorem taxation under this Act as a result of rehabilitation shall be limited to the value of improvements added

to the existing structure in any year during which an area has an enterprise zone designation and the value of the land in accordance with paragraph (3) of this subsection. At such time as the value of the improvements added exceed the value of the land, as of the date of creation of the zone, by a factor of eight or more then the full value of the improvements added exceed the value of the land, as of the date of the creation of the zone, by factor of eight or more, then the full value of the improvements added shall be eligible for the exemption granted under this Act. Said real property in such zone shall be exempt in accordance with the following schedule: 100 percent of its taxable value for the first five years, beginning in any year during which the area in which the property is located has enterprise zone designation, 80 percent of its taxable value for the next two years, 60 percent of its taxable value for the next year, 40 percent of its taxable value for the next year, and 20 percent of its taxable value for the last year.

(C) Exemptions from ad valorem taxation of real property within a zone under this Act may not be granted for the taxable value improvements which are used for the primary purpose of the processing or handling of hazardous or medical waste not generated on the site where the improvement is located; (Section 8 (d) (1) and Last Amended 4/20/98 H.B. No.1629)

(2)(A) Except as provided in subparagraph (B) of this paragraph, a zone shall exist for ten years after the effective date of its creation.

(B) If a zone is located within an area designated by the federal government as an 'empowerment zone,' and the effective date of the creation of the zone was January 1, 1996, and the City of Atlanta issued no certificate of occupancy for any residential or commercial space in that zone before January 1, 1998, then such zone shall exist for 12 years after the effective date of its creation. At the end of such 12 year period, the zone shall be abolished. The schedule of reduction in the exemptions provided for by paragraph (1) of this subsection shall begin on January 1, 1998. In no event may property be granted the exemption provided under this subparagraph for more than ten years. (Section 8(d)(2) Last amended 4/23/98 H.B. No.1630)

(3) Any tax exemptions granted under this Act shall be restricted to residential or commercial purpose improvements made in any year during which an area has an enterprise zone designation. If the value of the improvements exceeds the value of the land, as of the date of the creation of the zone, by a factor of eight or more, then the full value of the real property shall be eligible for the exemption granted under this Act;

(4) A zone for mixed-use commercial and residential purposes shall not be abolished or reduced in size nor shall the amounts of exemptions from ad valorem taxation be altered by action of the city council or board of commissioners after adoption of a resolution or ordinance creating the zone. (Section 8(d)(3) and (4) Last Amended 4/20/98 H.B. No.1629)

## **Section 9.**

(a) A zone in which inventories are to be exempted from ad valorem taxation under this Act may not be created nor may additional classes of inventories within an existing zone be exempted when the taxable value of the inventories to be exempt within the proposed or existing zone, respectively, plus the taxable value of inventories already exempt, under this Act, from taxation within all existing zones exceeds 10 percent of the current taxable value of all inventories within the city.

(b) A zone in which real property is to be exempted from ad valorem taxation under this Act may not be created nor may real property within an existing zone be first granted an exemption when the taxable value of real property to be exempt within the proposed or existing zone, respectively, plus the taxable value of real property already exempt under this Act from taxation within all existing zones exceeds 10 percent of the total taxable value of all real property located within the city.

(c) For purposes of this section, taxable value shall be taxable value for purposes and shall be determined without regard to any exemption authorized by this Act.

**Section 10.**

(a) The City of Atlanta shall establish the effective date for the creation of a zone as January 1 of the year that the development is proposed to begin in the zone but after adoption by the city council of an ordinance creating the zone, unless otherwise provided in this Act. Section 10 (a) Last Amended 4/16/99 H.B. No. 477).

(b) Exemptions from ad valorem taxes for city or county purposes upon inventory or real property in a zone may become effective in any year during which an area has an enterprise zone designation immediately following the adoption of the appropriate ordinance by the city council. Such exemptions may continue even if the area's enterprise zone designation has terminated, subject to the other limitations of this Act, but in no event shall such property be exempt for more than ten years. (Section 10 (b) Last Amended 4/20/98 H.B. No.1629)

(c) No exemption from ad valorem taxation upon inventory may be granted unless application by the owner thereof is filed with the tax assessors of Fulton County on or before the tax return date of the year for which the exemption is sought. The application shall contain such information as the tax assessors may require, including, but not limited to, the value of all such inventory for which the exemption is sought. The tax assessors shall determine the value of any exemption granted under this section. (Section 10 (c) Last Amended 4/13/94 H.B. No.1847)

**Section 11** The tax commissioner of Fulton County shall identify upon the tax digest of the city, including without limitation the copy of that digest submitted to the state revenue commissioner pursuant to Code Section 48-5-302 of the O.C.G.A., that property exempted from taxation under this Act and the amount of that exemption.

**Section 12** The clerk of council shall annually submit a report to the board of commissioners, the Department of Community Affairs of the State of Georgia, and the local legislative delegations of the city and county. The report shall include:

- (1) The location, boundary, and size of all zones created in the immediately preceding calendar year and created since the effective date of this Act;
- (2) The current value of tax exemptions under this Act which became effective in the immediately preceding calendar year and since the effective date of this Act;
- (3) The current market value of all improvements and inventories in each zone as compared to that value upon the effective date of the creation of that zone;
- (4) For zones created for commercial, industrial, mixed-use commercial and industrial, and mixed-use commercial and residential purposes, the current number of jobs and types of jobs in each zone as compared to the number and types of jobs upon the effective date of the creation of that zone; and
- (5) For zones created for residential and mixed-use commercial and residential purposes, the current number of housing units and types of housing units in each zone as compared to the number and types of housing units upon the effective date of the creation of that zone. (Section 12 Last Amended 4/13/94 H.B. No.1847)

**Section 13.** The city council may authorize the promulgation of rules and regulations to carry out the purposes and intent of this Act.

**Section 14.** Any and all laws, ordinances, and resolutions approved, or any other actions taken by the City of Atlanta pursuant to the Acts enumerated in Section 15, shall not be invalidated by the repeal of said Acts.

**Section 15.** An Act providing for urban enterprise zones in the City of Atlanta, approved March 16, 1983 (Ga. L. 1983, p. 4097), as amended, is repealed in its entirety.

**Section 16.** All law and parts of laws in conflict with this Act are repealed.

**Section 16** All laws and parts of laws in conflict with this Act are repealed.