

STATE OF GEORGIA  
GWINNETT COUNTY

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

THIS INTERGOVERNMENTAL AGREEMENT, made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between the **GWINNETT COUNTY TAX COMMISSIONER (the "Tax Commissioner")**, **GWINNETT COUNTY, GEORGIA**, a political subdivision of the State of Georgia, (the "County"), and the **CITY OF AUBURN**, the **CITY OF BERKELEY LAKE**, the **TOWN OF BRASELTON**, the **CITY OF BUFORD**, the **CITY OF DACULA**, the **CITY OF DULUTH**, the **CITY OF GRAYSON**, the **CITY OF LAWRENCEVILLE**, the **CITY OF LILBURN**, the **CITY OF LOGANVILLE**, the **CITY OF NORCROSS**, the **CITY OF PEACHTREE CORNERS**, the **CITY OF REST HAVEN**, the **CITY OF SNELLVILLE**, the **CITY OF SUGAR HILL**, and the **CITY OF SUWANEE**, municipal corporations of the State of Georgia, (the "Participating Municipalities," individually and collectively) and the **GWINNETT COUNTY BOARD OF EDUCATION** and the **BUFORD CITY SCHOOL DISTRICT** (the "Participating School Districts").

**WITNESSETH:**

**WHEREAS**, Article IX, Section III, Paragraph I(a) of the Constitution of Georgia (the "Intergovernmental Contracts Clause") authorizes the County, Tax Commissioner, the Participating Municipalities and the Participating School Districts to contract, for a period not exceeding 50 years; and

**WHEREAS**, the Tax Commissioner is required pursuant to O.C.G.A. § 48-5C-1 *et seq.*, (the “Act”) to levy and collect a Title Ad Valorem Tax Fee (“Title Ad Valorem Tax”) when a vehicle sale would have constituted a taxable event for purposes of O.C.G.A. § 48-5C-1 *et seq.*; and

**WHEREAS**, pursuant to the Act, the Tax Commissioner, the County, the Participating Municipalities, and the Participating School Districts have conferred to determine the language of this Intergovernmental Agreement; and

**WHEREAS**, the Tax Commissioner, the County, the Participating Municipalities, and the Participating School Districts within the County shall execute this Intergovernmental Agreement which provides for the distribution of proceeds in accordance with O.C.G.A. § 48-5C-1 *et seq.*

**NOW, THEREFORE**, in consideration of the mutual promises and undertakings made in this Agreement, the benefits flowing to the parties hereto and to the citizens of each under this Agreement, and for good and valuable consideration, the Tax Commissioner, the County, the Participating Municipalities, and the Participating School Districts consent and agree as follows:

## **SECTION 1**

### **REPRESENTATIONS & MUTUAL COVENANTS**

(A) The Tax Commissioner makes the following representations and warranties which may be specifically relied upon by all parties as a basis for entering into this Agreement:

(i) The Tax Commissioner is a Constitutional Officer duly created pursuant to the Constitution of the State of Georgia;

(ii) The Tax Commissioner is duly authorized to execute, deliver, and perform this Agreement; and

(iii) This Agreement is a valid, binding, and enforceable obligation of the Tax Commissioner.

(B) The County makes the following representations and warranties which may be specifically relied upon by all parties as a basis for entering into this Agreement:

(i) The County is a political subdivision duly created and organized under the Constitution of State of Georgia;

(ii) The governing authority of the County is duly authorized to execute, deliver, and perform this Agreement; and

(iii) This Agreement is a valid, binding, and enforceable obligation of the County.

(C) Each Participating Municipality makes the following representations and warranties which may be specifically relied upon by all parties as a basis for entering into this Agreement:

(i) Each Participating Municipality is a municipal corporation duly created and organized under the Laws of the State of Georgia;

(ii) The governing authority of each Participating Municipality is duly authorized to execute, deliver, and perform this Agreement;

(iii) This Agreement is a valid, binding, and enforceable obligation of each Participating Municipality; and

(iv) Each Participating Municipality is located wholly or partially within the geographic boundaries of the County.

(D) Each Participating School District makes the following representations and warranties which may be specifically relied upon by all parties as a basis for entering into this Agreement:

(i) Each Participating School District is duly created and organized under the Laws of the State of Georgia;

(ii) The governing authority of each Participating School District is duly authorized to execute, deliver, and perform this Agreement;

(iii) This Agreement is a valid, binding, and enforceable obligation of each Participating School District; and

(iv) Each Participating School District is located wholly or partially within the geographic boundaries of the County.

(E) It is the intention of the Tax Commissioner, the County, each Participating Municipality, and each Participating School District to comply in all respects with the provisions of the Title Ad Valorem Tax Act, and all provisions of this Agreement shall be construed in light of the provisions of the Title Ad Valorem Tax Act.

(F) The Tax Commissioner, the County, each Participating Municipality, and each Participating School District agree to maintain thorough and accurate records concerning the receipt of proceeds under this Agreement.

## **SECTION 2**

### **CONDITIONS PRECEDENT**

(A) The obligations of the Tax Commissioner, the County, each Participating Municipality, and each Participating School District pursuant to this Agreement are conditioned upon the collection of the Title Ad Valorem Tax revenues by the

Tax Commissioner and the transfer of those revenues pursuant to the terms set forth in O.C.G.A. § 48-5C-1 *et seq.*

### **SECTION 3**

#### **ADMINISTRATION AND COLLECTION COSTS**

In accordance with O.C.G.A. § 48-5C-1 *et seq.*, the proceeds of the Ad Valorem Title Tax shall be allocated and distributed by the Tax Commissioner pursuant to the terms of this Agreement.

### **SECTION 4**

#### **ALLOCATION AND DISTRIBUTION OF REMAINDER PROCEEDS**

(A) The County, each Participating Municipality, and each Participating School District agree that the provisions of O.C.G.A. § 48-5C-1 *et seq.* govern the collection and distribution of Ad Valorem Taxation of Motor Vehicles. The relevant provisions at the time of the execution of this Agreement, and effective as of July 1, 2019, are set forth below:

(c)(1) The amount of proceeds collected by tag agents each month as state and local title ad valorem tax fees, state salvage title ad valorem tax fees, administrative fees, penalties, and interest pursuant to subsection (b) of this Code section shall be allocated and disbursed as provided in this subsection.

(2) For the 2013 tax year and in each subsequent tax year, the amount of such funds shall be disbursed within 20 days following the end of each calendar month as follows:

(A) State title ad valorem tax fees, state salvage title ad valorem tax fees, administrative fees, penalties, and interest shall be remitted to the state revenue commissioner who shall deposit such proceeds in the general fund of the state less an amount to be retained by the tag agent not to exceed 1 percent of the total amount otherwise required to be remitted under this subparagraph to defray the cost of administration. Such retained amount shall be remitted to the collecting county's general fund. Failure by the tag agent to disburse within such 20 day period shall result in a forfeiture of such administrative fee plus interest on such amount at the rate specified in Code Section 48-2-40; and

(B) Local title ad valorem tax fees, administrative fees, penalties, and interest shall be designated as local government ad valorem tax funds. The tag agent shall then distribute the proceeds as specified in paragraph (3) of this subsection.

(3) Beginning July 1, 2019, the portion of the title ad valorem tax fee proceeds to be retained by the county pursuant to O.C.G.A. § 48-5C-1(b)(1)(B)(iii) shall be distributed as follows:

(A) Not applicable.

(B) As to the proceeds associated with and collected on motor vehicle titles for motor vehicles registered in the unincorporated areas of the county, the tag agent of the county shall within 20 days following the end of each calendar month allocate and distribute 51 percent of such proceeds to the county governing authority and distribute 49 percent of such proceeds to the board of education of the county school district; and

(C) As to the proceeds associated with and collected on motor vehicle titles for motor vehicles registered in the incorporated areas of the county, the tag agent of the county shall within 20 days following the end of each calendar month allocate such proceeds by the municipality from which the proceeds were derived and then, for each such municipality, distribute 28 percent of such proceeds to the county governing authority and 23 percent of such proceeds to the governing authority of such municipality, and the remaining 49 percent of such proceeds shall be distributed to the board of education of the county school district; provided, however, that, if there is an independent school district in such municipality, then such remaining 49 percent of such proceeds shall be distributed to the board of education of the independent school district.

## **SECTION 5**

### **ENTIRE AGREEMENT**

This Agreement, including any attachments or exhibits, constitutes all of the understandings and agreements between the Tax Commissioner, the County, the Participating Municipalities, and each Participating School District with respect to all matters relating to the imposition, levy, collection, administration, allocation, and distribution of proceeds of the Title Ad Valorem Tax. Furthermore, this Agreement supersedes all prior agreements, negotiations, and communications of whatever type, whether written or oral, between the parties hereto with respect to the collection, administration, allocation, and distribution of proceeds of the Title Ad Valorem Tax. This Agreement does not supersede, supplant, or otherwise

replace any existing Special Purpose Local Option Sales Tax Agreement or Education Special Purpose Local Option Sales Tax Agreement which is currently in place or may be put in place during the existence of this Agreement. Nothing in this Agreement shall prohibit the County from transferring Title Tax revenue received into the General Fund to other funds which would have received ad valorem tax on motor vehicles collected under Chapter 5 of Title 48 or proceeds from a special purpose local option sales tax to fund the services described in the Intergovernmental Agreements. The provisions of this Agreement and any subsequent Amendment thereto shall survive any revisions of the Parties' Service Delivery Strategy Agreement and the provisions of the Service Delivery Strategy Act as to the subject matter of this Agreement.

## **SECTION 6**

### **AMENDMENT OR MODIFICATION OF AGREEMENT**

This Agreement shall not be amended or modified except by agreement in writing executed by the Tax Commissioner, the County, each Participating Municipality, and each Participating School District.

## **SECTION 7**

### **GOVERNING LAW**

This Agreement shall be deemed to have been made and shall be construed and enforced in accordance with the Constitution and laws of the State of Georgia.



**SECTION 8**  
**SEVERABILITY**

Should any phrase, clause, sentence, or paragraph of this Agreement be held invalid or unconstitutional, the remainder of the Agreement shall remain in full force and effect as if such invalid or unconstitutional provision were not contained in the Agreement unless the elimination of such provision detrimentally reduces the consideration that any party is to receive under this Agreement or materially affects the operation of this Agreement.

**SECTION 9**  
**COMPLIANCE WITH LAW**

The Tax Commissioner, the County, each Participating Municipality, and each Participating School District shall comply with all applicable local, state, and federal statutes, ordinances, rules, and regulations.

**SECTION 10**  
**NO CONSENT TO BREACH**

No consent or waiver, express or implied, by any party to this Agreement, to any breach of any covenant, condition, or duty of another party shall be construed as a consent to or waiver of any future breach of the same.

**SECTION 11**  
**COUNTERPARTS**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 12**  
**MEDIATION**

The Tax Commissioner, the County, each Participating Municipality, and each Participating School District agree to submit any controversy arising under this Agreement to mediation for a resolution. The parties to the mediation shall mutually select a neutral party to serve as mediator. Costs of mediation shall be shared equally among the parties to the mediation.

**SECTION 13**  
**TERMINATION**

This Agreement shall become effective on July 1, 2019. This Agreement shall continue in force and effect through March 31, 2025. This Agreement may be renewed by consent of all parties for an additional four year term thereafter.

This Agreement shall automatically terminate if the Title Ad Valorem Tax is repealed. This Agreement may also be terminated by mutual agreement of all parties. The parties agree to modify this Agreement in accordance with any changes which alter the distribution formula set forth in O.C.G.A. § 48-5C-1.

**IN WITNESS WHEREOF**, the Tax Commissioner, 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.

**GWINNETT COUNTY TAX COMMISSIONER**

BY: \_\_\_\_\_

Richard Steele

Gwinnett County Tax Commissioner

(SEAL)

ATTEST: \_\_\_\_\_

(CLERK)

**GWINNETT COUNTY, GEORGIA**

BY: \_\_\_\_\_

Charlotte J. Nash

Chairman, Gwinnett County Board of Commissioners

(SEAL)

ATTEST: \_\_\_\_\_

Clerk

**Approved as to form:**

\_\_\_\_\_  
**Daniela A. Doran**  
**Senior Assistant County Attorney**

**CITY OF SUGAR HILL, GEORGIA**

BY: \_\_\_\_\_

Steve Edwards, Mayor

(SEAL)

ATTEST: \_\_\_\_\_

Clerk