

TAX ALLOCATION DISTRICT FAQ'S

What is a tax allocation district (TAD)?



A tax allocation district is a tool for redevelopment in a specific area. In 1985, the General Assembly adopted Georgia's Redevelopment Powers Law.

This law gives local government (city and county) the authority to sell bonds to finance infrastructure and other redevelopment costs within in a specific, defined area.

How does a community create a TAD?

The Redevelopment Powers Law requires that local communities authorize, by referendum, the use of a tax allocation district in their community. The General Assembly passes a local act authorizing the city or county to exercise redevelopment powers.

"Shall the Act be approved which authorizes the City of Douglas to utilize tax allocation districts and redevelopment powers under the 'Redevelopment Powers Law', as it may be amended from time to time?"

Will residential and property tax go up?

No, residential and property tax are not increased by a TAD. The taxes collected by the city, county, and school system, as of the date the TAD is formed, continue to go to those taxing districts over the life of the TAD. If your property is in the tax allocation district, the millage rate is the same as outside the district.

What will a TAD do for the City and County?

- ⇒ Promote growth in specific areas
- ⇒ Create employment opportunities
- ⇒ Redevelop site to attract private investment.

What is the "Halo Effect" relating to TAD?

The Halo Effect is a chief benefit of a TAD. The halo effect refers to the increase in investment activity and property tax digest that can occur in an area surrounding and outside of a successful TAD. Halo effects occur either because new economic activity is attracted to an area where it did not previously exist, or major barriers to private investment (such as vacant blighted buildings) are finally removed. Significant halo effects have been observed in and around TAD projects in Atlanta, East Point, Acworth and other jurisdictions.

Who else uses TADs in Georgia?

More than 60 counties and cities use TADs in Georgia. Over \$500 million in TAD bonds have been issued. TADs are operational in Atlanta, Smyrna, Gainesville, Acworth, Albany, Macon, Augusta, Savannah, Gwinnett County, East Point, Marietta, Bulloch County (Statesboro), Clayton County, Duluth, and other Georgia cities and counties.

How long will this TAD last?

By law, the TAD could be in effect for 30 years. If authorized, our TAD will last 25 years.

For more information, please contact the Mayor's Office at (912) 389-3401.