MEMORANDUM

To: Miglena Dimov

From: Cullen B. Threlkeld

Re: 8% Hotel-Motel Tax

Date: September 13, 2026

Question:

If the City chooses to increase the Hotel-Motel Excise Tax from 5% to 8%, what procedure would the City need to follow?

Analysis:

The City currently levies a 5% tax and contracts with the DeKalb Convention & Visitors Bureau, Inc. ("the Bureau") to expend the required statutory amounts.[1] For the City to levy an 8% tax, it must be authorized by a Local Act of the General Assembly. O.C.G.A. § 48-13-51(b). The specific procedure is as follows:

Step 1: The City must adopt a resolution specifying (a) the intended tax rate of 8%; (b) identifying the tourism product development purposes it will benefit[2]; and (c) identifying the anticipated allocation of the proceeds

Step 2: The City must arrange for a Local Act to be introduced in the General Assembly.

Step 3: Before the introduction of the Local Act, the City must run a legal ad at least 60 days before the first day of the session or during the session. The ad cannot run in the same calendar week the Local Act is introduced.

Step 4: The Local Act must contain the required language from O.C.G.A. § 48-13-51(b)(5).

Step 5: After the effective date of the Local Act, the City must terminate the 5% levy and institute the 8% levy via Ordinance.

Step 6: The effective date of the 8% rate can be no sooner than the first day of the second month following the effective date of the Ordinance.

Step 7: The City may continue expending the proceeds of the tax through its existing contract, but before the next fiscal year, the City must adopt a budget plan for the

[1] For a 5% rate, Georgia law requires the contracting private non-profit to expend amounts equal to at least the amount of money that would be collected under a 3% rate. O.C.G.A. § 48-13-51(a)(3).

[2] These specified purposes can simply be the list of purposes outlined in O.C.G.A. § 48-13-50.2(6).

expenditure of the anticipated funds and that plan must include a budget plan from the contracting party (here, the Bureau).

The City of Stonecrest passed an 8% rate in 2019, and its resolution, Local Act, and ordinance provides an example of the timeline for this process.[3] Stonecrest passed its resolution on February 25, 2019. The Local Act was introduced on March 4, 2019. The Local Act was passed and finally signed by the Governor on April 30, 2019. Stonecrest passed their new Ordinance on July 22, 2019.

Conclusion:

The City must wait until closer to the start of the next legislative session before passing an authorizing resolution and running a legal ad for the anticipated Local Act. In the meantime, the City should arrange for a member of the House to introduce the Local Act. The City should also contact the Office of the Legislative Counsel to get a form legal ad (the Office has a preferred legal ad for Local Acts). The City may also wish to discuss the budget plan for an 8% rate with the Bureau. That budget plan would be needed for the subsequent fiscal year.

[3] A copy of the Local Act and the relevant ordinance provisions is attached as Exhibit A as an example.

Exhibit “A”

House Bill 563 (AS PASSED HOUSE AND SENATE)

By: Representatives Carter of the 92nd, Jones of the 91st, Bennett of the 94th, Kendrick of the 93rd, Stephenson of the 90th, and others

A BILL TO BE ENTITLED

AN ACT

To authorize the governing authority of the City of Stonecrest to levy an excise tax pursuant to subsection (b) of Code Section 48-13-51 of the O.C.G.A.; to provide procedures, conditions, and limitations; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Pursuant to the authority of subsection (b) of Code Section 48-13-51 of the O.C.G.A., the governing authority of the City of Stonecrest is authorized to levy an excise tax at a rate not to exceed 8 percent of the charge for the furnishing for value to the public of any room or rooms, lodgings, or accommodations furnished by any person or legal entity licensed by, or required to pay business or occupation taxes to, the municipality for operating a hotel, motel, inn, lodge, tourist camp, tourist cabin, campground, or any other place in which rooms, lodgings, or accommodations are regularly or periodically furnished for value.

SECTION 2.

The enactment of this Act is subsequent to the adoption of a resolution by the governing authority of the City of Stonecrest on February 25, 2019, which specifies the subsequent tax rate, identifies the projects or tourism product development purposes, and specifies the allocation of proceeds.

SECTION 3.

In accordance with the terms of such resolution adopted by the mayor and council of the City of Stonecrest:

(1) In each fiscal year during which a tax is collected pursuant to paragraph (2) of subsection (b) of Code Section 48-13-51 of the O.C.G.A., an amount equal to not less than 50 percent of the total amount of taxes collected that exceeds the amount of taxes

that would be collected at the rate of 5 percent shall be expended for promoting tourism, conventions, and trade shows by the destination marketing organization designated by the City of Stonecrest; and

(2) The remaining amount of taxes collected that exceeds the amount of taxes that would be collected at the rate of 5 percent which is not otherwise expended under paragraph (1) of this section shall be expended for tourism product development.

SECTION 4.

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