

A RESOLUTION AUTHORIZING THE CITY MANAGER TO IMPLEMENT THE LEVEL 1 FREEPORT EXEMPTION ON TANGIBLE PERSONAL PROPERTY HELD BY FULFILLMENT CENTERS IN ACCORDANCE WITH O.C.G.A. 48-5-48.2 AND SETTING THE EXEMPTION RATE AT 100 PERCENT WITH THE EXEMPTION TO BE EFFECTIVE JANUARY 1, 2020.

WHEREAS, the Official Code of Georgia Annotated Section 48-5-48.2 authorizes cities and counties to exempt certain business inventories held by fulfillment centers from ad valorem taxation, known as a "Freeport Exemption;" and

WHEREAS, in accordance with State law, the City of Savannah held a voter referendum on November 6, 2018, at which a majority of the municipal voters approved a Level I Freeport Exemption for fulfillment centers as defined by O.C.G.A 48-5-48.2; and

WHEREAS, the City wishes to engender a competitive business environment for e-commerce fulfillment centers to remain, relocate or expand their operations in the City of Savannah; and

WHEREAS, the City wishes to set the Level I Freeport Exemption for fulfillment centers to the 100% exemption level as authorized by O.C.G.A. 48-5-48.2; and

WHEREAS, the City wishes for the Level I Freeport Exemption for fulfillment centers to be effective on January 1, 2020.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Aldermen of the City of Savannah, that in accordance with O.C.G.A. 48-5-48.2, as it may be amended from time to time, all the following types of tangible personal property are exempted from ad valorem taxation at the rate of 100%, within the City of Savannah:

Stock in trade of a fulfillment center which, on January 1, are stored in a fulfillment center and which are made available to remote purchasers who may make such purchases by electronic, Internet, telephonic, or other remote means, and where such stock in trade of a fulfillment center will be shipped from the fulfillment center and delivered to the purchaser at a location other than the location of the fulfillment center.

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. Such period shall be determined based on application of a first-in, first-out method of accounting for the inventory. The official books and records of the fulfillment center where such property is being stored shall contain a full, true, and accurate inventory of all such property, including the date of the receipt of the property and the date of the withdrawal of the property. The official books and records of any such fulfillment center pertaining to any such property for which a freeport exemption has been claimed shall be at all times open to the inspection of all taxing authorities of this state and of any political subdivision of this state.

The exemption shall become effective as of January 1, 2020.

The City Clerk is directed to transmit a copy of this resolution to the State Revenue Commissioner. The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect.

Date: December 5, 2019

By: _____
Mark Massey, Clerk of Council