

00-R-1415

(Do Not Write Above This Line)

A RESOLUTION

WITH THE STATE OF GEORGIA
DEPARTMENT OF REVENUE TO
GRANT AN EXEMPTION FROM
INSURANCE PREMIUM TAX TO
GRADY HEALTHCARE, INC.
FOR CALENDAR YEAR 1999.

ADOPTED BY
SEP 0 5 2000

COUNCIL
ADOPTED
Unanimously
By Voice Vote

- CONSENT REFER
- REGULAR REPORT REFER
- ADVERTISE & REFER
- 1st ADOPT 2nd READ & REFER
- PERSONAL PAPER REFER

Date Referred

Referred To:

Date Referred

Referred To:

Date Referred

Referred To:

Committee
Date
Chair
Referred to

Committee

Date

Chair

Action:

Fav, Adv, Hold (see rev. side)

Other:

Members

Refer To

Committee

Date

Chair

Action:

Fav, Adv, Hold (see rev. side)

Other:

Members

Refer To

First Reading

FINAL COUNCIL ACTION

- 2nd
- 1st & 2nd
- 3rd
- Readings
- V Vote
- RC Vote
- Consent

CERTIFIED

CERTIFIED
SEP 5 2000

ATLANTA CITY COUNCIL PRESIDENT

Richard D. Pitts

CERTIFIED
SEP 0 5 2000

ATLANTA CITY COUNCIL CLERK

MAYOR'S ACTION

APPROVED

SEP 1 3 2000

MAYOR

Richard D. Pitts



CITY COUNCIL
ATLANTA, GEORGIA

00-R -1415

Resolution by

Michael Ford
Debra Starns *Clara Kinslow* *Theresa...* *W. McCarty*

A RESOLUTION CONCURRING WITH THE STATE OF GEORGIA DEPARTMENT OF REVENUE TO GRANT AN EXEMPTION FROM INSURANCE PREMIUM TAX TO GRADY HEALTHCARE, INC. FOR CALENDAR YEAR 1999.

Mable Thomas *Donna Stahl* *M. J. J.* *Clara Miller*

WHEREAS, Grady Healthcare Inc., a non-profit organization, has requested the State of Georgia Department of Revenue to grant an exemption from the Insurance Premium Tax for calendar year 1999 because of their non-profit status; and

WHEREAS, the State has the unilateral authority to grant exemptions from the Insurance Premium Tax; and

WHEREAS, the State of Georgia Department of Revenue, as a courtesy to the City, has requested the City's concurrence; and

WHEREAS, Grady Healthcare, Inc. ceased operations as of December 31, 1999;

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA that the Mayor be and is hereby authorized to provide communication to the Department of Revenue of the State of Georgia, expressing the City's concurrence with the granting of an exemption to Grady Healthcare, Inc. for the Insurance Premium Tax for calendar year 1999.

A true copy,

Rhonda Daughin Johnson
Municipal Clerk, CMC

ADOPTED by the Council
APPROVED by the Mayor

SEP 05, 2000
SEP 13, 2000



OFFICE OF INSURANCE AND SAFETY FIRE COMMISSIONER

JOHN W. OXENDINE
COMMISSIONER OF INSURANCE
SAFETY FIRE COMMISSIONER
INDUSTRIAL LOAN COMMISSIONER
COMPTROLLER GENERAL

September 1, 2000

SEVENTH FLOOR, WEST TOWER
FLOYD BUILDING
2 MARTIN LUTHER KING, JR., DRIVE
ATLANTA, GEORGIA 30334
(404) 656-2056 TDD# (404) 656-4031
www.gainsurance.org

Ms. Betty Ludd
City of Atlanta

RE: 2000 Distribution of 1999 County/Municipal Tax

Dear Ms. Ludd:

On behalf of Mr. Bill Warnock, you had requested some background information regarding the exemption of Grady Healthcare Inc. from the County/Municipal tax assessed by our office. The following is an abbreviated summary of the events surrounding this issue.

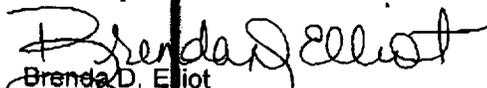
Earlier this year, Grady Healthcare, Inc. requested an exemption from the County/Municipal Tax based upon its existence as a wholly owned subsidiary of the Fulton-Dekalb Hospital authority. Following this request, the Enforcement Division of the Georgia Insurance Department researched Georgia law in order to determine whether Grady Healthcare, Inc. qualified for an exemption from this tax.

After extensive research, it was determined that although no specific exemption could be found in either O.C.G.A. §33-21-1 *et. seq.* or in O.C.G.A. §33-8-1 *et. seq.*; a specific tax exemption for hospital authorities is found within the Hospital Authority Act in O.C.G.A. §33-772(e)(1). Additionally, it was determined that this exemption given to hospital authorities extends to property owned by the authority. A recommendation was made to exempt Grady Healthcare, Inc. from the County/Municipal Tax based on the aforementioned facts. As such, Commissioner Oxendine asked me to contact the City of Atlanta to determine if the City had any comments regarding this exemption, or if the City expressed any objection to the exemption.

In speaking with Mr. Warnock, I informed him that the exemption that we are talking about would not have any effect beyond this year as Grady Healthcare, Inc. is no longer writing insurance as of December 31, 1999. In our discussion, I attempted to quantify the financial impact that this exemption would have on the City of Atlanta. Based on current population figures, this exemption would reduce the 2000 distribution of the 1999 County/Municipal Tax to the City of Atlanta by approximately .15% or \$26,000. (These numbers are subject to change pending our receipt of an official certification of any population changes to the 1990 census for the period of September 1, 1999 through August 31, 2000. However, I do not expect the figures to change significantly.)

I hope this information is helpful to you. If you have any questions regarding this matter, please contact me at 404-656-7553.

Sincerely,


Brenda D. Elliot
Program Director, Insurance Premium Tax