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City of Atlanta v. City of College Park

Supreme Court of Georgia - March 28, 2013 - S.E.2d - 2013 WL 1247932

Court holds that city can levy an occupation tax on Atlanta for its proprietary operations occurring within the city; municipalities not "local authorities."

The Cities of Atlanta and College Park entered into an agreement in 1969 for purposes of expanding Atlanta Hartsfield-Jackson International Airport. One of the provisions of the agreement granted Atlanta the exclusive right to collect and levy occupation taxes from businesses located at the airport that were within the city limits of College Park. In 2007, after commissioning a study for the purpose of reassessing this relationship, College Park informed Atlanta and airport businesses that it would no longer honor the 1969 Agreement and that it would now seek to collect occupation taxes from the airport businesses including Atlanta's proprietary business operations.

Atlanta filed a declaratory action seeking a judgment that the 1969 Agreement controlled the collection of occupation taxes from businesses operating at the airport within College Park.

The court of appeals affirmed the trial court's judgment invalidating the 1969 Agreement, but reversed the trial court's finding that the term "local authority" as used in the Georgia statute included municipalities. Accordingly, because Atlanta was not a "local authority" that was exempt from the imposition of occupation taxes, the court of appeals found that College Park could properly levy an occupation tax on the City of Atlanta for its proprietary operations occurring within College Park. The Supreme Court of Georgia affirmed.