

SENATE SUBSTITUTE TO HB 106:

AS PASSED SENATE

**A BILL TO BE ENTITLED
AN ACT**

1 To amend Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales
2 and use taxation, so as to change certain provisions relating to the special district
3 transportation sales and use tax pursuant to the Transportation Investment Act of 2010; to
4 provide for future levies to be at a fractional rate; to change procedures and requirements
5 regarding the future imposition of such tax; to change certain provisions regarding the ceiling
6 on the amount of local sales and use taxes; to provide for an additional transportation special
7 purpose local option sales and use tax by counties and municipalities; to provide for
8 definitions, procedures, conditions, and limitations for the imposition, collection,
9 disbursement, and termination of the tax; to provide for powers, duties, and authority of the
10 state revenue commissioner; to provide for related matters; to repeal conflicting laws; and
11 for other purposes.

12 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

13 **PART I**
14 **SECTION 1-1.**

15 Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to revenue and
16 taxation, is amended by revising subsection (d) of and adding new subsections to Code
17 Section 48-8-241, relating to the creation of special districts and the tax rate for purposes of
18 a transportation sales and use tax, as follows:

19 "(d) ~~Any~~ Except as otherwise provided in subsection (e) of this Code section, any tax
20 imposed under this article shall be at the rate of 1 percent. Except as to rate, a tax imposed
21 under this article shall correspond to the tax imposed by Article 1 of this chapter. No item
22 or transaction which is not subject to taxation under Article 1 of this chapter shall be
23 subject to a tax imposed under this article, except that a tax imposed under this article shall
24 not apply to:

- 25 (1) The sale or use of any type of fuel used for off-road heavy-duty equipment, off-road
 26 farm or agricultural equipment, or locomotives;
- 27 (2) The sale or use of jet fuel to or by a qualifying airline at a qualifying airport;
- 28 (3) The sale or use of fuel that is used for propulsion of motor vehicles on the public
 29 highways. For purposes of this paragraph, a motor vehicle means a self-propelled vehicle
 30 designed for operation or required to be licensed for operation upon the public highways;
- 31 (4) The sale or use of energy used in the manufacturing or processing of tangible goods
 32 primarily for resale; or
- 33 (5) For motor fuel as defined under paragraph (9) of Code Section 48-9-2 for public mass
 34 transit.

35 The tax imposed pursuant to this article shall only be levied on the first \$5,000.00 of any
 36 transaction involving the sale or lease of a motor vehicle. The tax imposed pursuant to this
 37 article shall be subject to any sales and use tax exemption which is otherwise imposed by
 38 law; provided, however, that the tax levied by this article shall be applicable to the sale of
 39 food and food ingredients as provided for in paragraph (57) of Code Section 48-8-3.

40 (e) Any tax imposed under this article on or after July 1, 2015, may be at a rate of up to
 41 1 percent but shall not be more than 1 percent. Any rate less than 1 percent shall be in an
 42 increment of .05 percent. This subsection shall not apply to taxes under this article
 43 imposed or to be imposed under resolutions and ordinances adopted prior to July 1, 2015."

44 SECTION 1-2.

45 Said chapter is further amended by revising paragraph (12) of Code Section 48-8-242,
 46 relating to definitions relative to Special District Transportation Sales and Use Tax, as
 47 follows:

48 ~~"(12) 'Special Regional Transportation Funding Election Act' means an Act specifically~~
 49 ~~and exclusively enacted for the purpose of ordering that a referendum be held for the~~
 50 ~~reimposition of the special district transportation sales and use tax within the region that~~
 51 ~~includes the districts, in their entirety or any portion thereof, of the members from a local~~
 52 ~~legislative delegation in the General Assembly. A majority of the signatures of the~~
 53 ~~legislative delegation for a majority of the counties within the region shall be required for~~
 54 ~~the bill to be placed upon the local calendar of each chamber. This method shall be~~
 55 ~~exclusively used for this purpose and no other bill shall be placed or voted upon on the~~
 56 ~~local calendar utilizing this method of qualification for placement thereon. This Act shall~~
 57 ~~be treated procedurally by the General Assembly as a local Act and all counties within~~
 58 ~~the region shall receive the legal notice requirements of a local Act. Reserved."~~

59 **SECTION 1-3.**

60 Said chapter is further amended by revising subsection (c) of Code Section 48-8-245,
61 relating to the collection and cessation of special district transportation sales and use tax, as
62 follows:

63 "(c)(1) No more than a single ~~four~~ percent tax under this article may be collected at any time
64 within a special district.

65 (2) Upon the ~~enactment by the General Assembly of a Special Regional Transportation~~
66 ~~Funding Election Act and the~~ adoption of resolutions by the governing bodies of a
67 majority of the counties within a special district in which a tax authorized by this article
68 is in effect, an election may be held for the reimposition of the tax while the tax is in
69 effect. Proceedings for the development of an investment list and for the reimposition
70 of a tax shall be in the same manner as provided for in Code ~~Section~~ Sections 48-8-241
71 and 48-8-243.

72 (3) Following the expiration of the special district transportation sales and use tax under
73 this article, or following a special election in which voters in a special district rejected the
74 imposition of the tax, upon the ~~passage by the General Assembly of a Special Regional~~
75 ~~Transportation Funding Election Act and the~~ adoption of resolutions by the governing
76 bodies of a majority of counties within a special district, an election may be held for the
77 imposition of a tax under this article in the same manner as provided in this article for the
78 initial imposition of such tax. ~~Such subsequent election shall be held on the date of a~~
79 ~~state-wide general primary. The election superintendents shall issue the call and conduct~~
80 the election in the manner authorized by general law. The development of the investment
81 list for such special district shall follow the dates established in Code Section 48-8-243
82 with the years adjusted appropriately, and such schedule shall be posted on a website
83 developed by the state revenue commissioner to be used exclusively for matters related
84 to the special district transportation sales and use tax within 30 days of the later of the
85 state revenue commissioner's receipt of notice from the final county governing body
86 required to adopt a resolution ~~or of the passage of the Special Regional Transportation~~
87 ~~Funding Election Act by the General Assembly."~~

88 **PART II**

89 **SECTION 2-1.**

90 Said chapter is further amended in subsection (a) of Code Section 48-8-6, relating to the
91 ceiling on local sales and use taxes, by revising paragraphs (4) and (5) and adding a new
92 paragraph to read as follows:

93 "(4) A sales and use tax levied under Article 4 of this chapter; and

- 94 (5) A sales and use tax levied under Article 5 of this chapter; and
 95 (6) A sales and use tax levied under Article 5A of this chapter."

96 **SECTION 2-2.**

97 Said chapter is further amended by adding a new article to read as follows:

98 "ARTICLE 5A

99 48-8-260.

100 As used in this article, the term:

101 (1) 'Dealer' means a dealer as defined in paragraph (8) of Code Section 48-8-2.

102 (2) 'District' means a special district created pursuant to subsection (a) of Code Section
 103 48-8-261.

104 (3) 'Intergovernmental agreement' means a contract entered into pursuant to Article IX,
 105 Section III, Paragraph I of the Constitution.

106 (4) 'Levy' means the collection within a special district of the tax authorized pursuant to
 107 this article.

108 (5) 'Mass transportation' means any mode of transportation serving the general public
 109 which is appropriate to transport people by highways or rail.

110 (6) 'Mass transportation regional system participant' means any county within a special
 111 district created pursuant to Article 5 of this chapter wherein mass transportation service
 112 is provided within the district, to the district, or from the district by a multicounty
 113 regional transportation authority created by an Act of the General Assembly, including
 114 but not limited to the Georgia Regional Transportation Authority or the Metropolitan
 115 Atlanta Rapid Transit Authority.

116 (7) 'Qualified municipality' means a qualified municipality as defined in paragraph (4)
 117 of Code Section 48-8-110 situated wholly or partly within a district.

118 (8) 'Transportation purposes' means and includes roads, bridges, public transit, rails,
 119 airports, buses, seaports, including without limitation road, street, and bridge purposes
 120 pursuant to paragraph (1) of subsection (b) of Code Section 48-8-121, and all
 121 accompanying infrastructure and services necessary to provide access to these
 122 transportation facilities, including general obligation debt and other multiyear obligations
 123 issued to finance such purposes.

124 48-8-261.

125 (a) Pursuant to the authority granted by Article IX, Section II, Paragraph VI of the
 126 Constitution of this state, 159 special districts are created within this state. The

127 geographical boundary of each county shall correspond with and shall be conterminous
 128 with the geographical boundary of the 159 districts created.

129 (b) On or after July 1, 2015, any county:

130 (1) That is not located within a special district levying a special sales and use tax
 131 pursuant to Article 5 of this chapter;

132 (2) That is a mass transportation regional system participant; and

133 (3) In which a tax is currently being levied and collected pursuant to:

134 (A) Part 1 of Article 3 of this chapter;

135 (B) A local constitutional amendment for purposes of a metropolitan area system of
 136 public transportation set out at Ga. L. 1964, p. 1008, and the laws enacted pursuant to
 137 such local constitutional amendment; or

138 (C) Code Section 48-8-96

139 may, by following the procedures required by this article, impose for a limited period of
 140 time within the special district under this article a transportation special purpose local
 141 option sales tax, the proceeds of which shall be used only for transportation purposes.

142 (c) On or after July 1, 2017, any county:

143 (1) That is not located within a special district levying a special sales and use tax
 144 pursuant to Article 5 of this chapter; and

145 (2) In which a tax is currently being levied and collected pursuant to:

146 (A) Part 1 of Article 3 of this chapter;

147 (B) A local constitutional amendment for purposes of a metropolitan area system of
 148 public transportation set out at Ga. L. 1964, p. 1008, and the laws enacted pursuant to
 149 such local constitutional amendment; or

150 (C) Code Section 48-8-96

151 may, by following the procedures required by this article, impose for a limited period of
 152 time within the special district under this article a transportation special purpose local
 153 option sales tax, the proceeds of which shall be used only for transportation purposes.

154 48-8-262.

155 (a) Prior to the issuance of the call for the referendum required by Code Section 48-8-263,
 156 any county that desires to levy a tax under this article shall deliver or mail a written notice
 157 to the mayor or chief elected official in each qualified municipality located within the
 158 district. Such notice shall contain the date, time, place, and purpose of a meeting at which
 159 the governing authorities of the county and of each qualified municipality are to meet to
 160 discuss possible projects for inclusion in the referendum. The notice shall be delivered or
 161 mailed at least ten days prior to the date of the meeting. The meeting shall be held at least
 162 30 days prior to the issuance of the call for the referendum.

163 (b)(1) Following the meeting required by subsection (a) of this Code section and prior
 164 to any tax being imposed under this article, the county and all qualified municipalities
 165 therein shall execute an intergovernmental agreement memorializing their agreement to
 166 the levy of a tax and the rate of such tax.

167 (2) At a minimum, the intergovernmental agreement authorized by paragraph (1) of this
 168 subsection shall include the following:

169 (A) A list of the projects and purposes qualifying as transportation purposes proposed
 170 to be funded from the levy;

171 (B) The estimated or projected dollar amounts allocated for each transportation
 172 purpose from proceeds from the levy;

173 (C) The procedures for distributing proceeds from the levy to qualified municipalities;

174 (D) A schedule for distributing proceeds from the levy to qualified municipalities
 175 which shall include the priority or order in which transportation purposes will be fully
 176 or partially funded;

177 (E) A provision that all transportation purposes included in the agreement shall be
 178 funded from proceeds from the levy except as otherwise agreed;

179 (F) A provision that proceeds from the levy shall be maintained in separate accounts
 180 and utilized exclusively for the specified purposes;

181 (G) Record-keeping and audit procedures necessary to carry out the purposes of this
 182 article; and

183 (H) Such other provisions as the county and qualified municipalities choose to address.

184 (c)(1) If an intergovernmental agreement is entered into by the county and all qualified
 185 municipalities, the rate of the tax may be up to 1 percent.

186 (2) If an intergovernmental agreement is not entered into by the county and all qualified
 187 municipalities, the maximum rate of the tax shall not exceed .75 percent and shall be
 188 determined by the governing authority of the county.

189 (d)(1) As soon as practicable after the meeting between the governing authorities of the
 190 county and qualified municipalities and the execution of an intergovernmental agreement,
 191 if applicable, the governing authority of the county may by a majority vote on a
 192 resolution offered for such purpose submit the list of transportation purposes and the
 193 question of whether the levy should be approved to electors of the district in the next
 194 scheduled election and shall notify the county election superintendent within the district
 195 by forwarding to the superintendent a copy of such resolution calling for the imposition
 196 of the levy. Such list, or a digest thereof, shall be available during regular business hours
 197 in the office of the county clerk.

198 (2) The resolution authorized by paragraph (1) of this subsection shall describe:

199 (A) The specific transportation purposes to be funded;

200 (B) The approximate cost of such transportation purposes, which shall also be the
 201 maximum amount of net proceeds to be raised by the levy; and
 202 (C) The maximum period of time, to be stated in calendar years, for which the levy
 203 may be levied and the rate thereof. The maximum period of time shall not exceed five
 204 years.

205 48-8-263.

206 (a)(1) The ballot submitting the question of the imposition of the levy to the voters
 207 within the district shall have written or printed thereon the following:

208 ' () YES Shall a special _____ percent sales and use tax be imposed in the district
 209 consisting of _____ County for a period of time not to exceed _____
 210 () NO and for the raising of not more than an estimated amount of \$ _____ for
 211 transportation purposes?'

212 (2) If debt is to be issued, the ballot shall also have written or printed thereon, following
 213 the language specified by paragraph (1) of this subsection, the following:

214 'If imposition of the tax is approved by the voters, such vote shall also constitute
 215 approval of the issuance of general obligation debt of _____ County in the
 216 principal amount of \$ _____ for the above purpose.'

217 (b) The election superintendent shall issue the call and conduct the election in the manner
 218 authorized by general law. The superintendent shall canvass the returns, declare the result
 219 of the election, and certify the result to the Secretary of State and to the commissioner. The
 220 expense of the election shall be paid from county funds. All persons desiring to vote in
 221 favor of imposing the levy shall vote 'Yes,' and all persons opposed to imposing the levy
 222 shall vote 'No.' If more than one-half of the votes cast throughout the entire district are in
 223 favor of imposing the levy, then the levy shall be imposed as provided in this article.

224 (c) Where such question is not approved by the voters, the county may resubmit such
 225 question from time to time upon compliance with the requirements of this article.

226 (d)(1) If the proposal includes the authority to issue general obligation debt and if more
 227 than one-half of the votes cast are in favor of the proposal, then the authority to issue such
 228 debt in accordance with Article IX, Section V, Paragraph I of the Constitution is given
 229 to the proper officers of the county; otherwise, such debt shall not be issued. If the
 230 authority to issue such debt is so approved by the voters, then such debt may be issued
 231 without further approval by the voters.

232 (2) If the issuance of general obligation debt is included and approved as provided in this
 233 Code section, then the governing authority of the county may incur such debt either
 234 through the issuance and validation of general obligation bonds or through the execution
 235 of a promissory note or notes or other instrument or instruments. If such debt is incurred

236 through the issuance of general obligation bonds, such bonds and their issuance and
 237 validation shall be subject to Articles 1 and 2 of Chapter 82 of Title 36 except as
 238 specifically provided otherwise in this article. If such debt is incurred through the
 239 execution of a promissory note or notes or other instrument or instruments, no validation
 240 proceedings shall be necessary, and such debt shall be subject to Code Sections 36-80-10
 241 through 36-80-14 except as specifically provided otherwise in this article. In either event,
 242 such general obligation debt shall be payable first from the separate account in which are
 243 placed the proceeds received by the county from the levy. Such general obligation debt
 244 shall, however, constitute a pledge of the full faith, credit, and taxing power of the
 245 county; and any liability on such debt which is not satisfied from the proceeds of the levy
 246 shall be satisfied from the general funds of the county.

247 48-8-264.

248 (a) If the imposition of the levy is approved at the election, the tax shall be imposed on the
 249 first day of the next succeeding calendar quarter which begins more than 80 days after the
 250 date of the election at which the levy was approved by the voters. With respect to services
 251 which are regularly billed on a monthly basis, however, the resolution shall become
 252 effective with respect to and the levy shall apply to services billed on or after the effective
 253 date specified in the previous sentence.

254 (b) The levy shall cease to be imposed on the earliest of the following dates:

255 (1) If the resolution calling for the imposition of the tax provided for the issuance of
 256 general obligation debt and such debt is the subject of validation proceedings, as of the
 257 end of the first calendar quarter ending more than 80 days after the date on which a court
 258 of competent jurisdiction enters a final order denying validation of such debt;

259 (2) On the final day of the maximum period of time specified for the imposition of the
 260 levy; or

261 (3) As of the end of the calendar quarter during which the commissioner determines that
 262 the levy will have raised revenues sufficient to provide to the district net proceeds equal
 263 to or greater than the amount specified as the maximum amount of net proceeds to be
 264 raised by the levy.

265 (c)(1) At any time, no more than a single tax under this article shall be imposed within
 266 a district. Any tax imposed under this article may be at a rate of up to 1 percent but shall
 267 not be more than 1 percent. Any rate less than 1 percent shall be in an increment of .05
 268 percent.

269 (2) The governing authority of the county in which a levy is in effect under this article
 270 may, upon approval of all qualified municipalities, while the levy is in effect, adopt
 271 resolutions calling for the reimposition of the levy upon the termination of the levy then

272 in effect; and an election may be held at the next regularly scheduled general election for
 273 this purpose while the levy is in effect. Proceedings for the reimposition of a levy shall
 274 be in the same manner as proceedings for the initial imposition of the levy, but the newly
 275 authorized levy shall not be imposed until the expiration of the levy then in effect.

276 (3) Following the expiration of a levy under this article, the county may initiate
 277 proceedings for the reimposition of a levy under this article in the same manner as
 278 provided in this article for initial imposition of such levy.

279 48-8-265.

280 A tax levied pursuant to this article shall be exclusively administered and collected by the
 281 commissioner for the use and benefit of the county and qualified municipalities within the
 282 district imposing the tax. Such administration and collection shall be accomplished in the
 283 same manner and subject to the same applicable provisions, procedures, and penalties
 284 provided in Article 1 of this chapter; provided, however, that all moneys collected from
 285 each taxpayer by the commissioner shall be applied first to such taxpayer's liability for
 286 taxes owed the state; and provided, further, that the commissioner may rely upon a
 287 representation by or on behalf of the district or the Secretary of State that such a tax has
 288 been validly imposed, and the commissioner and the commissioner's agents shall not be
 289 liable to any person for collecting any such tax which was not validly imposed. Dealers
 290 shall be allowed a percentage of the amount of the tax due and accounted for and shall be
 291 reimbursed in the form of a deduction in submitting, reporting, and paying the amount due
 292 if such amount is not delinquent at the time of payment. The deduction shall be at the rate
 293 and subject to the requirements specified under subsections (b) through (f) of Code Section
 294 48-8-50.

295 48-8-266.

296 Each sales tax return remitting taxes collected under this article shall separately identify
 297 the location of each retail establishment at which any of the taxes remitted were collected
 298 and shall specify the amount of sales and the amount of taxes collected at each
 299 establishment for the period covered by the return in order to facilitate the determination
 300 by the commissioner that all taxes imposed by this article are collected and distributed
 301 according to situs of sale.

302 48-8-267.

303 (a) The proceeds of the tax collected by the commissioner in each special district under
 304 this article shall be disbursed as soon as practicable after collection as follows:

305 (1) One percent of the amount collected shall be paid into the general fund of the state
 306 treasury in order to defray the costs of administration; and

307 (2) Except for the percentage provided in paragraph (1) of this Code section, the
 308 remaining proceeds of the tax shall be distributed:

309 (A) Pursuant to the terms of the intergovernmental agreement, if applicable; or

310 (B) If no intergovernmental agreement has been entered into, in accordance with
 311 subsection (b) of this Code section.

312 (b) In the event an intergovernmental agreement has not been entered into, distribution of
 313 the proceeds shall be as follows:

314 (1) The commissioner shall determine the most recent fiscal year for which an audit
 315 under Code Section 36-81-7 has been made and is available for the county and all
 316 qualified municipalities; and

317 (2) Utilizing the audit information under paragraph (1) of this subsection, the county and
 318 each qualified municipality shall receive a proportional amount of proceeds of the tax
 319 based upon the amount of general fund expenditures made for transportation in the fiscal
 320 year. The proportional amount for the county and each qualified municipality shall be
 321 determined by dividing the total general fund amount expended on transportation by the
 322 county or qualified municipality by the aggregate total general fund amounts of the
 323 county and all qualified municipalities during that audit year.

324 48-8-268.

325 The levy shall not be subject to any allocation or balancing of state and federal funds
 326 provided for by general law, nor may such proceeds be considered or taken into account
 327 in any such allocation or balancing.

328 48-8-269.

329 (a) Except as to rate, a tax imposed under this article shall correspond to the tax imposed
 330 by Article 1 of this chapter. No item or transaction which is not subject to taxation under
 331 Article 1 of this chapter shall be subject to a tax imposed under this article, except that a
 332 tax imposed under this article shall not apply to:

333 (1) The sale or use of any type of fuel used for off-road heavy-duty equipment, off-road
 334 farm or agricultural equipment, or locomotives;

335 (2) The sale or use of jet fuel to or by a qualifying airline at a qualifying airport;

336 (3) The sale or use of fuel that is used for propulsion of motor vehicles on the public
 337 highways;

338 (4) The sale or use of energy used in the manufacturing or processing of tangible goods
 339 primarily for resale;

340 (5) The sale or use of motor fuel as defined under paragraph (9) of Code Section 48-9-2
341 for public mass transit; or

342 (6) The purchase or lease of any motor vehicle pursuant to Code Section 48-5C-1.

343 (b) Except as otherwise specifically provided in this article, the tax imposed pursuant to
344 this article shall be subject to any sales and use tax exemption which is otherwise imposed
345 by law; provided, however, that the tax levied by this article shall be applicable to the sale
346 of food and food ingredients as provided for in paragraph (57) of Code Section 48-8-3.

347 48-8-269.1.

348 Where a local sales or use tax has been paid with respect to tangible personal property by
349 the purchaser either in another local tax jurisdiction within this state or in a tax jurisdiction
350 outside this state, the tax may be credited against the tax authorized to be imposed by this
351 article upon the same property. If the amount of sales or use tax so paid is less than the
352 amount of the levy due under this article, the purchaser shall pay an amount equal to the
353 difference between the amount paid in the other tax jurisdiction and the amount due under
354 this article. The commissioner may require such proof of payment in another local tax
355 jurisdiction as he or she deems necessary and proper. No credit shall be granted, however,
356 against the levy for tax paid in another jurisdiction if the tax paid in such other jurisdiction
357 is used to obtain a credit against any other local sales and use tax levied in the county or
358 in a special district which includes the county.

359 48-8-269.2.

360 No levy shall be imposed upon the sale of tangible personal property which is ordered by
361 and delivered to the purchaser at a point outside the geographical area of the county in
362 which the levy is imposed regardless of the point at which title passes, if the delivery is
363 made by the seller's vehicle, United States mail, or common carrier or by private or contract
364 carrier.

365 48-8-269.3.

366 The commissioner shall have the power and authority to promulgate such rules and
367 regulations as shall be necessary for the effective and efficient administration and
368 enforcement of the collection of the levy.

369 48-8-269.4.

370 Except as provided in Code Section 48-8-6, the tax authorized under this article shall be
371 in addition to any other local sales and use tax. Except as otherwise provided in this article
372 and except as provided in Code Section 48-8-6, the imposition of any other local sales and

373 use tax within a county or qualified municipality within a special district shall not affect
374 the authority of a county to impose the tax authorized under this article, and provided that
375 a county is not currently collecting a levy under Article 5 of this chapter, the imposition of
376 a tax under this article shall not affect the imposition of any otherwise authorized local
377 sales and use tax within the special district.

378 48-8-269.5.

379 (a)(1) The proceeds received from the levy shall be used by the county and qualified
380 municipalities within the district exclusively for the transportation purposes specified in
381 the resolution calling for imposition of the levy. Such proceeds shall be kept in a separate
382 account from other funds of any county and qualified municipality receiving proceeds of
383 the levy and shall not in any manner be commingled with other funds of any county or
384 qualified municipality prior to the expenditure.

385 (2) The governing authority of each county and the governing authority of each qualified
386 municipality receiving any proceeds from the tax under this article shall maintain a record
387 of each and every purpose for which the proceeds of the tax are used. A schedule shall
388 be included in each annual audit which shows for each purpose in the resolution calling
389 for imposition of the levy the original estimated cost, the current estimated cost if it is not
390 the original estimated cost, amounts expended in prior years, and amounts expended in
391 the current year. The auditor shall verify and test expenditures sufficient to provide
392 assurances that the schedule is fairly presented in relation to the financial statements. The
393 auditor's report on the financial statements shall include an opinion, or disclaimer of
394 opinion, as to whether the schedule is presented fairly in all material respects in relation
395 to the financial statements taken as a whole.

396 (b) No general obligation debt shall be issued in conjunction with the imposition of the
397 levy unless each county governing authority determines that, and if the debt is to be
398 validated it is demonstrated in the validation proceedings that, during each year in which
399 any payment of principal or interest on the debt comes due, the county will receive from
400 the levy net proceeds sufficient to fully satisfy such liability. General obligation debt
401 issued under this article shall be payable first from the separate account in which are placed
402 the proceeds received by each county from the levy. Such debt, however, shall constitute
403 a pledge of the full faith, credit, and taxing power of each county; and any liability on said
404 debt which is not satisfied from the proceeds of the levy shall be satisfied from the general
405 funds of the county.

406 (c) The intergovernmental agreement, if applicable, and resolution calling for imposition
407 of the levy may specify that all of the proceeds of the levy will be used for payment of
408 general obligation debt issued in conjunction with the imposition of the levy. If the

409 intergovernmental agreement, if applicable, and resolution so provide, then such proceeds
410 shall be used solely for such purpose except as provided in subsection (f) of this Code
411 section.

412 (d) The intergovernmental agreement, if applicable, and resolution calling for the
413 imposition of the levy may specify that a part of the proceeds of the levy will be used for
414 payment of general obligation debt issued in conjunction with the imposition of the tax.
415 The intergovernmental agreement, if applicable, and resolution shall specifically state the
416 other purposes for which such proceeds will be used. In such a case, no part of the net
417 proceeds from the levy received in any year shall be used for such other purposes until all
418 debt service requirements of the general obligation debt for that year have first been
419 satisfied from the account in which the proceeds of the levy are placed.

420 (e) The resolution calling for the imposition of the tax may specify that no general
421 obligation debt is to be issued in conjunction with the imposition of the tax. The
422 intergovernmental agreement and resolution shall specifically state the purpose or purposes
423 for which the proceeds will be used.

424 (f)(1)(A) If the proceeds of the levy are specified to be used solely for the purpose of
425 payment of general obligation debt issued in conjunction with the imposition of the
426 levy, then any net proceeds of the levy in excess of the amount required for final
427 payment of such debt shall be subject to and applied as provided in paragraph (2) of this
428 subsection.

429 (B) If the district receives from the levy net proceeds in excess of the maximum cost
430 of the transportation projects and costs stated in the resolution calling for the imposition
431 of the levy or in excess of the actual cost of such purpose or purposes, then such excess
432 proceeds shall be subject to and applied as provided in paragraph (2) of this subsection
433 unless otherwise specified in the intergovernmental agreement, if applicable.

434 (C) If the tax is terminated under paragraph (1) of subsection (b) of Code Section
435 48-8-264 by reason of denial of validation of debt, then all net proceeds received by the
436 special district from the tax shall be excess proceeds subject to paragraph (2) of this
437 subsection.

438 (2) Excess proceeds subject to this subsection shall be used solely for the purpose of
439 reducing any indebtedness of any county or qualified municipality within the district
440 other than indebtedness incurred pursuant to this article. If there is no such other
441 indebtedness or if the excess proceeds exceed the amount of any such other indebtedness,
442 then the excess proceeds shall next be paid into the general fund of such county or
443 qualified municipality, it being the intent that any funds so paid into the general fund of
444 such county or qualified municipality be used for the purpose of reducing ad valorem
445 taxes.

446 48-8-269.6.
447 Not later than December 31 of each year, the governing authority of each county and each
448 qualifying municipality receiving any proceeds from the tax under this article shall publish
449 annually, in a newspaper of general circulation in the boundaries of such county or
450 municipality, a simple, nontechnical report which shows for each purpose in the resolution
451 calling for imposition of the levy the original estimated cost, the current estimated cost if
452 it is not the original estimated cost, amounts expended in prior years, and amounts
453 expended in the current year. The report shall also include a statement of what corrective
454 action the county or municipality intends to implement with respect to each purpose which
455 is underfunded or behind schedule and a statement of any surplus funds which have not
456 been expended for a purpose."

457

PART III

458

SECTION 3-1.

459

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