

The Senate Committee on Transportation offers the following substitute to HB 106:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and
2 taxation, so as to provide for the process of calling for an election regarding the levy of a
3 special district transportation sales and use tax upon the expiration of such tax or the failure
4 to levy such tax; to provide for a levy of up to 1 percent; to authorize the imposition of a
5 transportation special purpose local option sales and use tax by counties not currently levying
6 a special district transportation sales and use tax; to provide for definitions, procedures,
7 conditions, and limitations for the imposition, collection, disbursement, and termination of
8 the tax; to provide for powers, duties, and authority of the state revenue commissioner; to
9 provide for related matters; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

11 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
12 amended by revising subsection (d) of and adding a new subsection to Code Section
13 48-8-241, relating to the creation of special districts and the tax rate for purposes of a
14 transportation sales and use tax, as follows:

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

- 21 (1) The sale or use of any type of fuel used for off-road heavy-duty equipment, off-road
22 farm or agricultural equipment, or locomotives;
23 (2) The sale or use of jet fuel to or by a qualifying airline at a qualifying airport;
24

25 (3) The sale or use of fuel that is used for propulsion of motor vehicles on the public
 26 highways. For purposes of this paragraph, a motor vehicle means a self-propelled vehicle
 27 designed for operation or required to be licensed for operation upon the public highways;

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

30 (5) For motor fuel as defined under paragraph (9) of Code Section 48-9-2 for public mass
 31 transit.

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

37 (e) Any tax imposed under this article on or after July 1, 2015, may be at a rate of up to
 38 1 percent but shall not be more than 1 percent. Any rate less than 1 percent shall be in an
 39 increment of .05 percent. This subsection shall not apply to taxes under this article
 40 imposed or to be imposed under resolutions and ordinances adopted prior to July 1, 2015."

41 SECTION 2.

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

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

55 SECTION 3.

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

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

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

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

82 SECTION 4.

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

84 "ARTICLE 5A

85 48-8-260.

86 As used in this article, the term:

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

88 (2) 'District' means a special district created pursuant to subsection (a) of Code Section
 89 48-8-261.

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

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

94 (5) 'Motor vehicle' means:

95 (A) Every self-propelled vehicle designed for operation or required to be licensed for
 96 operation upon the public highways; and

97 (B) Any other machine or mechanical contrivance using motor fuel to the extent that
 98 the machine or contrivance is operated upon the public highways.

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

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

107 48-8-261.

108 (a) Pursuant to the authority granted by Article IX, Section II, Paragraph VI of the
 109 Constitution of this state, 159 special districts are created within this state. The
 110 geographical boundary of each county shall correspond with and shall be conterminous
 111 with the geographical boundary of the 159 districts created.

112 (b) On or after January 1, 2017, when a county is not located within a special district with
 113 a special sales and use tax levied pursuant to Article 5 of this chapter and the imposition
 114 of a special sales and use tax for transportation purposes is authorized according to the
 115 procedures provided in this article within a district, the governing authority of any county
 116 in this state may, subject to the requirement of referendum approval and the other
 117 requirements of this article, impose within the district a special sales and use tax for a
 118 limited period of time, which tax shall be known as the transportation special purpose local
 119 option sales tax, the proceeds of which shall only be used for transportation purposes.

120 48-8-262.

121 (a) Prior to the issuance of the call for the referendum required by Code Section 48-8-263,
 122 any county that desires to levy a tax under this article shall deliver or mail a written notice
 123 to the mayor or chief elected official in each qualified municipality located within the
 124 district. Such notice shall contain the date, time, place, and purpose of a meeting at which
 125 the governing authorities of the county and of each qualified municipality are to meet to
 126 discuss possible projects for inclusion in the referendum. The notice shall be delivered or
 127 mailed at least ten days prior to the date of the meeting. The meeting shall be held at least
 128 30 days prior to the issuance of the call for the referendum.

129 (b)(1) Following the meeting required by subsection (a) of this Code section, the
130 governing authority of the county may enter into an intergovernmental agreement with
131 any or all qualified municipalities within the district.

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

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

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

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

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

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

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

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

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

149 (c)(1) As soon as practicable after the meeting between the governing authorities of the
150 county and qualified municipalities and the execution of an intergovernmental agreement,
151 if applicable, the governing authority of the county may by a majority vote on a
152 resolution offered for such purpose submit the list of transportation purposes and the
153 question of whether the levy should be approved to electors of the district in the next
154 regularly scheduled general election and shall notify the county election superintendent
155 within the district by forwarding to the superintendent a copy of such resolution calling
156 for the imposition of the levy. Such list, or a digest thereof, shall be available during
157 regular business hours in the office of the county clerk.

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

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

160 (B) The approximate cost of such transportation purposes, which shall also be the
161 maximum amount of net proceeds to be raised by the levy; and

162 (C) The maximum period of time, to be stated in calendar years, for which the levy
163 may be levied and the rate thereof. The maximum period of time shall not exceed five
164 years.

165 48-8-263.

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

168 ' () YES Shall a special _____ percent sales and use tax be imposed in the district
 169 consisting of _____ County for a period of time not to exceed _____

170 () NO and for the raising of not more than an estimated amount of \$ _____ for
 171 transportation purposes?'

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

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

177 (b) The election superintendent shall hold and conduct the election under the same rules
 178 and regulations as govern general elections. The superintendent shall canvass the returns,
 179 declare the result of the election, and certify the result to the Secretary of State and to the
 180 commissioner. The expense of the election shall be paid from county funds. All persons
 181 desiring to vote in favor of imposing the levy shall vote 'Yes,' and all persons opposed to
 182 imposing the levy shall vote 'No.' If more than one-half of the votes cast throughout the
 183 entire district are in favor of imposing the levy, then the levy shall be imposed as provided
 184 in this article.

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

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

193 (2) If the issuance of general obligation debt is included and approved as provided in this
 194 Code section, then the governing authority of the county may incur such debt either
 195 through the issuance and validation of general obligation bonds or through the execution
 196 of a promissory note or notes or other instrument or instruments. If such debt is incurred
 197 through the issuance of general obligation bonds, such bonds and their issuance and
 198 validation shall be subject to Articles 1 and 2 of Chapter 82 of Title 36 except as
 199 specifically provided otherwise in this article. If such debt is incurred through the
 200 execution of a promissory note or notes or other instrument or instruments, no validation
 201 proceedings shall be necessary, and such debt shall be subject to Code Sections 36-80-10

202 through 36-80-14 except as specifically provided otherwise in this article. In either event,
 203 such general obligation debt shall be payable first from the separate account in which are
 204 placed the proceeds received by the county from the levy. Such general obligation debt
 205 shall, however, constitute a pledge of the full faith, credit, and taxing power of the
 206 county; and any liability on such debt which is not satisfied from the proceeds of the levy
 207 shall be satisfied from the general funds of the county.

208 48-8-264.

209 (a) If the imposition of the levy is approved at the general election, the tax shall be
 210 imposed on the first day of the next succeeding calendar quarter which begins more than
 211 80 days after the date of the election at which the levy was approved by the voters. With
 212 respect to services which are regularly billed on a monthly basis, however, the resolution
 213 shall become effective with respect to and the levy shall apply to services billed on or after
 214 the effective date specified in the previous sentence.

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

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

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

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

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

230 (2) The governing authority of the county in which a levy is in effect under this article
 231 may, while the levy is in effect, adopt resolutions calling for the reimposition of the levy
 232 upon the termination of the levy then in effect; and an election may be held at the next
 233 regularly scheduled general election for this purpose while the levy is in effect.
 234 Proceedings for the reimposition of a levy shall be in the same manner as proceedings for
 235 the initial imposition of the levy, but the newly authorized levy shall not be imposed until
 236 the expiration of the levy then in effect.

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

240 48-8-265.

241 A tax levied pursuant to this article shall be exclusively administered and collected by the
 242 commissioner for the use and benefit of the county and qualified municipalities within the
 243 district imposing the tax. Such administration and collection shall be accomplished in the
 244 same manner and subject to the same applicable provisions, procedures, and penalties
 245 provided in Article 1 of this chapter; provided, however, that all moneys collected from
 246 each taxpayer by the commissioner shall be applied first to such taxpayer's liability for
 247 taxes owed the state; and provided, further, that the commissioner may rely upon a
 248 representation by or on behalf of the district or the Secretary of State that such a tax has
 249 been validly imposed, and the commissioner and the commissioner's agents shall not be
 250 liable to any person for collecting any such tax which was not validly imposed. Dealers
 251 shall be allowed a percentage of the amount of the tax due and accounted for and shall be
 252 reimbursed in the form of a deduction in submitting, reporting, and paying the amount due
 253 if such amount is not delinquent at the time of payment. The deduction shall be at the rate
 254 and subject to the requirements specified under subsections (b) through (f) of Code Section
 255 48-8-50.

256 48-8-266.

257 Each sales tax return remitting taxes collected under this article shall separately identify
 258 the location of each retail establishment at which any of the taxes remitted were collected
 259 and shall specify the amount of sales and the amount of taxes collected at each
 260 establishment for the period covered by the return in order to facilitate the determination
 261 by the commissioner that all taxes imposed by this article are collected and distributed
 262 according to situs of sale.

263 48-8-267.

264 The proceeds of the tax collected by the commissioner in each county under this article
 265 shall be disbursed as soon as practicable after collection as follows:

- 266 (1) One percent of the amount collected shall be paid into the general fund of the state
 267 treasury in order to defray the costs of administration; and
 268 (2) Except for the percentage provided in paragraph (1) of this Code section, the
 269 remaining proceeds of the tax shall be distributed pursuant to the terms of the
 270 intergovernmental agreement, if applicable.

271 48-8-268.

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

275 48-8-269.

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

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

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

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

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

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

289 (b) The tax imposed pursuant to this article shall only be levied on the first \$5,000.00 of
 290 any transaction involving the sale or lease of a motor vehicle. The tax imposed pursuant
 291 to this article shall be subject to any sales and use tax exemption which is otherwise
 292 imposed by law; provided, however, that the tax levied by this article shall be applicable
 293 to the sale of food and food ingredients as provided for in paragraph (57) of Code Section
 294 48-8-3.

295 (c) Except as otherwise specifically provided in this article, the levy shall be subject to any
 296 sales and use tax exemption which is otherwise imposed by general law; provided,
 297 however, that such levy shall be applicable to the sale of food and beverages as provided
 298 for in division (57)(D)(i) of Code Section 48-8-3.

299 48-8-269.1.

300 Where a local sales or use tax has been paid with respect to tangible personal property by
 301 the purchaser either in another local tax jurisdiction within this state or in a tax jurisdiction
 302 outside this state, the tax may be credited against the tax authorized to be imposed by this
 303 article upon the same property. If the amount of sales or use tax so paid is less than the
 304 amount of the levy due under this article, the purchaser shall pay an amount equal to the
 305 difference between the amount paid in the other tax jurisdiction and the amount due under

306 this article. The commissioner may require such proof of payment in another local tax
307 jurisdiction as he or she deems necessary and proper. No credit shall be granted, however,
308 against the levy for tax paid in another jurisdiction if the tax paid in such other jurisdiction
309 is used to obtain a credit against any other local sales and use tax levied in the county or
310 in a special district which includes the county.

311 48-8-269.2.

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

317 48-8-269.3.

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

321 48-8-269.4.

322 Except as provided in Code Section 48-8-6, the levy shall be in addition to any other local
323 sales and use tax. Except as provided in Code Section 48-8-6, the imposition of any other
324 local sales and use tax within a county shall not affect the authority of a county to impose
325 the levy, provided that a county is not currently collecting a levy under Article 5 of this
326 chapter, and the imposition of the levy shall not affect the imposition of any otherwise
327 authorized local sales and use tax within the county.

328 48-8-269.5.

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

335 (2) The governing authority of each county and the governing authority of each qualified
336 municipality receiving any proceeds from the levy pursuant to the intergovernmental
337 agreement, if applicable, with the county shall maintain a record of each and every
338 purpose for which the proceeds of the levy are used. A schedule shall be included in each

339 annual audit which shows for each purpose in the resolution calling for imposition of the
340 levy the original estimated cost, the current estimated cost if it is not the original
341 estimated cost, amounts expended in prior years, and amounts expended in the current
342 year. The auditor shall verify and test expenditures sufficient to provide assurances that
343 the schedule is fairly presented in relation to the financial statements. The auditor's report
344 on the financial statements shall include an opinion, or disclaimer of opinion, as to
345 whether the schedule is presented fairly in all material respects in relation to the financial
346 statements taken as a whole.

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

357 (c) The intergovernmental agreement, if applicable, and resolution calling for imposition
358 of the levy may specify that all of the proceeds of the levy will be used for payment of
359 general obligation debt issued in conjunction with the imposition of the levy. If the
360 intergovernmental agreement, if applicable, and resolution so provide, then such proceeds
361 shall be used solely for such purpose except as provided in subsection (f) of this Code
362 section.

363 (d) The intergovernmental agreement, if applicable, and resolution calling for the
364 imposition of the levy may specify that a part of the proceeds of the levy will be used for
365 payment of general obligation debt issued in conjunction with the imposition of the tax.
366 If the intergovernmental agreement, if applicable, and resolution so provide, they shall
367 specifically state the other purposes for which such proceeds will be used. In such a case,
368 no part of the net proceeds from the levy received in any year shall be used for such other
369 purposes until all debt service requirements of the general obligation debt for that year have
370 first been satisfied from the account in which the proceeds of the levy are placed.

371 (e) The resolution calling for the imposition of the levy may specify that no general
372 obligation debt is to be issued in conjunction with the imposition of the tax. If the
373 resolution so provides, it shall specifically state the purpose or purposes for which the
374 proceeds will be used.

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

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

385 (C) If the tax is terminated under paragraph (1) of subsection (b) of Code Section
 386 48-8-264 by reason of denial of validation of debt, then all net proceeds received by the
 387 special district from the tax shall be excess proceeds subject to paragraph (2) of this
 388 subsection.

389 (2) Excess proceeds subject to this subsection shall be used solely for the purpose of
 390 reducing any indebtedness of any county or qualified municipality within the district
 391 other than indebtedness incurred pursuant to this article. If there is no such other
 392 indebtedness or if the excess proceeds exceed the amount of any such other indebtedness,
 393 then the excess proceeds shall next be paid into the general fund of such county or
 394 qualified municipality, it being the intent that any funds so paid into the general fund of
 395 such county or qualified municipality be used for the purpose of reducing ad valorem
 396 taxes.

397 48-8-269.6.

398 Not later than December 31 of each year, the governing authority of each county and each
 399 qualifying municipality receiving any proceeds from the levy under this article shall
 400 publish annually, in a newspaper of general circulation in the boundaries of such county
 401 or municipality, a simple, nontechnical report which shows for each purpose in the
 402 resolution calling for imposition of the levy the original estimated cost, the current
 403 estimated cost if it is not the original estimated cost, amounts expended in prior years, and
 404 amounts expended in the current year. The report shall also include a statement of what
 405 corrective action the county or municipality intends to implement with respect to each
 406 purpose which is underfunded or behind schedule and a statement of any surplus funds
 407 which have not been expended for a purpose."

408 **SECTION 5.**

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