

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

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 wherein mass  
 111 transportation service is provided within, to, or from, by a multicounty regional  
 112 transportation authority created by an Act of the General Assembly, including but not  
 113 limited to the Georgia Regional Transportation Authority or the Metropolitan Atlanta  
 114 Rapid Transit Authority.

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

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

123 48-8-261.

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

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

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

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

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

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

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

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

137 (C) Code Section 48-8-96

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

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

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

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

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

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

149 (C) Code Section 48-8-96

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

153 48-8-262.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

204 48-8-263.

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

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

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

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

216 (b) The election superintendent shall hold and conduct the election under the same rules  
 217 and regulations as govern general elections. The superintendent shall canvass the returns,  
 218 declare the result of the election, and certify the result to the Secretary of State and to the  
 219 commissioner. The expense of the election shall be paid from county funds. All persons  
 220 desiring to vote in favor of imposing the levy shall vote 'Yes,' and all persons opposed to  
 221 imposing the levy shall vote 'No.' If more than one-half of the votes cast throughout the  
 222 entire district are in favor of imposing the levy, then the levy shall be imposed as provided  
 223 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 general election, the tax shall be  
 249 imposed on the first day of the next succeeding calendar quarter which begins more than  
 250 80 days after the date of the election at which the levy was approved by the voters. With  
 251 respect to services which are regularly billed on a monthly basis, however, the resolution  
 252 shall become effective with respect to and the levy shall apply to services billed on or after  
 253 the effective 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.