

House Bill 1245

By: Representatives Ashe of the 46th, McKinney of the 51st and Teper of the 61st

A BILL TO BE ENTITLED
AN ACT

1 To amend an Act known as the "Metropolitan Atlanta Rapid Transit Authority Act of 1965,"
2 approved March 10, 1965 (Ga. L. 1965, p. 2243), as amended, so as to change certain
3 provisions relating to use of proceeds of a sales and use tax for the Authority; to provide an
4 effective date; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 An Act known as the "Metropolitan Atlanta Rapid Transit Authority Act of 1965," approved
8 March 10, 1965 (Ga. L. 1965, p. 2243), as amended, is amended by striking subsection (i)
9 of Section 25 and inserting in lieu thereof the following:

10 "(i) *Use of Proceeds.* The proceeds of the tax levied pursuant to this Act shall be used
11 solely by each local government to fulfill the obligations incurred in the contracts entered
12 into with the Metropolitan Atlanta Rapid Transit Authority as contemplated in the
13 Metropolitan Atlanta Rapid Transit Authority Act of 1965, as amended, provided, however,
14 that no more than ~~fifty~~ fifty-five percent (~~50%~~) (55%) of the annual proceeds of the tax
15 shall be used to subsidize the operating costs of the system, exclusive of depreciation,
16 amortization, and other costs and charges as provided in this subsection, until July 1, 2032;
17 ~~after which time; except that if the Board of the Metropolitan Atlanta Rapid Transit~~
18 Authority shall fail to file with the Metropolitan Atlanta Rapid Transit Overview
19 Committee not later than December 31, 2002, the original and 14 copies of a report of the
20 findings of a completed management performance audit of the authority's current
21 operations, which audit was performed under contract with and at the expense of the
22 authority by the Georgia Regional Transportation Authority pursuant to paragraph (16) of
23 subsection (a) of Code Section 50-32-11 of the O.C.G.A., along with any auditor's
24 recommendations based thereon and the auditor's signed written verification that the
25 Metropolitan Atlanta Rapid Transit Authority fully cooperated with such audit and allowed
26 access to all its books, records, and documents to the extent the auditor deemed necessary,

1 then on and after January 1, 2003, and until July 1, 2032, no more than fifty percent (50%)
2 of the annual proceeds of the tax shall be used to subsidize the operating costs of the
3 system, exclusive of depreciation, amortization, and other costs and charges as provided
4 in this subsection. After July 1, 2032, no more than sixty percent (60%) of the annual
5 proceeds of the tax shall be used to subsidize the operating costs of the system, exclusive
6 of depreciation, amortization, and other costs and charges as provided in this subsection,
7 and ~~that~~ commencing with July 1, 2032, and for every year thereafter, the proceeds of the
8 tax shall not be used to subsidize operations of the transportation system to an extent
9 greater than fifty percent (50%) of the operating costs of the system, exclusive of
10 depreciation, amortization, and other costs and charges as provided in this subsection. In
11 adopting its annual budget, the Board of the Metropolitan Atlanta Rapid Transit Authority
12 shall be authorized to rely upon estimates of all revenues, operating costs, patronage and
13 other factors which may affect the amount of the fare required to limit the operating
14 subsidy herein provided for. If the results of any year's operations reflect that the proceeds
15 of the tax were used to subsidize operations to an extent greater than herein provided, the
16 Board shall adjust fares in order to make up the deficit in operations during a period of not
17 to exceed three (3) succeeding years. If the results of operations in the Authority's fiscal
18 year commencing July 1, 1980 or in any subsequent fiscal year reflect that the proceeds of
19 the tax were not used to subsidize operations to the maximum extent herein provided, the
20 Board may, in its sole discretion, reserve any amounts that could have been used to
21 subsidize operations in that fiscal year and later use said reserved amounts and any interest
22 earned on said reserved amounts to provide an additional subsidy for operations in any
23 future fiscal year or years. The words 'operating costs of the system' for purposes of this
24 subsection 25(i) are defined to include all of the costs of that division of the Authority
25 directly involved and that portion of the nonoperating administrative costs of those
26 divisions of the Authority indirectly involved, through the provision of support services,
27 in providing mass transportation services for the metropolitan area, but exclusive of the
28 costs of the division or divisions directly involved and that portion of the nonoperating
29 administrative costs of those divisions indirectly involved, in the planning, design,
30 acquisition, construction, and improvement of the rapid transit system, according to
31 accepted principles of accounting, and also exclusive of the following costs:
32 (1) Nonrecurring costs and charges incurred in order to comply with any statute or
33 regulation concerning either the protection or cleaning up of the environment, or
34 accessibility by handicapped or disabled persons, or occupational health or safety, or with
35 any judgment, decree, or order of any court or regulatory agency in implementation of any
36 such statute or regulation;

1 (2) In the case of leases of equipment or facilities that, according to generally accepted
2 principles of accounting, would not be classified as capital leases, payments of rent and
3 other payments for the property subject to such leases or for the use thereof; provided that
4 any costs for regular maintenance or repair of such equipment or facilities shall not be
5 excluded; and

6 (3) Costs incurred before June 30, 2005, directly for the purposes of ensuring that the
7 Authority's computers and related technology do not malfunction because of the change
8 in dates that will occur at the beginning of the year 2000, or for correcting any such
9 malfunction.

10 If any proceeds of the tax levied pursuant to this Act are held for the purpose of planning,
11 designing, acquiring, or constructing additional facilities or equipment for or improvements
12 to the rapid transit system and are invested, then all interest earned from such investments
13 shall be used only for such purposes or for paying the principal of or interest on bonds or
14 certificates issued for such purposes. Commencing July 1, 1988, and until June 30, 2003,
15 and only if expressly authorized by the board, interest earned on reserve funds set aside for
16 rebuilding, repairing, or renovating facilities of the rapid transit system; for replacing,
17 repairing, or renovating equipment or other capital assets thereof; or from the sale or other
18 disposition of real property, may, without regard to the original source of the funds so
19 reserved, be used to pay the operating costs of the system as such costs are defined in this
20 subsection."

21 **SECTION 2.**

22 This Act shall become effective upon its approval by the Governor or upon its becoming law
23 without such approval.

24 **SECTION 3.**

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