

House Bill 1245 (AM)

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

A BILL TO BE ENTITLED
AN ACT

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

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

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

"(i) Use of Proceeds. The proceeds of the tax levied pursuant to this Act shall be used solely by each local government to fulfill the obligations incurred in the contracts entered into with the Metropolitan Atlanta Rapid Transit Authority as contemplated in the Metropolitan Atlanta Rapid Transit Authority Act of 1965, as amended, provided, however, that no more than ~~fifty~~ fifty-five percent ~~(50%)~~ (55%) of the annual proceeds of the tax shall be used to subsidize the operating costs of the system, exclusive of depreciation, amortization, and other costs and charges as provided in this subsection, until July 1, 2007; and on and after July 1, 2007, and until July 1, 2032, no more than fifty percent (50%) of the annual proceeds of the tax shall be used to subsidize the operating costs of the system, exclusive of depreciation, amortization, and other costs and charges as provided in this subsection ~~after which time;~~ except that if the Board of the Metropolitan Atlanta Rapid Transit Authority shall fail to file with the Metropolitan Atlanta Rapid Transit Overview Committee not later than December 31, 2002, the original and 14 copies of a report of the findings of a completed management performance audit of the authority's current operations, which audit was performed under contract with and at the expense of the

1 authority by the Georgia Regional Transportation Authority pursuant to paragraph (16) of
2 subsection (a) of Code Section 50-32-11 of the O.C.G.A., along with any auditor's
3 recommendations based thereon and the auditor's signed written verification that the
4 Metropolitan Atlanta Rapid Transit Authority fully cooperated with such audit and allowed
5 access to all its books, records, and documents to the extent the auditor deemed necessary,
6 then on and after January 1, 2003, and until July 1, 2032, no more than fifty percent (50%)
7 of the annual proceeds of the tax shall be used to subsidize the operating costs of the
8 system, exclusive of depreciation, amortization, and other costs and charges as provided
9 in this subsection. After July 1, 2032, no more than sixty percent (60%) of the annual
10 proceeds of the tax shall be used to subsidize the operating costs of the system, exclusive
11 of depreciation, amortization, and other costs and charges as provided in this subsection,
12 and ~~that~~ commencing with July 1, 2032, and for every year thereafter, the proceeds of the
13 tax shall not be used to subsidize operations of the transportation system to an extent
14 greater than fifty percent (50%) of the operating costs of the system, exclusive of
15 depreciation, amortization, and other costs and charges as provided in this subsection. In
16 adopting its annual budget, the Board of the Metropolitan Atlanta Rapid Transit Authority
17 shall be authorized to rely upon estimates of all revenues, operating costs, patronage and
18 other factors which may affect the amount of the fare required to limit the operating
19 subsidy herein provided for. If the results of any year's operations reflect that the proceeds
20 of the tax were used to subsidize operations to an extent greater than herein provided, the
21 Board shall adjust fares in order to make up the deficit in operations during a period of not
22 to exceed three (3) succeeding years. If the results of operations in the Authority's fiscal
23 year commencing July 1, 1980 or in any subsequent fiscal year reflect that the proceeds of
24 the tax were not used to subsidize operations to the maximum extent herein provided, the
25 Board may, in its sole discretion, reserve any amounts that could have been used to
26 subsidize operations in that fiscal year and later use said reserved amounts and any interest
27 earned on said reserved amounts to provide an additional subsidy for operations in any
28 future fiscal year or years. The words 'operating costs of the system' for purposes of this
29 subsection 25(i) are defined to include all of the costs of that division of the Authority
30 directly involved and that portion of the nonoperating administrative costs of those
31 divisions of the Authority indirectly involved, through the provision of support services,
32 in providing mass transportation services for the metropolitan area, but exclusive of the
33 costs of the division or divisions directly involved and that portion of the nonoperating
34 administrative costs of those divisions indirectly involved, in the planning, design,
35 acquisition, construction, and improvement of the rapid transit system, according to
36 accepted principles of accounting, and also exclusive of the following costs:

(1) Nonrecurring costs and charges incurred in order to comply with any statute or regulation concerning either the protection or cleaning up of the environment, or accessibility by handicapped or disabled persons, or occupational health or safety, or with any judgment, decree, or order of any court or regulatory agency in implementation of any such statute or regulation;

(2) In the case of leases of equipment or facilities that, according to generally accepted principles of accounting, would not be classified as capital leases, payments of rent and If any proceeds of the tax levied pursuant to this Act are held for the purpose of planning, designing, acquiring, or constructing additional facilities or equipment for or improvements to the rapid transit system and are invested, then all interest earned from such investments shall be used only for such purposes or for paying the principal of or interest on bonds or certificates issued for such purposes. Commencing July 1, 1988, and until June 30, 2003, and only if expressly authorized by the board, interest earned on reserve funds set aside for rebuilding, repairing, or renovating facilities of the rapid transit system; for replacing, repairing, or renovating equipment or other capital assets thereof; or from the sale or other disposition of real property, may, without regard to the original source of the funds so reserved, be used to pay the operating costs of the system as such costs are defined in this subsection."

SECTION 2.

Said Act is further amended by striking subsection (b) of Section 17 and inserting in its place a new subsection to read as follows:

"(b) During each fiscal year the Board shall propose an annual operating budget for the ensuing fiscal year and hold a public hearing thereon. At the time of or prior to such public hearing, the Board shall provide a copy of the proposed annual operating budget to the Metropolitan Atlanta Rapid Transit Overview Committee. After such public hearing the Board shall review its proposed budget, and, on or before the last day of the fiscal year, it shall adopt an annual operating budget for the ensuing fiscal year. In the annual operating budget each operating fund shall be set forth separately and show an estimate of the fund balance to be available at the beginning of the year, an estimate of anticipated credits during the year according to source, an estimate of anticipated charges, including capital outlay or debt service properly to be financed from anticipated revenues, and comparative data on the last two completed fiscal years and similar data, actual or estimated, for the current year."

SECTION 3.

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

SECTION 4.

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