

House Bill 346

By: Representatives Millar of the 52nd, Royal of the 140th, Watson of the 60th, Post 2, Williams of the 4th and Drenner of the 57th

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 2 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia
2 Annotated, relating to sales tax for educational purposes, so as to provide that when certain
3 sales taxes for educational purposes are imposed, each board of education expending
4 proceeds of the tax shall undergo a performance audit or performance review of such
5 expenditures; to provide for contracts for such performance audit or review; to provide for
6 related matters; to provide for applicability; to repeal conflicting laws; and for other
7 purposes.

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

9 **SECTION 1.**

10 Part 2 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,
11 relating to sales tax for educational purposes, is amended by adding at its end a new Code
12 Section 48-8-144 to read as follows:

13 "48-8-144.

14 (a) When a sales tax for educational purposes is imposed for capital outlay projects as
15 provided in this part and such tax generates or is reasonably anticipated to generate
16 annualized proceeds of \$5 million per year or more, the expenditure of tax proceeds shall
17 be subject to an ongoing performance audit or performance review as provided in this Code
18 section; but this Code section shall not apply if such tax generates annualized proceeds
19 below \$5 million.

20 (b) Each local board of education expending tax proceeds for capital outlay projects shall
21 provide for a continuing performance audit or performance review of the expenditure of
22 such funds. The local board of education shall contract with an outside auditor, consultant,
23 or other provider for such performance audit or performance review. The performance
24 audit or performance review contract shall:

1 (1) Include a goal of ensuring to the maximum extent possible that the tax funds are
2 expended efficiently and economically, so as to secure to the expending school district
3 the maximum possible benefit from the tax dollars collected;

4 (2) Provide for the issuance of periodic public reports, not less often than once every six
5 months, with respect to the extent to which expenditures are meeting the goal specified
6 in paragraph (1) of this subsection; and

7 (3) Provide for the issuance of periodic public recommendations, not less often than once
8 every six months, for improvements in meeting the goal specified in paragraph (1) of this
9 subsection.

10 (c) The auditor, consultant, or other provider to carry out the performance audit or
11 performance review shall be selected through a public competitive request for proposals
12 process. The cost of the performance audit or performance review may be paid from the
13 proceeds of the sales tax for educational purposes or any other available funds of the local
14 school system.

15 (d) The performance audit or review shall be required when the sales tax for educational
16 purposes is imposed in whole or in part for capital outlay projects but shall not be required
17 when the sales tax for educational purposes is imposed for the sole purpose of retirement
18 of previously incurred general obligation debt.

19 (e) The requirements of this Code section shall apply with respect to any sales tax for
20 educational purposes which is in effect on July 1, 2003, as well as any sales tax for
21 educational purposes imposed or reimposed on or after that date."

22 SECTION 2.

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