

Senate Bill 114

By: Senators Butler of the 55th, Williams of the 19th, Miles of the 43rd, Weber of the 40th,  
Jones of the 10th and others

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 extend the sunset of  
3 certain provisions relating to use of proceeds of a sales and use tax for the Authority; to  
4 provide an 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 its place 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 percent (50%) of the annual proceeds of the tax shall be used to  
15 subsidize the operating costs of the system, exclusive of depreciation, amortization, and  
16 other costs and charges as provided in this subsection, until January 1, 2002. For the period  
17 beginning January 1, 2002, and ending June 30, 2002; each fiscal year commencing  
18 thereafter until July 1, ~~2006~~ 2011; and the period beginning July 1, ~~2006~~ 2011, and ending  
19 December 31, ~~2006~~ 2011, no more than fifty-five percent (55%) of the proceeds of the tax  
20 shall be used to subsidize the operating costs of the system, exclusive of depreciation,  
21 amortization, and other costs and charges as provided in this subsection; and for the period  
22 beginning January 1, ~~2007~~ 2012, and ending June 30, ~~2007~~ 2012, and each fiscal year  
23 commencing thereafter until July 1, 2032, no more than fifty percent (50%) of the proceeds  
24 of the tax shall be used to subsidize the operating costs of the system, exclusive of  
25 depreciation, amortization, and other costs and charges as provided in this subsection;  
26 except that if the Board of the Metropolitan Atlanta Rapid Transit Authority shall fail to  
27 file with the Metropolitan Atlanta Rapid Transit Overview Committee not later than

1 December 31, 2002, the original and 14 copies of a report of the findings of a completed  
2 management performance audit of the authority's current operations, which audit was  
3 performed under contract with and at the expense of the authority by the Georgia Regional  
4 Transportation Authority pursuant to paragraph (16) of subsection (a) of Code Section  
5 50-32-11 of the O.C.G.A., along with any auditor's recommendations based thereon and  
6 the auditor's signed written verification that the Metropolitan Atlanta Rapid Transit  
7 Authority fully cooperated with such audit and allowed access to all its books, records, and  
8 documents to the extent the auditor deemed necessary, then for the period beginning  
9 January 1, 2003, and ending June 30, 2003, and each fiscal year commencing thereafter  
10 until July 1, 2032, no more than fifty percent (50%) of the proceeds of the tax shall be used  
11 to subsidize the operating costs of the system, exclusive of depreciation, amortization, and  
12 other costs and charges as provided in this subsection. For each fiscal year commencing  
13 on or after July 1, 2032, no more than sixty percent (60%) of the annual proceeds of the tax  
14 shall be used to subsidize the operating costs of the system, exclusive of depreciation,  
15 amortization, and other costs and charges as provided in this subsection; and commencing  
16 with July 1, 2032, and for every year thereafter, the proceeds of the tax shall not be used  
17 to subsidize operations of the transportation system to an extent greater than fifty percent  
18 (50%) of the operating costs of the system, exclusive of depreciation, amortization, and  
19 other costs and charges as provided in this subsection. In adopting its annual budget, the  
20 Board of the Metropolitan Atlanta Rapid Transit Authority shall be authorized to rely upon  
21 estimates of all revenues, operating costs, patronage and other factors which may affect the  
22 amount of the fare required to limit the operating subsidy herein provided for. If the results  
23 of any year's operations reflect that the proceeds of the tax were used to subsidize  
24 operations to an extent greater than herein provided, the Board shall adjust fares in order  
25 to make up the deficit in operations during a period of not to exceed three (3) succeeding  
26 years. If the results of operations in the Authority's fiscal year commencing July 1, 1980,  
27 or in any subsequent fiscal year reflect that the proceeds of the tax were not used to  
28 subsidize operations to the maximum extent herein provided, the Board may, in its sole  
29 discretion, reserve any amounts that could have been used to subsidize operations in that  
30 fiscal year and later use said reserved amounts and any interest earned on said reserved  
31 amounts to provide an additional subsidy for operations in any future fiscal year or years.  
32 The words 'operating costs of the system' for purposes of this subsection 25(i) are defined  
33 to include all of the costs of that division of the Authority directly involved and that portion  
34 of the nonoperating administrative costs of those divisions of the Authority indirectly  
35 involved, through the provision of support services, in providing mass transportation  
36 services for the metropolitan area, but exclusive of the costs of the division or divisions  
37 directly involved and that portion of the nonoperating administrative costs of those

1 divisions indirectly involved, in the planning, design, acquisition, construction, and  
2 improvement of the rapid transit system, according to accepted principles of accounting,  
3 and also exclusive of the following costs:

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

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

14 If any proceeds of the tax levied pursuant to this Act are held for the purpose of planning,  
15 designing, acquiring, or constructing additional facilities or equipment for or improvements  
16 to the rapid transit system and are invested, then all interest earned from such investments  
17 shall be used only for such purposes or for paying the principal of or interest on bonds or  
18 certificates issued for such purposes. Commencing July 1, 1988, and until June 30, 2006,  
19 and only if expressly authorized by the board, interest earned on reserve funds set aside for  
20 rebuilding, repairing, or renovating facilities of the rapid transit system; for replacing,  
21 repairing, or renovating equipment or other capital assets thereof; or from the sale or other  
22 disposition of real property, may, without regard to the original source of the funds so  
23 reserved, be used to pay the operating costs of the system as such costs are defined in this  
24 subsection."

## 25 **SECTION 2.**

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

## 28 **SECTION 3.**

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