

The House Committee on Transportation offers the following substitute to HB 1139:

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 taxes, so as to implement a 1 percent increase in the state-wide sales and use taxes  
3 to be used for transportation purposes; to not exempt motor fuels from such increase in the  
4 state-wide sales and use taxes; to amend Chapter 9 of Title 48 of the Official Code of  
5 Georgia Annotated, relating to motor fuel and road taxes, so as to reflect the 1 percent  
6 increase in the sales and use tax; to amend Chapter 13 of Title 48 of the Official Code of  
7 Georgia Annotated, relating to specific, business, and occupation taxes, so as to reflect the  
8 1 percent increase in the sales and use tax; to provide for distribution of the proceeds of the  
9 state-wide transportation tax; to provide for related matters; to provide for a contingent  
10 effective date and applicability; to provide for automatic repeal under certain circumstances;  
11 to repeal conflicting laws; and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 style="text-align:center">**SECTION 1.**

14 Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales and use  
15 taxes, is amended by revising Code Section 48-8-3.1, relating to exemptions for motor fuels  
16 from sales and use taxes, as follows:

17 "48-8-3.1.

18 (a) Except as provided in subsection (b) of this Code section, sales of motor fuels as  
19 defined in paragraph (9) of Code Section 48-9-2 shall be exempt from the first 3 percent  
20 of the sales and use taxes levied or imposed by this article and shall be subject to the  
21 remaining ± 2 percent of the sales and use taxes levied or imposed by this article.

22 (b) Sales of motor fuel other than gasoline, which motor fuel other than gasoline is  
23 purchased for purposes other than propelling motor vehicles on public highways as defined  
24 in Article 1 of Chapter 9 of this title, shall be fully subject to the 4 5 percent sales and use  
25 taxes levied or imposed by this article unless otherwise specifically exempted by this  
26 article.

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1 (c) It is specifically declared to be the intent of the General Assembly that taxation  
 2 imposed on sales of motor fuel wholly or partially subject to taxation under this Code  
 3 section shall not constitute motor fuel taxes for purposes of any provision of the  
 4 Constitution providing for the automatic or mandatory appropriation of any amount of  
 5 funds equal to funds derived from motor fuel taxes.

6 (d) It is further declared to be the intent of the General Assembly that an amount equal to  
 7 the sum of all funds collected from this additional 1 percent general state-wide sales and  
 8 use tax raised from sales of motor fuel, as provided by Article III, Section IX, Paragraph  
 9 VI(b.1) of the Constitution, shall be used to fund the Local Assistance Road Program and  
 10 the State Road Construction Program, which is off system and is most needed."

### 11 SECTION 2.

12 Said chapter is further amended by revising subsection (c.1) of Code Section 48-8-6, relating  
 13 to the ceiling on local sales and use taxes, as follows:

14 "(c.1) Where the exception specified in paragraph (2) of subsection (b) of this Code section  
 15 applies, on and after ~~July 1, 2007~~ January 1, 2009, the aggregate amount of all excise taxes  
 16 imposed under paragraph (5) of subsection (a) of Code Section 48-13-51 and all sales and  
 17 use taxes shall not exceed ~~14~~ 15 percent."

### 18 SECTION 3.

19 Said chapter is further amended by revising Code Section 48-8-30, relating to the rate and  
 20 imposition of the state sales and use tax, as follows:

21 "48-8-30.

22 (a) There is levied and imposed a tax on the retail purchase, retail sale, rental, storage, use,  
 23 or consumption of tangible personal property and on the services described in this article.

24 (b)(1) Every purchaser of tangible personal property at retail in this state shall be liable  
 25 for a tax on the purchase at the rate of ~~4~~ 5 percent of the sales price of the purchase. The  
 26 tax shall be paid by the purchaser to the retailer making the sale, as provided in this  
 27 article. The retailer shall remit the tax to the commissioner, as provided in this article,  
 28 and, when received by the commissioner, the tax shall be a credit against the tax imposed  
 29 on the retailer. Every person making a sale or sales of tangible personal property at retail  
 30 in this state shall be a retailer and a dealer and shall be liable for a tax on the sale at the  
 31 rate of ~~4~~ 5 percent of the gross sale or gross sales, or the amount of taxes collected by him  
 32 or her from his or her purchaser or purchasers, whichever is greater.

33 (2) No retail sale shall be taxable to the retailer or dealer which is not taxable to the  
 34 purchaser at retail.

1 (c)(1) Upon the first instance of use, consumption, distribution, or storage within this  
 2 state of tangible personal property purchased at retail outside this state, the owner or user  
 3 of the property shall be a dealer and shall be liable for a tax at the rate of ~~4~~ 5 percent of  
 4 the cost price, except as provided in paragraph (2) of this subsection.

5 (2) Upon the first instance of use, consumption, distribution, or storage within this state  
 6 of tangible personal property purchased at retail outside this state and used outside this  
 7 state for more than six months prior to its first use within this state, the owner or user of  
 8 the property shall be a dealer and shall be liable for a tax at the rate of ~~4~~ 5 percent of the  
 9 cost price or fair market value of the property, whichever is the lesser.

10 (3) This subsection shall not be construed to require a duplication in the payment of the  
 11 tax. The tax imposed by this subsection shall be subject to the credit otherwise granted  
 12 by this article for like taxes previously paid in another state.

13 (c.1)(1) Every purchaser of tangible personal property at retail outside this state from a  
 14 dealer, as defined in subparagraph (H) of paragraph (3) of Code Section 48-8-2, when  
 15 such property is to be used, consumed, distributed, or stored within this state, shall be  
 16 liable for a tax on the purchase at the rate of ~~4~~ 5 percent of the sales price of the purchase.  
 17 It shall be prima-facie evidence that such property is to be used, consumed, distributed,  
 18 or stored within this state if that property is delivered in this state to the purchaser or  
 19 agent thereof. The tax shall be paid by the purchaser to the retailer making the sale, as  
 20 provided in this article. The retailer shall remit the tax to the commissioner, as provided  
 21 in this article, and, when received by the commissioner, the tax shall be a credit against  
 22 the tax imposed on the retailer. Every person who is a dealer, as defined in  
 23 subparagraph (H) of paragraph (3) of Code Section 48-8-2, and who makes any sale of  
 24 tangible personal property at retail outside this state, which property is to be delivered in  
 25 this state to a purchaser or purchaser's agent, shall be a retailer and a dealer for purposes  
 26 of this article and shall be liable for a tax on the sale at the rate of ~~4~~ 5 percent of such  
 27 gross sales or the amount of tax as collected by that person from purchasers having their  
 28 purchases delivered in this state, whichever is greater.

29 (2) No retail sale shall be taxable to the retailer or dealer which is not taxable to the  
 30 purchaser at retail. The tax imposed by this subsection shall be subject to the credit  
 31 otherwise granted by this article for like taxes previously paid in another state. This  
 32 subsection shall not be construed to require a duplication in the payment of the tax.

33 (d)(1) Every person to whom tangible personal property in ~~the~~ this state is leased or  
 34 rented shall be liable for a tax on the lease or rental at the rate of ~~4~~ 5 percent of the gross  
 35 lease or rental charge. The tax shall be paid to the person who leases or rents the property  
 36 by the person to whom the property is leased or rented. A person who leases or rents  
 37 property to others as a dealer under this article shall remit the tax to the commissioner,

1 as provided in this article. When received by the commissioner, the tax shall be a credit  
 2 against the tax imposed on the person who leases or rents the property to others. Every  
 3 person who leases or rents tangible personal property in this state to others shall be a  
 4 dealer and shall be liable for a tax on the lease or rental at the rate of ~~4~~ 5 percent of the  
 5 gross lease or rental proceeds, or the amount of taxes collected by him or her from  
 6 persons to whom he or she leases or rents tangible personal property, whichever is  
 7 greater.

8 (2) No lease or rental shall be taxable to the person who leases or rents tangible property  
 9 to another which is not taxable to the person to whom the property is leased or rented.

10 (3) The lessee of both taxable and exempt property in this state under a single lease  
 11 agreement containing a lease period of ten years or more shall have the option to  
 12 discharge in full all sales and use taxes imposed by this article relating to the tangible  
 13 personal property by paying in a lump sum ~~4~~ 5 percent of the fair market value of the  
 14 tangible personal property at the date of inception of the lease agreement in the same  
 15 manner and under the same conditions applicable to sales of the tangible personal  
 16 property.

17 (e) Upon the first instance of use within this state of tangible personal property leased or  
 18 rented outside this state, the person to whom the property is leased or rented shall be a  
 19 dealer and shall be liable for a tax at the rate of ~~4~~ 5 percent of the rental charge paid to the  
 20 person who leased or rented the property, subject to the credit authorized for like taxes  
 21 previously paid in another state.

22 (e.1)(1) Every person who leases, as lessor, or rents tangible personal property outside  
 23 this state for use within this state shall be liable for a tax at the rate of ~~4~~ 5 percent of the  
 24 rental charge paid for that lease or rental if that person is a dealer, as defined in  
 25 subparagraph (H) of paragraph (3) of Code Section 48-8-2~~1~~2, and title to that property  
 26 remains in that person. It shall be prima-facie evidence that such property is to be used  
 27 within this state if that property is delivered in this state to the lessee or renter of such  
 28 property, or to the agent of either. The tax shall be paid by the lessee or renter~~1~~2 and  
 29 payment of the tax shall be made to the lessor or person receiving rental payments for that  
 30 property, which person shall be the dealer for purposes of this article. The dealer shall  
 31 remit the tax to the commissioner~~1~~2 as provided in this article~~1~~2 and, when received by the  
 32 commissioner, the tax shall be a credit against the tax imposed on the dealer. Every  
 33 person who is a dealer, as defined in subparagraph (H) of paragraph (3) of Code  
 34 Section 48-8-2~~1~~2, and who leases or rents tangible personal property outside this state to be  
 35 delivered in this state to the lessee, renter, or agent of either shall be a dealer and shall be  
 36 liable as such for a tax on the lease or rental at the rate of ~~4~~ 5 percent of the gross

1 proceeds from such leases or rentals or the amount of taxes collected by that dealer for  
2 leases or rentals of tangible personal property delivered in this state, whichever is greater.

3 (2) No lease or rental shall be taxable to the dealer which is not taxable to the lessee or  
4 renter. The tax imposed by this subsection shall be subject to the credit granted by this  
5 article for like taxes previously paid in another state. This subsection shall not be  
6 construed to require a duplication in the payment of the tax.

7 (f)(1) Every person purchasing or receiving any service within this state, the purchase  
8 of which is a retail sale, shall be liable for tax on the purchase at the rate of ~~4~~ 5 percent  
9 of the gross charge or charges made for the purchase. The tax shall be paid by the person  
10 purchasing or receiving the service to the person furnishing the service. The person  
11 furnishing the service, as a dealer under this article, shall remit the tax to the  
12 commissioner, as provided in this article; ~~and~~, and, when received by the commissioner, the  
13 tax shall be a credit against the tax imposed on the person furnishing the service. Every  
14 person furnishing a service, the purchase of which is a retail sale, shall be a dealer and  
15 shall be liable for a tax on the sale at the rate of ~~4~~ 5 percent of the gross charge or charges  
16 made for furnishing the service, or the amount of taxes collected by him or her from the  
17 person to whom the service is furnished, whichever is greater.

18 (2) No sale of services shall be taxable to the person furnishing the service which is not  
19 taxable to the purchaser of the service.

20 (g) Whenever a purchaser of tangible personal property under subsection (b) or (c.1) of  
21 this Code section, a lessee or renter of the property under subsection (d) or (e.1) of this  
22 Code section, or a purchaser of taxable services under subsection (f) of this Code section  
23 does not pay the tax imposed upon him or her to the retailer, lessor, or dealer who is  
24 involved in the taxable transaction, ~~the~~ such purchaser, lessee, or renter shall be a dealer  
25 himself or herself and the commissioner, whenever he or she has reason to believe that a  
26 purchaser or lessee has not so paid the tax, may assess and collect the tax directly against  
27 and from ~~the~~ such purchaser, lessee, or renter, unless ~~the~~ such purchaser, lessee, or renter  
28 shows that the retailer, lessor, or dealer who is involved in the transaction has nevertheless  
29 remitted to the commissioner the tax imposed on the transaction. If payment is received  
30 directly from the purchaser, lessee, or renter, it shall not be collected a second time from  
31 the retailer, lessor, or dealer who is involved.

32 (h) The tax imposed by this Code section shall be collected from the dealer and paid at the  
33 time and in the manner provided in this article. Any person engaging or continuing in  
34 business as a retailer and wholesaler or jobber shall pay the tax imposed on the gross  
35 proceeds of retail sales of the business at the rate specified when proper books are kept  
36 showing separately the gross proceeds of sales for each business. If the records are not  
37 kept separately, the tax shall be paid as a retailer or dealer on the gross sales of the

1 business. For the purpose of this Code section, all sales through any one vending machine  
 2 shall be treated as a single sale. The gross proceeds for reporting vending sales shall be  
 3 treated as if the tax is included in the sale, and the taxable proceeds shall be net of the tax  
 4 included in the sale.

5 (i) The tax levied by this Code section is in addition to all other taxes, whether levied in  
 6 the form of excise, license, or privilege taxes, and shall be in addition to all other fees and  
 7 taxes levied.

8 (j) In the event any distributor licensed under Chapter 9 of this title purchases any motor  
 9 fuel on which the prepaid state tax or prepaid local tax or both have been imposed pursuant  
 10 to this Code section and resells the same to a governmental entity that is totally or partially  
 11 exempt from such tax under paragraph (1) of Code Section 48-8-3, such distributor shall  
 12 be entitled to either a credit or refund. The amount of the credit or refund shall be the  
 13 prepaid state tax or prepaid local tax or both rates for which such governmental entity is  
 14 exempt multiplied by the gallons of motor fuel purchased for its exclusive use. To be  
 15 eligible for the credit or refund, the distributor shall reduce the amount such distributor  
 16 charges for the fuel sold to such governmental entity by an amount equal to the tax from  
 17 which such governmental entity is exempt. Should a distributor have a liability under this  
 18 Code section, the distributor may elect to take a credit for those sales against such liability.

19 (k) The prepaid local tax shall be imposed at the time tax is imposed under  
 20 subparagraph (b)(2)(B) of Code Section 48-9-14."

#### 21 **SECTION 4.**

22 Said chapter is further amended by adding a new Code section to read as follows:

23 "48-8-30.1.

24 (a) The General Assembly finds that the State of Georgia is currently lacking the necessary  
 25 permanent funding to maintain and build a viable transportation network to meet the  
 26 demands created by the growing population in metropolitan Atlanta and the rest of this  
 27 state. It is necessary in order to sustain public safety, mobility, economic development,  
 28 and a high quality of life in Georgia that a reliable method for financing transportation  
 29 projects throughout this state be established. In order to provide current and future  
 30 Georgians with an efficient, free flowing transportation network for the foreseeable future,  
 31 the General Assembly hereby determines that 1 percent of the amount of state-wide sales  
 32 and use tax collected shall be used for transportation purposes, including capital outlay and  
 33 maintenance expenses. Transportation purposes shall also include, but not be limited to,  
 34 roads, rails, bridges, airports, public transit, buses, seaports, and all accompanying  
 35 infrastructure and services necessary to provide access to these transportation facilities.  
 36 The 1 percent increase in the state-wide sales and use tax shall only become effective if a

1 state-wide referendum approves a constitutional amendment to dedicate 1 percent of the  
 2 state-wide sales and use taxes for transportation purposes. If the state-wide referendum  
 3 fails, the 1 percent increase shall not be implemented.

4 (b) If the state-wide referendum provided for in subsection (a) of this Code section is  
 5 approved, the funds collected for transportation purposes shall be distributed according to  
 6 the provisions of this subsection. The total amount of funds collected for transportation  
 7 purposes under this Code section shall be deposited with the Department of Transportation  
 8 and shall be disbursed by the department as follows:

9 (1) Ninety percent of the funds collected in a region, plus any accumulated interest, shall  
 10 be used to fund transportation projects in that region and shall be used for transportation  
 11 purposes. Each region, in cooperation with the Department of Transportation, shall  
 12 establish a list of transportation projects to be funded; and

13 (2) Ten percent of the funds shall be dedicated to constructing, maintaining, and  
 14 improving state-wide transportation. These funds shall be expended as directed by the  
 15 General Assembly for specified state-wide transportation projects.

16 A region, for purposes of this subsection, shall consist of the regional commissions created  
 17 under the provisions of Article 2 of Chapter 8 of Title 50."

#### 18 **SECTION 5.**

19 Said chapter is further amended by revising Code Section 48-8-32, relating to collection of  
 20 tax from dealers, as follows:

21 "48-8-32.

22 The tax at the rate of ~~4~~ 5 percent of the retail sales price at the time of sale or ~~4~~ 5 percent  
 23 of the cost price at the time of purchase, as the case may be, shall be collectable from all  
 24 persons engaged as dealers in the sale at retail; or in the use, consumption, distribution, or  
 25 storage for use or consumption in this state of tangible personal property."

#### 26 **SECTION 6.**

27 Said chapter is further amended by revising Code Section 48-8-43, relating to the disposition  
 28 of certain excess taxes, as follows:

29 "48-8-43.

30 When the tax collected for any period is in excess of ~~4~~ 5 percent, the total tax collected  
 31 shall be paid over to the commissioner less the compensation to be allowed the dealer."

#### 32 **SECTION 7.**

33 Said chapter is further amended by revising subsection (e) of Code Section 48-8-63, relating  
 34 to the payment of tax by certain contractors, as follows:



1 compiled by the Energy Information Agency of the United States Department of  
 2 Energy, the Oil Pricing Information Service, or a similar reliable published index less  
 3 taxes imposed under Code Section 48-9-3, this subsection, and all local sales and use  
 4 taxes. In the event that the retail price changes by 25 percent or more within a  
 5 semiannual period, the commissioner shall issue a revised prepaid state tax rate for the  
 6 remainder of that period."

#### 7 **SECTION 10.**

8 Chapter 13 of Title 48 of the Official Code of Georgia Annotated, relating to specific,  
 9 business, and occupation taxes, is amended by revising paragraphs (3.1), (4.1), and (5.1) of  
 10 subsection (a) of Code Section 48-13-51, relating to the excise tax on rooms, lodgings, and  
 11 accommodations, as follows:

12 "(3.1) Notwithstanding any other provision of this subsection, a county (within the  
 13 territorial limits of the special district located within the county) and the municipalities  
 14 within a county in which a trade and convention center authority has been created by  
 15 intergovernmental contract between a county and one or more municipalities located  
 16 therein, and which trade and convention center authority is in existence on or before  
 17 March 21, 1988, and which trade and convention center authority has not constructed or  
 18 operated any facility before March 21, 1988, may levy a tax under this Code section at  
 19 a rate of 6 percent. A county or municipality levying a tax pursuant to this paragraph  
 20 shall expend (in each fiscal year during which the tax is collected under this paragraph  
 21 (3.1)) an amount equal to at least 62 1/2 percent of the total taxes collected at the rate of  
 22 6 percent for the purpose of: (A) promoting tourism, conventions, and trade shows; (B)  
 23 funding, supporting, acquiring, constructing, renovating, improving, and equipping  
 24 buildings, structures, and facilities, including, but not limited to, a trade and convention  
 25 center, exhibit hall, conference center, performing arts center, accommodations facilities  
 26 including food service, or any combination thereof, for convention, trade show, athletic,  
 27 musical, theatrical, cultural, civic, and performing arts purposes and other events and  
 28 activities for similar and related purposes, acquiring the necessary property therefor, both  
 29 real and personal, and funding all expenses incident thereto, and supporting, maintaining,  
 30 and promoting such facilities owned, operated, or leased by or to the local trade and  
 31 convention center authority; or (C) for some combination of such purposes; provided,  
 32 however, that at least 50 percent of the total taxes collected at the rate of 6 percent shall  
 33 be expended for the purposes specified in subparagraph (B) of this paragraph (3.1).  
 34 Amounts so expended shall be expended only through a contract or contracts with the  
 35 state, a department of state government, a state authority, a convention and visitors  
 36 bureau authority created by local Act of the General Assembly for a municipality, a local

1 building authority created by local constitutional amendment, and a trade and convention  
 2 center authority created by intergovernmental contract between a county and one or more  
 3 municipalities located therein, or a private sector nonprofit organization or through a  
 4 contract or contracts with some combination of such entities. The aggregate amount of  
 5 all excise taxes imposed under this paragraph (3.1) and all sales and use taxes, and other  
 6 taxes imposed by a county or municipality, or both, shall not exceed ~~13~~ 14 percent. Any  
 7 tax levied pursuant to this paragraph (3.1) shall terminate not later than December 31,  
 8 2029, provided that during any period during which there remains outstanding any  
 9 obligation issued to fund a facility as contemplated by this paragraph (3.1), secured in  
 10 whole or in part by a pledge of a tax authorized under this Code section, the powers of  
 11 the counties and municipalities to impose and distribute the tax imposed by this  
 12 paragraph (3.1) shall not be diminished or impaired by the state, and no county or  
 13 municipality levying the tax imposed by this paragraph (3.1) shall cease to levy the tax  
 14 in any manner that will impair the interests and rights of the holder of any such  
 15 obligation. This proviso shall be for the benefit of the holder of any such obligation and,  
 16 upon the issuance of any such obligation by a building authority created by local  
 17 constitutional amendment, shall constitute a contract with the holder of such obligation.  
 18 Notwithstanding any other provision of this Code section to the contrary, as used in this  
 19 paragraph (3.1), the term: 'fund' or 'funding' shall include the cost and expense of all  
 20 things deemed necessary by a building authority created by local constitutional  
 21 amendment for the construction and operation of a facility or facilities, including, but not  
 22 limited to, the study, operation, marketing, acquisition, construction, financing, including  
 23 the payment of principal and interest on any obligation of the building authority created  
 24 by local constitutional amendment and any obligation of the building authority created  
 25 by local constitutional amendment to refund any prior obligation of the building authority  
 26 created by local constitutional amendment, development, extension, enlargement, or  
 27 improvement of land, waters, property, streets, highways, buildings, structures,  
 28 equipment, or facilities and the repayment of any obligation incurred by an authority in  
 29 connection therewith; 'obligation' shall include bonds, notes, or any instrument creating  
 30 an obligation to pay or reserve moneys and having an initial term of not more than 37  
 31 years; and 'facility' or 'facilities' shall mean means any of the buildings, structures, and  
 32 facilities described in subparagraph (B) of this paragraph (3.1) and any associated parking  
 33 areas or improvements originally owned or operated incident to the ownership or  
 34 operation of such facility used for any purpose or purposes specified in subparagraph (B)  
 35 of this paragraph (3.1) by a building authority created by local constitutional  
 36 amendment."

1 "(4.1) Notwithstanding any other provision of this subsection, a county (within the  
2 territorial limits of the special district located within the county) or municipality within  
3 a county in which a coliseum authority has been created by local Act of the General  
4 Assembly and which authority is in existence on or before July 1, 1963, for the purpose  
5 of owning or operating a facility, may levy a tax under this Code section at a rate of 7  
6 percent. A county or municipality levying a tax pursuant to this paragraph shall expend  
7 (in each fiscal year during which the tax is collected under this paragraph (4.1)) an  
8 amount equal to at least 62 1/2 percent of the total taxes collected at the rate of 7 percent  
9 for the purpose of: (A) promoting tourism, conventions, and trade shows; (B) funding and  
10 supporting a facility owned or operated by such coliseum authority; or (C) for some  
11 combination of such purposes. Amounts so expended shall be expended only through a  
12 contract or contracts with the state, a department of state government, a state authority,  
13 a convention and visitors bureau authority created by local Act of the General Assembly  
14 for a municipality, a local coliseum authority, or a private sector nonprofit organization,  
15 or through a contract or contracts with some combination of such entities, except that  
16 amounts expended for the purpose described in subparagraph (B) of this paragraph may  
17 be so expended in any otherwise lawful manner without the necessity of a contract. The  
18 aggregate amount of all excise taxes imposed under this paragraph (4.1) and all sales and  
19 use taxes, and other taxes imposed by a county or municipality, or both, shall not exceed  
20 ~~12~~ 13 percent. Any tax levied pursuant to this paragraph (4.1) shall terminate not later  
21 than December 31, 2028, provided that during any period during which there remains  
22 outstanding any obligation which is incurred prior to January 1, 1995, issued to fund a  
23 facility as contemplated by this paragraph (4.1), and secured in whole or in part by a  
24 pledge of a tax authorized under this Code section, the powers of the counties and  
25 municipalities to impose and distribute the tax imposed by this paragraph (4.1) shall not  
26 be diminished or impaired by the state, and no county or municipality levying the tax  
27 imposed by this paragraph (4.1) shall cease to levy the tax in any manner that will impair  
28 the interest and rights of the holders of any such obligation. This proviso shall be for the  
29 benefit of the holder of any such obligation and, upon the issuance of any such obligation  
30 by a coliseum and exhibit hall authority, shall constitute a contract with the holder of such  
31 obligations. Notwithstanding any other provision of this Code section to the contrary, as  
32 used in this paragraph (4.1), the term: 'fund' and 'funding' shall include the cost and  
33 expense of all things deemed necessary by a local coliseum authority for the construction,  
34 renovation, and operation of a facility, including, but not limited to, the study, operation,  
35 marketing, acquisition, construction, finance, development, extension, enlargement, or  
36 improvement of land, waters, property, streets, highways, buildings, structures,  
37 equipment, or facilities, and the repayment of any obligation incurred by a local coliseum

1 authority in connection therewith; 'obligation' shall include bonds, notes, or any  
2 instrument creating an obligation to pay or reserve moneys incurred prior to January 1,  
3 1995, and having an initial term of not more than 30 years; and 'facility' shall ~~mean~~ means  
4 a coliseum or other facility and any associated parking areas or improvements originally  
5 owned or operated incident to the ownership or operation of a facility used for convention  
6 and trade show purposes or amusement purposes, educational purposes, or a combination  
7 thereof and for fairs, expositions, or exhibitions in connection therewith by a local  
8 coliseum authority."

9 "(5.1) Notwithstanding any other provision of this subsection, a county (within the  
10 territorial limits of the special district located within the county) and the municipalities  
11 within a county in which a coliseum and exhibit hall authority has been created by local  
12 Act of the General Assembly for a county and one or more municipalities therein, and  
13 which local coliseum and exhibit hall authority is in existence on or before January 1,  
14 1991, and which local coliseum and exhibit hall authority has not constructed or operated  
15 any facility before January 1, 1991, may levy a tax under this Code section at a rate of 8  
16 percent. A county or municipality levying a tax pursuant to this paragraph shall expend  
17 (in each fiscal year during which the tax is collected under this paragraph (5.1)) an  
18 amount equal to at least 62 1/2 percent of the total taxes collected at the rate of 8 percent  
19 for the purpose of: (A) promoting tourism, conventions, and trade shows; (B) funding,  
20 supporting, acquiring, constructing, renovating, improving, and equipping buildings,  
21 structures, and facilities, including, but not limited to, a coliseum, exhibit hall, conference  
22 center, performing arts center, or any combination thereof, for convention, trade show,  
23 athletic, musical, theatrical, cultural, civic, and performing arts purposes and other events  
24 and activities for similar and related purposes, acquiring the necessary property therefor,  
25 both real and personal, and funding all expenses incident thereto, and supporting,  
26 maintaining, and promoting such facilities owned, operated, or leased by or to the local  
27 coliseum and exhibit hall authority or a downtown development authority; or (C) for  
28 some combination of such purposes; provided, however, that at least 50 percent of the  
29 total taxes collected at the rate of 8 percent shall be expended for the purposes specified  
30 in subparagraph (B) of this paragraph (5.1). Amounts so expended shall be expended  
31 only through a contract or contracts with the state, a department of state government, a  
32 state authority, a convention and visitors bureau authority created by local Act of the  
33 General Assembly for a municipality, a local coliseum and exhibit hall authority, a  
34 downtown development authority, or a private sector nonprofit organization or through  
35 a contract or contracts with some combination of such entities, notwithstanding any  
36 provision of paragraph (8) of this subsection to the contrary. The aggregate amount of  
37 all excise taxes imposed under this paragraph (5.1) and all sales and use taxes, and other

1 taxes imposed by a county or municipality, or both, shall not exceed ~~13~~ 14 percent;  
2 provided, however, that any sales tax for educational purposes which is imposed pursuant  
3 to Article VIII, Section VI, Paragraph IV of the Constitution shall not be included in  
4 calculating such limitation. Any tax levied pursuant to this paragraph (5.1) shall  
5 terminate not later than December 31, 2028, provided that during any period during  
6 which there remains outstanding any obligation issued to fund a facility as contemplated  
7 by this paragraph (5.1), secured in whole or in part by a pledge of a tax authorized under  
8 this Code section, the powers of the counties and municipalities to impose and distribute  
9 the tax imposed by this paragraph (5.1) shall not be diminished or impaired by the state,  
10 and no county or municipality levying the tax imposed by this paragraph (5.1) shall cease  
11 to levy the tax in any manner that will impair the interests and rights of the holder of any  
12 such obligation. This proviso shall be for the benefit of the holder of any such obligation  
13 and, upon the issuance of any such obligation by a local coliseum and exhibit hall  
14 authority or a downtown development authority, shall constitute a contract with the  
15 holder of such obligation. Notwithstanding any other provision of this Code section to  
16 the contrary, as used in this paragraph (5.1), the term: 'fund' or 'funding' shall include the  
17 cost and expense of all things deemed necessary by a local coliseum and exhibit hall  
18 authority or a downtown development authority for the construction and operation of a  
19 facility or facilities, including, but not limited to, the study, operation, marketing,  
20 acquisition, construction, financing, including the payment of principal and interest on  
21 any obligation of the local coliseum and exhibit hall authority or the downtown  
22 development authority and any obligation of the local coliseum and exhibit hall authority  
23 or the downtown development authority to refund any prior obligation of the local  
24 coliseum and exhibit hall authority or the downtown development authority,  
25 development, extension, enlargement, or improvement of land, waters, property, streets,  
26 highways, buildings, structures, equipment, or facilities and the repayment of any  
27 obligation incurred by an authority in connection therewith; 'obligation' shall include  
28 bonds, notes, or any instrument creating an obligation to pay or reserve moneys and  
29 having an initial term of not more than 37 years; 'facility' ~~or 'facilities' shall mean~~ means  
30 any of the buildings, structures, and facilities described in subparagraph (B) of this  
31 paragraph (5.1) and any associated parking areas or improvements originally owned or  
32 operated incident to the ownership or operation of such facility used for any purpose or  
33 purposes specified in subparagraph (B) of this paragraph (5.1) by a local coliseum and  
34 exhibit hall authority or a downtown development authority; and 'downtown development  
35 authority' ~~shall mean~~ means a downtown development authority created by local Act of  
36 the General Assembly for a municipality pursuant to a local constitutional amendment."

