

Senate Bill 530

By: Senators Fort of the 39th, Tate of the 38th, Orrock of the 36th, Ramsey, Sr. of the 43rd, Jones of the 10th and others

**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 authorize the imposition of a joint county and municipal sales and use
3 tax for the maintenance and operation of public hospitals; to provide for applicability with
4 respect to the ceiling on local sales and use taxes; to establish special districts; to provide for
5 procedures, conditions, and limitations for the imposition, collection, disbursement, and
6 removal of the tax; to provide for administration by the state revenue commissioner; to
7 require referendum approval of the imposition or discontinuation of the tax; to provide for
8 all related matters; to provide an effective date; to repeal conflicting laws; and for other
9 purposes.

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

11 **SECTION 1.**

12 Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales and use
13 taxes, is amended by revising subsection (b) of Code Section 48-8-6, relating to prohibitions
14 regarding the imposition of certain local taxes, as follows:

15 "(b) There shall not be imposed in any jurisdiction in this state or on any transaction in this
16 state local sales taxes, local use taxes, or local sales and use taxes in excess of 2 percent.
17 For purposes of this prohibition, the taxes affected are any sales tax, use tax, or sales and
18 use tax which is levied in an area consisting of less than the entire state, however
19 authorized, including such taxes authorized by or pursuant to constitutional amendment,
20 except that the following taxes shall not count toward or be subject to such 2 percent
21 limitation:

22 (1) A sales and use tax for educational purposes exempted from such limitation under
23 Article VIII, Section VI, Paragraph IV of the Constitution;
24 (2) Any tax levied for purposes of a metropolitan area system of public transportation,
25 as authorized by the amendment to the Constitution set out at Georgia Laws, 1964, page
26 1008; the continuation of such amendment under Article XI, Section I, Paragraph IV(d)

1 of the Constitution; and the laws enacted pursuant to such constitutional amendment;
2 provided, however, that the exception provided for under this paragraph shall only apply
3 in a county in which a tax is being imposed under subparagraph (a)(1)(D) of Code
4 Section 48-8-111 in whole or in part for the purpose or purposes of a water capital outlay
5 project or projects, a sewer capital outlay project or projects, a water and sewer capital
6 outlay project or projects, water and sewer projects and costs as defined under paragraph
7 (3) of Code Section 48-8-200, or any combination thereof and with respect to which the
8 county has entered into an intergovernmental contract with a municipality, in which the
9 average waste-water system flow of such municipality is not less than 85 million gallons
10 per day, allocating proceeds to such municipality to be used solely for water and sewer
11 projects and costs as defined under paragraph (3) of Code Section 48-8-200. The exception provided for under this paragraph shall apply only during the period the tax
12 under said subparagraph (a)(1)(D) is in effect. The exception provided for under this
13 paragraph shall not apply in any county in which a tax is being imposed under Article 2A
14 of this chapter;

15 (3) In the event of a rate increase imposed pursuant to Code Section 48-8-96, only the
16 amount in excess of the initial 1 percent sales and use tax and in the event of a newly
17 imposed tax pursuant to Code Section 48-8-96, only the amount in excess of a 1 percent
18 sales and use tax; and

19 (4) A sales and use tax levied under Article 4 of this chapter; and

20 (5) A sales and use tax levied under Article 5 of this chapter.

21 If the imposition of any otherwise authorized local sales tax, local use tax, or local sales
22 and use tax would result in a tax rate in excess of that authorized by this subsection, then
23 such otherwise authorized tax may not be imposed."

25 SECTION 2.

26 Said chapter is further amended by adding a new article to read as follows:

27 "ARTICLE 5

28 48-8-230.

29 As used in this article, the term 'qualified municipality' means only those incorporated
30 municipalities which impose a tax other than the tax authorized by this article and which
31 provide at least three of the following services:

32 (1) Water;

33 (2) Sewage;

34 (3) Garbage collection;

1 (4) Police protection;

2 (5) Fire protection; or

3 (6) Library.

4 48-8-231.

5 Pursuant to the authority granted by Article IX, Section II, Paragraph VI of the
6 Constitution, there are created within this state 159 special districts. The geographical
7 boundary of each county shall correspond with and shall be conterminous with the
8 geographical boundary of one of the 159 special districts.

9 48-8-232.

10 When the imposition of a joint county and municipal public hospital sales and use tax is
11 authorized according to the procedures provided in this article within a special district, the
12 county whose geographical boundary is conterminous with that of the special district and
13 each qualified municipality located wholly or partially within the special district shall levy
14 a joint sales and use tax at the rate of 1/2¢. Except as to rate, the joint tax shall correspond
15 to the tax imposed and administered by Article 1 of this chapter. Dealers shall be
16 compensated, and penalties and interest shall be imposed in the same manner as for
17 purposes of Article 1 of this chapter.

18 48-8-233.

19 (a) Whenever the governing authority of any county or qualified municipality located
20 wholly or partially within a special district wishes to submit to the electors of the special
21 district the question of whether the tax authorized by Code Section 48-8-232 shall be
22 imposed, any such governing authority shall notify the election superintendent of the
23 county whose geographical boundary is conterminous with that of the special district by
24 forwarding to the superintendent a copy of the resolution of the governing authority calling
25 for a referendum election. Upon receipt of the resolution, it shall be the duty of the election
26 superintendent to issue the call for an election for the purpose of submitting the question
27 of the imposition of the tax to the voters of the special district for approval or rejection.
28 The election superintendent shall issue the call and shall conduct the election on a date and
29 in the manner authorized under Code Section 21-2-540. The election superintendent shall
30 cause the date and purpose of the election to be published once a week for two weeks
31 immediately preceding the date of the election in the official organ of the county. The
32 ballot shall have written or printed thereon the following:

33 '() YES Shall a public hospital sales and use tax at the rate of 1/2¢ be levied within

34 () NO the special district within _____ County?'

1 (b) All persons desiring to vote in favor of levying the tax shall vote 'Yes' and all persons
2 opposed to levying the tax shall vote 'No.' If more than one-half of the votes cast are in
3 favor of levying the tax, then the tax shall be levied in accordance with this article;
4 otherwise, the tax may not be levied, and the question of the imposition of the tax may not
5 again be submitted to the voters of the special district until after 24 months immediately
6 following the month in which the election was held. It shall be the duty of the election
7 superintendent to hold and conduct such elections under the same rules and regulations as
8 govern special elections. It shall be the election superintendent's further duty to canvass
9 the returns, declare the result of the election, and certify the result to the Secretary of State
10 and to the commissioner. The expense of the election shall be borne by the county whose
11 geographical boundary is conterminous with that of the special district holding the election.

12 48-8-234.

13 If the imposition of the tax provided in Code Section 48-8-232 is approved in a referendum
14 election as provided by Code Section 48-8-233, during the first 30 days following the
15 certification of the result of the election, the governing authority of the county whose
16 geographical boundary is conterminous with that of the special district and the governing
17 authority of each qualified municipality located wholly or partially within the district shall
18 each adopt a resolution imposing the tax authorized by Code Section 48-8-232 on behalf
19 of the county and each qualified municipality located wholly or partially within the special
20 district. The resolution shall be effective on the first day of the next succeeding calendar
21 quarter which begins more than 80 days after the adoption of the resolution. A certified
22 copy of the resolution shall be forwarded to the commissioner so that it will be received
23 within five days after its adoption.

24 48-8-235.

25 The tax levied pursuant to this article shall be exclusively administered and collected by
26 the commissioner for the use and benefit of each county whose geographical boundary is
27 conterminous with that of a special district and of each qualified municipality located
28 wholly or partially therein. Such administration and collection shall be accomplished in the
29 same manner and subject to the same applicable provisions, procedures, and penalties
30 provided in Article 1 of this chapter; provided, however, that all moneys collected from
31 each dealer by the commissioner shall be applied first to such dealer's liability for taxes
32 owed the state.

1 48-8-236.

2 Each tax report remitting taxes collected under this article shall separately identify the
3 location of each sale or use of motor fuel for which any of the taxes remitted were collected
4 in order to facilitate the determination by the commissioner that all taxes imposed by this
5 article are collected and distributed according to situs of sale.

6 48-8-237.

7 (a) The proceeds of the tax collected by the commissioner for each special district under
8 this article shall be disbursed as soon as practicable after collection as follows:

9 (1) One percent of the amount collected shall be paid into the general fund of the state
10 treasury in order to defray the costs of administration; and

11 (2) Except for the percentage provided in paragraph (1) of this subsection, the remaining
12 proceeds of the tax shall be distributed to the governing authority of each qualified
13 municipality within the special district and to the governing authority of the county
14 whose geographical boundary is conterminous with that of the special district for the
15 purpose of assisting such political subdivisions in funding all or any portion of the
16 maintenance and operation of public hospitals located in the special district.

17 (b) The net proceeds of the tax shall be distributed to the county whose boundary is
18 conterminous with the special district and to each qualified municipality within the special
19 district according to population. Each qualified municipality shall receive a share of the
20 proceeds based on the population of the municipality which is within the special district.

21 The county shall receive a share of the proceeds based on the population of the county
22 which is outside of any qualified municipality. Each local government's share of the net
23 proceeds shall be determined pro rata on the basis of the population assigned by this
24 subsection to that local government as a fraction of the total population of the special
25 district. For purposes of this subsection, population shall be determined according to the
26 United States decennial census of 2000 or any future such census.

27 (c) If there comes into existence within any special district a qualified municipality which
28 was not a qualified municipality as of the date of imposition of the tax, such new qualified
29 municipality may give notice of its existence and its desire to share in the proceeds of the
30 tax by adoption of a resolution to impose the tax. Upon receipt of a certified copy of such
31 a resolution, the commissioner shall, unless the commissioner determines that the
32 requesting entity is not a qualified municipality, commence to withhold from the county
33 and distribute to the new qualified municipality its share of the net proceeds of the tax, as
34 determined under subsection (b) of this Code section. Such new distribution shall apply
35 to taxes collected on and after the first day of the first calendar quarter which begins more

1 than 30 days after the date upon which the commissioner determines that the new qualified
2 municipality is eligible to receive a share of the net proceeds of the tax.

3 (d) If the commissioner determines that a qualified municipality entitled to receive tax
4 proceeds under this article has ceased to be a qualified municipality, the commissioner
5 shall thereafter distribute the percentage of the net proceeds of the tax to which that
6 qualified municipality was entitled to the county which is conterminous with the special
7 district.

8 48-8-238.

9 (a) Whenever the governing authority of any county or qualified municipality located
10 wholly or partially within a special district in which the tax authorized by this article is
11 being levied wishes to submit to the electors of the special district the question of whether
12 the tax shall be discontinued, the governing authority shall notify the election
13 superintendent of the county whose geographical boundary is conterminous with that of the
14 special district by forwarding to the superintendent a copy of a resolution of the governing
15 authority calling for the referendum election. Upon receipt of the resolution, it shall be the
16 duty of the election superintendent to issue the call for an election for the purpose of
17 submitting the question of discontinuing the levy of the tax to the voters of the special
18 district for approval or rejection. The election superintendent shall issue the call and shall
19 conduct the election on a date and in the manner authorized under Code Section 21-2-540.
20 The election superintendent shall cause the date and purpose of the election to be published
21 once a week for two weeks immediately preceding the date of the election in the official
22 organ of the county. The ballot shall have written or printed thereon the following:

23 ' YES Shall the public hospital sales and use tax at the rate of 1/2¢ being levied
24 NO within the special district within _____ County be terminated?'

25 (b) All persons desiring to vote in favor of discontinuing the tax shall vote 'Yes' and all
26 persons opposed to discontinuing the tax shall vote 'No'. If more than one-half of the votes
27 cast are in favor of discontinuing the tax, then the tax shall cease to be levied on the first
28 day of the second calendar quarter following the month in which the commissioner receives
29 the certification of the result of the election; otherwise, the tax shall continue to be levied,
30 and the question of the discontinuing of the tax may not again be submitted to the voters
31 of the special district until after 24 months immediately following the month in which the
32 election was held. It shall be the duty of the election superintendent to hold and conduct
33 such elections under the same rules and regulations as govern special elections. It shall be
34 the election superintendent's further duty to canvass the returns, declare and certify the
35 result of the election, and certify the result to the Secretary of State and to the

1 commissioner. The expense of the election shall be borne by the county whose
2 geographical boundary is conterminous with that of the special district holding the election.

3 48-8-239.

4 No tax provided for under this article shall be imposed upon the sale of tangible personal
5 property which is ordered by and delivered to the purchaser at a point outside the
6 geographical area of the special district in which the joint tax is imposed regardless of the
7 point at which title passes, if the delivery is made by the seller's vehicle, United States
8 mail, or common carrier or by private or contract carrier licensed by the Interstate
9 Commerce Commission or the Georgia Public Service Commission.

10 48-8-240.

11 (a) As used in this Code section, the term 'building and construction materials' means all
12 building and construction materials, supplies, fixtures, or equipment, any combination of
13 such items, and any other leased or purchased articles when the materials, supplies,
14 fixtures, equipment, or articles are to be utilized or consumed during construction or are
15 to be incorporated into construction work pursuant to a bona fide written construction
16 contract.

17 (b) No tax provided for under this article shall be imposed by a county or municipality
18 upon the sale or use of building and construction materials when the contract pursuant to
19 which the materials are purchased or used was advertised for bid prior to approval of the
20 levy of the tax by the county or municipality and the contract was entered into as a result
21 of a bid actually submitted in response to the advertisement prior to approval of the levy
22 of the tax.

23 48-8-241.

24 The commissioner shall have the power and authority to promulgate such rules and
25 regulations as shall be necessary for the effective and efficient administration and
26 enforcement of the collection of the tax authorized to be imposed by this article."

27 **SECTION 3.**

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

30 **SECTION 4.**

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