

The House Committee on Ways and Means offers the following substitute to HB 1020:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,
2 relating to county sales and use taxes, so as to provide for the comprehensive revision of the
3 sales and use tax for educational purposes; to establish special districts; to provide for
4 definitions, procedures, conditions, and limitations for the imposition, collection,
5 disbursement, and termination of the tax; to provide for powers, duties, and authority of the
6 state revenue commissioner; to provide for related matters; to provide for a contingent
7 effective date; to provide for applicability; to provide for automatic repeal under certain
8 circumstances; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to
12 county sales and use taxes, is amended by revising Part 2, relating to the sales tax for
13 educational purposes, as follows:

14 *"Part 2*

15 48-8-140.

16 This part is enacted pursuant to the authority of Article VIII, Section VI, Paragraph IV of
17 the Constitution of Georgia and it is the intent of the General Assembly in the enactment
18 of this part to further define and implement such provision of the Constitution.

19 ~~48-8-141.~~

20 ~~Except as otherwise expressly provided in Article VIII, Section VI, Paragraph IV of the~~
21 ~~Constitution of Georgia, the sales tax for educational purposes which may be levied by a~~
22 ~~board of education of a county school district or concurrently by the board of education of~~
23 ~~a county school district and the board of education of each independent school district~~
24 ~~located within such county, shall be imposed and levied by such board or boards of~~

25 ~~education and collected by the commissioner on behalf of such board or boards of~~
 26 ~~education in the same manner as provided for under Part 1 of this article and the provisions~~
 27 ~~of Part 1 of this article in particular, but without limitation, the provisions regarding the~~
 28 ~~authority of the commissioner to administer and collect this tax, retain the 1 percent~~
 29 ~~administrative fee, and promulgate rules and regulations governing this tax shall apply~~
 30 ~~equally to such board or boards of education.~~

31 ~~48-8-142.~~

32 ~~If general obligation debt is to be issued in conjunction with the imposition of the sales tax~~
 33 ~~for educational purposes authorized by Article VIII, Section VI, Paragraph IV of the~~
 34 ~~Constitution, the resolution or concurrent resolutions imposing such tax shall specify the~~
 35 ~~principal amount of the debt to be issued, the purpose for which the debt is to be issued, the~~
 36 ~~interest rate or rates or the maximum interest rate or rates which such debt is to bear, and~~
 37 ~~the amount of principal to be paid in each year during the life of the debt. If such general~~
 38 ~~obligation debt is to be issued, the ballot shall have written or printed thereon, in addition~~
 39 ~~to the descriptions required by Article VIII, Section VI, Paragraph IV(c) of the~~
 40 ~~Constitution, the following:~~

41 ~~'If imposition of the tax is approved by the voters, such vote shall also constitute approval~~
 42 ~~of the issuance of general obligation debt of _____ in the principal~~
 43 ~~amount of \$_____ for the above purpose.'~~

44 ~~48-8-143.~~

45 ~~The net proceeds of the sales tax for educational purposes shall be distributed in the manner~~
 46 ~~provided under Article VIII, Section VI, Paragraph IV(g) of the Constitution unless another~~
 47 ~~distribution formula is provided for by the enactment of a local Act. Any such local Act~~
 48 ~~providing for an alternate distribution formula shall not be amended during the time period~~
 49 ~~for which the tax was imposed.~~

50 ~~48-8-144.~~

51 ~~(a) As used in this Code section, the term:~~

52 ~~(1) 'Local charter school' means a local charter school as defined in paragraph (7) of~~
 53 ~~Code Section 20-2-2062.~~

54 ~~(2) 'State chartered special school' means a state chartered special school as defined in~~
 55 ~~paragraph (16) of Code Section 20-2-2062 and with respect to which the referendum~~
 56 ~~required under Article VIII, Section V, Paragraph VII of the Constitution has been~~
 57 ~~conducted and approved.~~

58 ~~(b) A county or independent board of education shall be authorized to include local charter~~
 59 ~~schools, state chartered special schools, or both as capital outlay projects in projects~~
 60 ~~specified in the ballot language for a proposed tax under Article VIII, Section VI,~~
 61 ~~Paragraph IV of the Constitution and this part.~~

62 48-8-141.

63 As used in this part, the term:

64 (1) 'Building and construction materials' means all building and construction materials,
 65 supplies, fixtures, or equipment, any combination of such items, and any other leased or
 66 purchased articles when the materials, supplies, fixtures, equipment, or articles are to be
 67 utilized or consumed during construction or are to be incorporated into construction work
 68 pursuant to a bona fide written construction contract.

69 (2) 'Dealer' means a dealer as defined in paragraph (3) of Code Section 48-8-2.

70 (3) 'Local charter school' means a local charter school as defined in paragraph (7) of
 71 Code Section 20-2-2062.

72 (4) 'State chartered special school' means a state chartered special school as defined in
 73 paragraph (16) of Code Section 20-2-2062 and with respect to which the referendum
 74 required under Article VIII, Section V, Paragraph VII of the Constitution has been
 75 conducted and approved.

76 48-8-142.

77 (a) Pursuant to the authority granted by Article IX, Section II, Paragraph VI of the
 78 Constitution of this state, there are created within this state education special districts. The
 79 geographical boundary of an education special district shall be as follows:

80 (1) Such boundary shall be conterminous with the boundary of the county in each county
 81 in which no independent school district is located; or

82 (2) In each county in which one or more independent school districts are located, such
 83 boundary shall be conterminous with the boundary of the county but shall only be so
 84 constituted upon the adoption of a concurrent resolution of the board of education of the
 85 county school district and the board of education of each independent school district
 86 located within such county.

87 (b) When the imposition of a special district sales and use tax for educational purposes is
 88 authorized according to the procedures provided in this part within a special district, the
 89 local board or boards, as appropriate, of education may, subject to the requirement of
 90 referendum approval and the other requirements of this part, impose within the special
 91 district for a limited period of time a special sales and use tax which shall be known as the
 92 special district sales and use tax for education purposes.

93 (c) Any tax imposed under this part shall be at the rate of 1 percent. Except as to rate, a
 94 tax imposed under this part shall correspond to the tax imposed by Article 1 of this chapter.
 95 No item or transaction which is not subject to taxation under Article 1 of this chapter shall
 96 be subject to a tax imposed under this part, except that a tax imposed under this part shall
 97 apply to sales of motor fuels as that term is defined by Code Section 48-9-2 and shall be
 98 applicable to the sale of food and beverages as provided for in division (57)(D)(i) of Code
 99 Section 48-8-3.

100 48-8-143.

101 Local charter schools, state chartered special schools, or both may be included as capital
 102 outlay projects in projects specified in the ballot language for a proposed tax under Article
 103 VIII, Section VI, Paragraph IV of the Constitution and this part.

104 48-8-144.

105 (a) The board of education of a school district in a county in which no independent school
 106 district is located voting to impose the tax authorized by this part within the special district
 107 shall notify the county superintendent by forwarding to the superintendent a copy of the
 108 resolution calling for the imposition of the tax. Such resolution shall specify the capital
 109 outlay projects for educational purposes for which the proceeds of the tax are to be used
 110 and may be expended, if applicable, and specify:

111 (1) The maximum period of time, to be stated in calendar years or calendar quarters and
 112 not to exceed five years;

113 (2) The maximum cost of the capital outlay projects for educational purposes which will
 114 be funded from the proceeds of the tax, which maximum cost shall also be the maximum
 115 amount of net proceeds to be raised by the tax;

116 (3) If general obligation debt is to be issued in conjunction with the imposition of the tax,
 117 the principal amount of the debt to be issued, the purpose for which the debt is to be
 118 issued, the interest rate or rates or the maximum interest rate or rates which such debt is
 119 to bear, and the amount of principal to be paid in each year during the life of the debt; and

120 (4) The maximum amount of net proceeds to be expended on educational maintenance
 121 and operations, if applicable, and the amount of proceeds to be used to roll back the
 122 millage rate, if applicable.

123 (b) Upon receipt of the resolution, the election superintendent shall issue the call for an
 124 election for the purpose of submitting the question of the imposition of the tax to the voters
 125 of the special district. The election superintendent shall issue the call and shall conduct the
 126 election on a date and in the manner authorized under Code Section 21-2-540. The election
 127 superintendent shall cause the date and purpose of the election to be published once per

128 week for four weeks immediately preceding the date of the election in the official organ
 129 of the county. If general obligation debt is to be issued in conjunction with the imposition
 130 of the tax, the notice published by the election superintendent shall also include, in such
 131 form as may be specified by the board of education, the principal amount of the debt, the
 132 purpose for which the debt is to be issued, the rate or rates of interest or the maximum rate
 133 or rates of interest the debt will bear, and the amount of principal to be paid in each year
 134 during the life of the debt; and such publication of notice by the election superintendent
 135 shall take the place of the notice otherwise required by Code Section 36-80-11 or by
 136 subsection (b) of Code Section 36-82-1, which notice shall not be required.

137 (c)(1) The ballot shall have written or printed thereon the applicable parts of the
 138 following:

139 ' YES Shall a 1 percent sales and use tax for educational purposes in the
 140 education special district consisting of _____ County be
 141 ' NO imposed for the following capital outlay purposes (list purposes here)
 142 for a period of time not to exceed _____ and for the raising of
 143 not more than \$ _____ and for the raising of not more than \$
 144 _____ for educational maintenance and operations and not more than
 \$ _____ for a millage rate reduction?

145 (2) If general obligation debt is to be issued in conjunction with the imposition of the
 146 sales and use tax for educational purposes under paragraph (1) of this subsection, the
 147 resolution calling for the imposition of such tax shall specify the principal amount of the
 148 debt to be issued, the purpose for which the debt is to be issued, the interest rate or rates
 149 or the maximum interest rate or rates which such debt is to bear, and the amount of
 150 principal to be paid in each year during the life of the debt. If such general obligation debt
 151 is to be issued, the ballot shall also have written or printed thereon the following:

152 'If imposition of the tax is approved by the voters, such vote shall also constitute
 153 approval of the issuance of general obligation debt of _____ in
 154 the principal amount of \$ _____ for the above purpose.'

155 (d) All persons desiring to vote in favor of imposing the tax shall vote 'Yes' and all persons
 156 opposed to levying the tax shall vote 'No.' If more than one-half of the votes cast are in
 157 favor of imposing the tax then the tax shall be imposed as provided in this part; otherwise
 158 the tax shall not be imposed and the question of imposing the tax shall not again be
 159 submitted to the voters of the special district until after 12 months immediately following
 160 the month in which the election was held. The election superintendent shall hold and
 161 conduct the election under the same rules and regulations as govern special elections. The
 162 superintendent shall canvass the returns, declare the result of the election, and certify the

163 result to the Secretary of State and to the commissioner. The expense of the election shall
 164 be paid from board of education funds.

165 (e)(1) If the proposal includes the authority to issue general obligation debt and if more
 166 than one-half of the votes cast are in favor of the proposal, then the authority to issue such
 167 debt in accordance with Article IX, Section V, Paragraph I of the Constitution is given
 168 to the proper officers of the board of education; otherwise, such debt shall not be issued.
 169 If the authority to issue such debt is so approved by the voters, then such debt may be
 170 issued without further approval by the voters.

171 (2) If the issuance of general obligation debt is included and approved as provided in this
 172 Code section, then the board of education of the special district may incur such debt
 173 either through the issuance and validation of general obligation bonds or through the
 174 execution of a promissory note or notes or other instrument or instruments. If such debt
 175 is incurred through the issuance of general obligation bonds, such bonds and their
 176 issuance and validation shall be subject to Articles 1 and 2 of Chapter 82 of Title 36
 177 except as specifically provided otherwise in this part. If such debt is incurred through the
 178 execution of a promissory note or notes or other instrument or instruments, no validation
 179 proceedings shall be necessary and such debt shall be subject to Code Sections 36-80-10
 180 through 36-80-14 except as specifically provided otherwise in this part. In either event,
 181 such general obligation debt shall be payable first from the separate account in which are
 182 placed the proceeds received by the county from the tax authorized by this part. Such
 183 general obligation debt shall, however, constitute a pledge of the full faith, credit, and
 184 taxing power of the board of education; and any liability on such debt which is not
 185 satisfied from the proceeds of the tax authorized by this part shall be satisfied from the
 186 general funds of the board of education.

187 48-8-145.

188 (a) The board of education of a county school district and the board of education of each
 189 independent school district located within such county voting to impose the tax authorized
 190 by this part within the special district shall notify the county superintendent by forwarding
 191 to the superintendent a copy of the concurrent resolution calling for the imposition of the
 192 tax. Such concurrent resolution shall specify the capital outlay projects for educational
 193 purposes for which the proceeds of the tax are to be used and may be expended, if
 194 applicable, and specify:

195 (1) For the county school district:

196 (A) The maximum period of time, to be stated in calendar years or calendar quarters
 197 and not to exceed five years;

198 (B) The maximum cost of the capital outlay projects for educational purposes for the
 199 county school district which will be funded from the proceeds of the tax;

200 (C) If general obligation debt is to be issued for the county school district in
 201 conjunction with the imposition of the tax, the principal amount of the debt to be issued,
 202 the purpose for which the debt is to be issued, the interest rate or rates or the maximum
 203 interest rate or rates which such debt is to bear, and the amount of principal to be paid
 204 in each year during the life of the debt; and

205 (D) The maximum amount of net proceeds to be expended on educational maintenance
 206 and operations for the county school district, if applicable, and the amount of proceeds
 207 to be used to roll back the millage rate, if applicable.

208 (2) For the independent school district:

209 (A) The maximum period of time, to be stated in calendar years or calendar quarters
 210 and not to exceed five years, which shall be the same as provided for the county school
 211 district under the concurrent resolution;

212 (B) The maximum cost of the capital outlay projects for educational purposes for the
 213 independent school district which will be funded from the proceeds of the tax;

214 (C) If general obligation debt is to be issued for the independent school district in
 215 conjunction with the imposition of the tax, the principal amount of the debt to be issued,
 216 the purpose for which the debt is to be issued, the interest rate or rates or the maximum
 217 interest rate or rates which such debt is to bear, and the amount of principal to be paid
 218 in each year during the life of the debt; and

219 (D) The maximum amount of net proceeds to be expended on educational maintenance
 220 and operations for the independent school district, if applicable, and the amount of
 221 proceeds to be used to roll back the millage rate, if applicable.

222 (b) Upon receipt of the concurrent resolution, the election superintendent shall issue the
 223 call for an election for the purpose of submitting the question of the imposition of the tax
 224 to the voters of the special district. The election superintendent shall issue the call and
 225 shall conduct the election on a date and in the manner authorized under Code Section 21-2-
 226 540. The election superintendent shall cause the date and purpose of the election to be
 227 published once per week for four weeks immediately preceding the date of the election in
 228 the official organ of the county. If general obligation debt is to be issued in conjunction
 229 with the imposition of the tax, the notice published by the election superintendent shall also
 230 include, in such form as may be specified by the board or boards of education, the principal
 231 amount of the debt, the purpose for which the debt is to be issued, the rate or rates of
 232 interest or the maximum rate or rates of interest the debt will bear, and the amount of
 233 principal to be paid in each year during the life of the debt; and such publication of notice
 234 by the election superintendent shall take the place of the notice otherwise required by Code

235 Section 36-80-11 or by subsection (b) of Code Section 36-82-1, which notice shall not be
 236 required.

237 (c)(1) The ballot shall have written or printed thereon the applicable parts of the
 238 following:

239 '() YES Shall a 1 percent sales and use tax for educational purposes in the
 240 education special district consisting of _____ County be
 241 '() NO imposed for the raising of not more than \$ _____ for the following
 242 capital outlay purposes (list purposes here) for the board of education
 243 of _____ County and for the raising of not more than \$ _____ for
 244 the following capital outlay purposes (list purposes here) of the board
 245 of education of the independent school district of the City of _____
 246 for a period of time not to exceed _____ and for the raising of
 247 not more than \$ _____ for educational maintenance and operations and
 248 not more than \$ _____ for a millage rate reduction for the board of
 249 education of _____ County and for the raising of not more than
 250 \$ _____ for educational maintenance and operations and not more
 251 than \$ _____ for a millage rate reduction for the independent school
 252 district of the City of _____ ?'

253 (2) If general obligation debt is to be issued in conjunction with the imposition of the sales
 254 and use tax for educational purposes under paragraph (1) of this subsection, the concurrent
 255 resolution imposing such tax shall specify separately for each board of education as
 256 applicable, the principal amount of the debt to be issued, the purpose for which the debt is
 257 to be issued, the interest rate or rates or the maximum interest rate or rates which such debt
 258 is to bear, and the amount of principal to be paid in each year during the life of the debt.
 259 If such general obligation debt is to be issued, the ballot shall also have written or printed
 260 thereon the applicable parts of the following:

261 If imposition of the tax is approved by the voters, such vote shall also constitute
 262 approval of the issuance of general obligation debt of the board of education of
 263 _____ County in the principal amount of \$ _____ for the above purpose and
 264 approval of the issuance of general obligation debt of the board of education of the
 265 independent school district of the City of _____ in the principal amount of
 266 \$ _____ for the above purpose.'

267 (d) All persons desiring to vote in favor of imposing the tax shall vote 'Yes' and all persons
 268 opposed to levying the tax shall vote 'No.' If more than one-half of the votes cast are in
 269 favor of imposing the tax then the tax shall be imposed as provided in this part; otherwise
 270 the tax shall not be imposed and the question of imposing the tax shall not again be
 271 submitted to the voters of the special district until after 12 months immediately following

272 the month in which the election was held. The election superintendent shall hold and
 273 conduct the election under the same rules and regulations as govern special elections. The
 274 superintendent shall canvass the returns, declare the result of the election, and certify the
 275 result to the Secretary of State and to the commissioner. The expense of the election shall
 276 be paid from board of education funds.

277 (e)(1) If the proposal includes the authority to issue general obligation debt and if more
 278 than one-half of the votes cast are in favor of the proposal, then the authority to issue such
 279 debt in accordance with Article IX, Section V, Paragraph I of the Constitution is given
 280 to the proper officers of the board or boards of education; otherwise, such debt shall not
 281 be issued. If the authority to issue such debt is so approved by the voters, then such debt
 282 may be issued without further approval by the voters.

283 (2) If the issuance of general obligation debt is included and approved as provided in this
 284 Code section, then the board or boards of education of the special district may incur such
 285 debt either through the issuance and validation of general obligation bonds or through the
 286 execution of a promissory note or notes or other instrument or instruments. If such debt
 287 is incurred through the issuance of general obligation bonds, such bonds and their
 288 issuance and validation shall be subject to Articles 1 and 2 of Chapter 82 of Title 36
 289 except as specifically provided otherwise in this part. If such debt is incurred through the
 290 execution of a promissory note or notes or other instrument or instruments, no validation
 291 proceedings shall be necessary and such debt shall be subject to Code Sections 36-80-10
 292 through 36-80-14 except as specifically provided otherwise in this part. In either event,
 293 such general obligation debt shall be payable first from the separate account in which are
 294 placed the proceeds received by the county from the tax authorized by this part. Such
 295 general obligation debt shall, however, constitute a pledge of the full faith, credit, and
 296 taxing power of the board of education; and any liability on such debt which is not
 297 satisfied from the proceeds of the tax authorized by this part shall be satisfied from the
 298 general funds of the board of education.

299 48-8-146.

300 (a) If the imposition of the tax authorized by this part is approved at the special election,
 301 the tax shall be imposed on the first day of the next succeeding calendar quarter which
 302 begins more than 80 days after the date of the election at which the tax was approved by
 303 the voters; provided, however, for services which are regularly billed on a monthly basis,
 304 the resolution shall become effective with respect to and the tax shall apply to services
 305 billed on or after such effective date.

306 (b) The tax authorized by this part shall cease to be imposed on the earliest of the
 307 following dates:

308 (1) If the resolution calling for the imposition of the tax provided for the issuance of
 309 general obligation debt and such debt is the subject of validation proceedings, as of the
 310 end of the first calendar quarter ending more than 80 days after the date on which a court
 311 of competent jurisdiction enters a final order denying validation of such debt;

312 (2) On the final day of the maximum period of time specified for the imposition of the
 313 tax; or

314 (3) As of the end of the calendar quarter during which the commissioner determines that
 315 the tax will have raised revenues sufficient to provide to the board of education net
 316 proceeds equal to or greater than the total aggregate amount specified as the maximum
 317 amount of net proceeds to be raised by the tax by the board or boards of education, as
 318 appropriate.

319 (c)(1) At any time, no more than a single 1 percent tax authorized by this part may be
 320 imposed within a special district.

321 (2) The board of education or boards of education, as appropriate, within a special
 322 district in which a tax authorized by this part is in effect may, while the tax is in effect,
 323 adopt a resolution or concurrent resolution, as appropriate, calling for the reimposition
 324 of a tax authorized by this part upon the termination of the tax then in effect; and a special
 325 election may be held for this purpose while the tax is in effect. Proceedings for the
 326 reimposition of a tax shall be in the same manner as proceedings for the initial imposition
 327 of the tax, but the newly authorized tax shall not be imposed until the expiration of the
 328 tax then in effect; provided, however, that in the event of emergency conditions under
 329 which the board or boards of education are unable to conduct a referendum so as to
 330 continue the tax then in effect without interruption, the commissioner may, if feasible
 331 administratively, waive the limitations of subsection (a) of this Code section to the
 332 minimum extent necessary so as to permit the reimposition of a tax, if otherwise
 333 approved as required under this Code section, without interruption, upon the expiration
 334 of the tax then in effect.

335 (3) Following the expiration of a tax authorized by this part, the board or boards of
 336 education, as appropriate, may initiate proceedings for the reimposition of such tax in the
 337 same manner as provided in this part for initial imposition of such tax.

338 48-8-147.

339 A tax levied pursuant to this part shall be exclusively administered and collected by the
 340 commissioner for the use and benefit of the board or boards of education within the special
 341 district imposing the tax. Such administration and collection shall be accomplished in the
 342 same manner and subject to the same applicable provisions, procedures, and penalties
 343 provided in Article 1 of this chapter; provided, however, that all moneys collected from

344 each taxpayer by the commissioner shall be applied first to such taxpayer's liability for
 345 taxes owed the state; and provided, further, that the commissioner may rely upon a
 346 representation by or on behalf of the board or boards of education, as appropriate, or the
 347 Secretary of State that such a tax has been validly imposed, and the commissioner and the
 348 commissioner's agents shall not be liable to any person for collecting any such tax which
 349 was not validly imposed. Dealers shall be allowed a percentage of the amount of the tax
 350 due and accounted for and shall be reimbursed in the form of a deduction in submitting,
 351 reporting, and paying the amount due if such amount is not delinquent at the time of
 352 payment. The deduction shall be at the rate and subject to the requirements specified under
 353 subsections (b) through (f) of Code Section 48-8-50.

354 48-8-148.

355 Each sales tax return remitting taxes collected under this part shall separately identify the
 356 location of each retail establishment at which any of the taxes remitted were collected and
 357 shall specify the amount of sales and the amount of taxes collected at each establishment
 358 for the period covered by the return in order to facilitate the determination by the
 359 commissioner that all taxes imposed by this part are collected and distributed according to
 360 situs of sale.

361 48-8-149.

362 The proceeds of the tax collected by the commissioner in each special district under this
 363 part shall be disbursed as soon as practicable after collection as follows:

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

366 (2) Except for the percentage provided in paragraph (1) of this Code section, the
 367 remaining proceeds of the tax shall be distributed either to the board of education within
 368 the special district for use as authorized under this part if the special district is established
 369 under paragraph (1) of subsection (a) of Code Section 48-8-142 or to the boards of
 370 education within the special district for use as authorized under this part if a special
 371 district is established under paragraph (2) of subsection (a) of Code Section 48-8-142 and,
 372 in that event, such distribution shall be in accordance with Article VIII, Section VI,
 373 Paragraph IV(i) of the Constitution.

374 48-8-150.

375 The board of education of a school district receiving any proceeds of the tax may adjust
 376 annually the millage rate for ad valorem taxation of tangible property within such political
 377 subdivision as provided in this Code section. The board of education may compute the

378 millage rate necessary to produce revenue from taxation of tangible property in that school
 379 district which, when combined with other revenues reasonably expected to be received by
 380 the school district during the year other than revenues derived from the tax imposed
 381 pursuant to this part, would provide revenues sufficient to defray the expenses of the school
 382 district for the year. Such millage rate may then be reduced by a millage rate which, if
 383 levied against the tangible property within the school district, would produce an amount
 384 equal to the distribution of the proceeds of the tax imposed by this part which were
 385 received by the school district during the preceding year. The board of education may
 386 provide for an alternative method or methods of computing a millage reduction which may
 387 result in a lesser reduction than would be derived under the manner authorized under this
 388 subsection. The tax authority of such school district shall cause to be shown in a prominent
 389 manner on the tax bill of each ad valorem taxpayer the dollar amount of reduction of ad
 390 valorem property taxes which the taxpayer has received as a result of any millage rate
 391 reduction under this subsection; provided, however, that the dollar amount of reduction of
 392 ad valorem property taxes shall not be calculated or shown on those forms used for the
 393 registration and taxation of motor vehicles or trailers.

394 48-8-151.

395 Where a local sales or use tax has been paid with respect to tangible personal property by
 396 the purchaser either in another local tax jurisdiction within the state or in a tax jurisdiction
 397 outside the state, the tax may be credited against the tax authorized to be imposed by this
 398 part upon the same property. If the amount of sales or use tax so paid is less than the
 399 amount of the use tax due under this part, the purchaser shall pay an amount equal to the
 400 difference between the amount paid in the other tax jurisdiction and the amount due under
 401 this part. The commissioner may require such proof of payment in another local tax
 402 jurisdiction as he or she deems necessary and proper. No credit shall be granted, however,
 403 against the tax imposed under this part for tax paid in another jurisdiction if the tax paid
 404 in such other jurisdiction is used to obtain a credit against any other local sales and use tax
 405 levied in the county or municipality or in a special district which includes the county or
 406 municipality.

407 48-8-152.

408 No tax provided for in this part shall be imposed upon the sale of tangible personal
 409 property which is ordered by and delivered to the purchaser at a point outside the
 410 geographical area of the county in which the tax is imposed regardless of the point at which
 411 title passes if the delivery is made by the seller's vehicle, United States mail, or common

412 carrier or by private or contract carrier licensed by the Interstate Commerce Commission
413 or the Georgia Public Service Commission.

414 48-8-153.

415 No tax provided for in this part shall be imposed upon the sale or use of building and
416 construction materials when the contract pursuant to which the materials are purchased or
417 used was advertised for bid prior to the voters' approval of the levy of the tax and the
418 contract was entered into as a result of a bid actually submitted in response to the
419 advertisement prior to approval of the levy of the tax.

420 48-8-154.

421 The commissioner shall have the power and authority to promulgate such rules and
422 regulations as shall be necessary for the effective and efficient administration and
423 enforcement of the collection of the tax authorized to be imposed by this part.

424 48-8-155.

425 The tax authorized by this part shall be in addition to any other local sales and use tax. The
426 imposition of any other local sales and use tax within a county, municipality, or special
427 district shall not affect the authority of a board of education to impose the tax authorized
428 by this part and the imposition of the tax authorized by this part shall not affect the
429 imposition of any otherwise authorized local sales and use tax within the county,
430 municipality, or special district.

431 48-8-156.

432 (a)(1) The proceeds received from the tax authorized by this part shall be used by the
433 board or boards of education within the special district, as appropriate, exclusively for the
434 purposes specified in the resolution or concurrent resolution calling for imposition of the
435 tax. Such proceeds shall be kept in a separate account from other funds of the board of
436 education receiving proceeds of the tax and shall not in any manner be commingled with
437 other funds of such board of education prior to the expenditure.

438 (2) The board of education receiving any proceeds from the tax shall maintain a record
439 of each and every purpose for which the proceeds of the tax are used. A schedule shall
440 be included in each annual audit which shows for each purpose in the resolution calling
441 for imposition of the tax the original estimated cost, the current estimated cost if it is not
442 the original estimated cost, amounts expended in prior years, and amounts expended in
443 the current year. The auditor shall verify and test expenditures sufficient to provide
444 assurances that the schedule is fairly presented in relation to the financial statements. The

445 auditor's report on the financial statements shall include an opinion, or disclaimer of
446 opinion, as to whether the schedule is presented fairly in all material respects in relation
447 to the financial statements taken as a whole.

448 (b) No general obligation debt shall be issued in conjunction with the imposition of the tax
449 authorized by this part unless the board of education determines that, and if the debt is to
450 be validated it is demonstrated in the validation proceedings that, during each year in which
451 any payment of principal or interest on the debt comes due the board of education will
452 receive from the tax authorized by this part net proceeds sufficient to fully satisfy such
453 liability. General obligation debt issued under this part shall be payable first from the
454 separate account in which are placed the proceeds received by the board of education from
455 the tax authorized by this part. Such debt, however, shall constitute a pledge of the full
456 faith, credit, and taxing power of the board of education; and any liability on said debt
457 which is not satisfied from the proceeds of the tax authorized by this part shall be satisfied
458 from the general funds of the board of education.

459 (c) The resolution or concurrent resolution calling for the imposition of the tax authorized
460 by this part may specify that a part of the proceeds of the tax will be used for payment of
461 general obligation debt issued in conjunction with the imposition of the tax. If the
462 resolution or concurrent resolution so provides, it shall specifically state the other purposes
463 for which such proceeds will be used. In such a case no part of the net proceeds from the
464 tax received in any year shall be used for such other purposes until all debt service
465 requirements of the general obligation debt for that year have first been satisfied from the
466 account in which the proceeds of the tax are placed.

467 (d) The resolution or concurrent resolution calling for the imposition of the tax may
468 specify that no general obligation debt is to be issued in conjunction with the imposition
469 of the tax. If the resolution or concurrent resolution so provides, it shall specifically state
470 the purpose or purposes for which the proceeds will be used.

471 (e)(1)(A) If the proceeds of the tax are specified to be used solely for the purpose of
472 payment of general obligation debt issued in conjunction with the imposition of the tax,
473 then any net proceeds of the tax in excess of the amount required for final payment of
474 such debt shall be subject to and applied as provided in paragraph (2) of this subsection.

475 (B) If a board of education as agent for the special district receives from the tax net
476 proceeds in excess of the maximum cost of the capital outlay projects for education
477 purposes stated in the resolution calling for the imposition of the tax or in excess of the
478 actual cost of such purpose or purposes, then such excess proceeds shall be subject to
479 and applied as provided in paragraph (2) of this subsection.

480 (C) If the tax is terminated under paragraph (1) of subsection (b) of Code Section
481 48-8-146 by reason of denial of validation of debt, then all net proceeds received by a

482 board of education as agent of the special district from the tax shall be excess proceeds
 483 subject to paragraph (2) of this subsection.

484 (2) Excess proceeds subject to this subsection shall be used solely for the purpose of
 485 reducing any indebtedness of the board of education within the special district other than
 486 indebtedness incurred pursuant to this part. If there is no such other indebtedness or, if
 487 the excess proceeds exceed the amount of any such other indebtedness, then the excess
 488 proceeds shall next be paid into the general fund of a board of education, it being the
 489 intent that any funds so paid into the general fund of a board of education be used for the
 490 purpose of reducing ad valorem taxes.

491 48-8-157.

492 Each board of education receiving any proceeds from the tax under this part shall maintain
 493 a record of each and every purpose for which the proceeds of the tax are used. Not later
 494 than December 31 of each year, the board of education receiving any proceeds from the tax
 495 under this part shall publish annually, in a newspaper of general circulation in the
 496 boundaries of such school system, a simple, nontechnical report which shows for each
 497 purpose in the resolution calling for imposition of the tax the original estimated cost, the
 498 current estimated cost if it is not the original estimated cost, amounts expended in prior
 499 years, and amounts expended in the current year. The report shall also include a statement
 500 of what corrective action the board of education intends to implement with respect to each
 501 purpose which is underfunded or behind schedule and a statement of any surplus funds
 502 which have not been expended for a purpose."

503 **SECTION 2.**

504 (a) This Act shall become effective on January 1, 2011; provided, however, that this Act
 505 shall only become effective on January 1, 2011, upon the ratification of a resolution at the
 506 November, 2010, state-wide general election, which resolution amends the Constitution of
 507 the State of Georgia so as to authorize the sales and use tax for educational purposes to be
 508 imposed in whole or in part for educational maintenance and operations. If such resolution
 509 is not ratified, this Act shall not become effective and shall stand repealed in its entirety on
 510 January 1, 2011.

511 (b) This Act shall apply to taxes imposed or to be imposed under any resolution adopted by
 512 a board of education on or after January 1, 2011; and this Act shall not apply to taxes
 513 imposed or to be imposed under such resolutions adopted prior to January 1, 2011.

514 **SECTION 3.**

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