

The Senate Finance Committee offered the following substitute to HB 335:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and  
2 taxation, so as to provide for a sales and use tax for local community support of economic  
3 development and quality of life; to establish special districts; to provide for legislative  
4 findings and intent; to provide for definitions, procedures, conditions, and limitations for the  
5 imposition, collection, disbursement, and termination of the tax; to provide for powers,  
6 duties, and authority of the state revenue commissioner; to change certain provisions  
7 regarding the ceiling on local sales and use taxes; to change certain provisions regarding  
8 aggregate limitations on excise taxes and sales and use taxes; to provide for related matters;  
9 to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

12 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
13 amended in Chapter 8 by adding a new article to read as follows:

14 style="text-align:center">"ARTICLE 5

15 48-8-240.

16 The General Assembly finds that:

17 (1) There exist different and critically important needs and opportunities for economic  
18 and community development in local communities throughout Georgia using local  
19 community cultural assets, programs, and projects;

20 (2) Strong and sustainable local cultural institutions are significant community assets  
21 servicing important public functions by encouraging local economic development,  
22 providing resources for improvement of student performance and achievement, and  
23 encouraging the growth of a creative local economy and quality of life, all of which  
24 contribute to the overall economic development of the State of Georgia;

25 (3) Support of existing local cultural and community specific assets and qualified local  
 26 projects are best identified and regulated by local communities who may best determine  
 27 through a local referendum the amount, term, and scope of such support as might be  
 28 provided by each local community;

29 (4) Cultural organizations exist in a variety of forms and sizes throughout the State of  
 30 Georgia, and flexibility is required in funding support to meet the significant differences  
 31 in the needs of such cultural organizations based on their size; and

32 (5) Each county in Georgia should have the opportunity to present to its citizens for  
 33 referendum approval a resolution creating special local community support districts for  
 34 economic development and quality of life and imposing an incremental sales tax of less  
 35 than 1 percent in support of projects tailored to its local needs and priorities in order to  
 36 sustain existing qualified local cultural institutions and other qualified local projects  
 37 within such district.

38 48-8-241.

39 As used in this article, the term:

40 (1) 'Allocation plan' means the formula for the division of funds raised by the tax under  
 41 this article.

42 (2) 'Artist and support organization' means an organization which is a qualified local  
 43 cultural organization that has average annual gross revenues of less than \$75,000.00 for  
 44 its past three fiscal years.

45 (3) 'Building and construction materials' means all building and construction materials,  
 46 supplies, fixtures, or equipment, any combination of such items, and any other leased or  
 47 purchased articles when the materials, supplies, fixtures, equipment, or articles are to be  
 48 utilized or consumed during construction or are to be incorporated into construction work  
 49 pursuant to a bona fide written construction contract.

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

51 (5) 'District' means a special district for community support of local economic  
 52 development and quality of life created pursuant to Code Section 48-8-242.

53 (6) 'Gross revenues' means the not for profit operating revenues from all sources earned  
 54 by or funds paid or contributed to a qualified local cultural organization for performances,  
 55 exhibitions, or activities within a district, except for capital construction fund income,  
 56 designated funds raised for specific capital needs, or endowment corpus as shown by  
 57 financial statements prepared in accordance with uniform accounting principles.

58 (7) 'Qualified local cultural organization' means a private not for profit arts and cultural  
 59 organization having as its primary purpose the advancement of art, music, theater, dance,  
 60 history, natural history, animal sciences, or botanical research or the advancement and

61 preservation of plant sciences through horticultural display that is serving the public and  
62 advancing local economic and cultural development and strengthening local education  
63 and that:

64 (A) Has been continuously producing or presenting seasons of cultural programs  
65 within the district for a period of not less than five years, and if operating in more than  
66 one district shall be deemed for the purposes of this article to operate in each such  
67 district pro rata on the basis of the service activity and budgets for operations in each  
68 district;

69 (B) Is qualified under Section 501(c)(3) of the Internal Revenue Code;

70 (C) Is open to the general public with or without fee, excluding projects, events, or  
71 organizations that are extensions of academic programs for which more than 50 percent  
72 of the participants receive academic credits;

73 (D) Provides publicly available periodic financial information and, if the organization  
74 has annual gross revenues greater than \$250,000.00, provides an audit; and

75 (E) Is neither an agency of the state nor a political subdivision of the state, nor an  
76 organization with average annual gross revenues for its past three fiscal years greater  
77 than \$300,000.00 which receives more than 30 percent of its annual gross revenues or  
78 total capital funding from governmental funding excluding funds provided for  
79 re-granting to other qualified local cultural organizations.

80 Qualified local cultural organizations may include, without limitation, museums, visual  
81 and performing arts centers and visual and performing arts organizations, zoos,  
82 aquariums, botanical gardens, and natural history organizations.

83 (8) 'Qualified local initiative' means a public authority, governmental entity, or private  
84 not for profit organization qualified under Section 501(c)(3) of the Internal Revenue  
85 Code, each of which has operated within the district for a period of not less than three  
86 years providing a public service or function by advancing local community development  
87 and improvement through the creation or operation of sports or recreational facilities or  
88 activities; after school or out of school programs to improve student performance,  
89 achievement, and graduation; improvements in public safety; crime prevention; the  
90 acquisition, development, and maintenance of public parks, trails, and bikeways; the  
91 maintenance and improvement of public roads or transportation; or the creation of jobs  
92 within the district.

93 (9) 'Supervising organization' means the administrative entity established pursuant to  
94 Code Section 48-8-249 to manage, supervise, and distribute funds of a district.

95 48-8-242.

96 (a) Pursuant to the authority granted by Article IX, Section II, Paragraph VI of the  
 97 Constitution, a special district for local community support of economic development and  
 98 quality of life is created in each county. The geographical boundary of a special district  
 99 shall be conterminous with the boundary of the county.

100 (b) When the imposition of a special district sales and use tax for the purpose of funding  
 101 either or both operating support and capital improvements of qualified local cultural  
 102 organizations and either or both operating support and capital improvements of other  
 103 specifically identified qualified local initiatives is authorized in accordance with the criteria  
 104 and procedures provided in this article within a special district, the governing authority of  
 105 the county within the special district may, subject to the requirement of referendum  
 106 approval and the other requirements of this article, impose within the special district for a  
 107 limited period of time a special sales and use tax under this article.

108 (c) Any tax imposed under this article shall be at the rate of up to 1 percent in increments  
 109 of one-tenth of 1 percent. Except as to rate, a tax imposed under this article shall  
 110 correspond to the tax imposed by Article 1 of this chapter. No item or transaction which  
 111 is not subject to taxation under Article 1 of this chapter shall be subject to a tax imposed  
 112 under this article, except that a tax imposed under this article shall apply to sales of motor  
 113 fuels as that term is defined by Code Section 48-9-2 and shall be applicable to the sale of  
 114 food and beverages as provided for in division (57)(D)(i) of Code Section 48-8-3.

115 48-8-243.

116 (a) The governing authority of the county voting to impose the tax authorized by this  
 117 article within the special district shall notify the county election superintendent by  
 118 forwarding to the superintendent a copy of the resolution calling for the imposition of the  
 119 tax. Such resolution shall specify the criteria consistent with the provisions of this article  
 120 by which qualified local cultural organizations shall be determined to be funded under the  
 121 tax and any qualified local initiatives for which the proceeds of the tax are to be used and  
 122 may be expended and:

123 (1)(A) Specify a 15 year duration of the tax in counties in which are located qualified  
 124 local cultural organizations that have combined annual gross revenues in excess of \$100  
 125 million; or

126 (B) Specify a specified maximum duration of the tax, to be stated in calendar years or  
 127 calendar quarters and not to exceed 15 years, in counties in which are located qualified  
 128 local cultural organizations that have combined annual gross revenues equal to or less  
 129 than \$100 million;

130 (2) Identify any capital projects and the public services, function, and uses of such  
 131 proposed tax moneys for any qualified local initiative selected by the governing authority  
 132 that would be supported by such tax and the expected public benefits to be received; and  
 133 (3) Specify the proposed allocation plan for distribution of net proceeds of the tax which  
 134 shall specifically identify the portion of the net proceeds of the tax allocated to qualified  
 135 cultural organizations and the portion allocated to qualified local initiatives.

136 (b) Upon receipt of the resolution, the election superintendent shall issue the call for an  
 137 election for the purpose of submitting the question of the imposition of the tax to the voters  
 138 of the special district. The election superintendent shall issue the call and shall conduct the  
 139 election on a date and in the manner authorized under Code Section 21-2-540. The election  
 140 superintendent shall cause the date and purpose of the election to be published once per  
 141 week for four weeks immediately preceding the date of the election in the official organ  
 142 of the county.

143 (c) If a sales tax for local community support of economic development and quality of life  
 144 is to be imposed, the ballot shall have written or printed thereon the following:

145 '( ) YES Shall a sales and use tax for community support of local economic  
 146 development and quality of life purposes in this special district of  
 147 ( ) NO \_\_\_\_\_ County be imposed at the rate of \_\_\_\_\_ percent  
 148 (or \_\_\_\_\_ ¢ for each \$10.00) for a period of time not to exceed  
 149 \_\_\_\_\_ ?'

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

160 48-8-244.

161 (a) If the imposition of the tax authorized by this article is approved at the special election,  
 162 the tax shall be imposed on the first day of the next succeeding calendar quarter which  
 163 begins more than 80 days after the date of the election at which the tax was approved by  
 164 the voters; provided, however, for services which are regularly billed on a monthly basis,

165 the resolution shall become effective with respect to and the tax shall apply to services  
166 billed on or after such effective date.

167 (b) The tax authorized by this article shall cease to be imposed on the final day of the  
168 maximum period of time specified for the imposition of the tax.

169 (c) At any time, no more than a single tax authorized by this article may be imposed within  
170 a special district.

171 (d) The governing authority of the county within a special district in which a tax  
172 authorized by this article is in effect may, while the tax is in effect, adopt a resolution  
173 calling for the reimposition of a tax authorized by this article upon the termination of the  
174 tax then in effect; and a special election may be held for this purpose while the tax is in  
175 effect. Proceedings for the reimposition of a tax shall be in the same manner as  
176 proceedings for the initial imposition of the tax, but the newly authorized tax shall not be  
177 imposed until the expiration of the tax then in effect.

178 (e) Following the expiration of a tax authorized by this article, the governing authority of  
179 the county within the special district may initiate proceedings for the reimposition of such  
180 tax in the same manner as provided in this article for initial imposition of such tax.

181 48-8-245.

182 A tax levied pursuant to this article shall be exclusively administered and collected by the  
183 commissioner for the use and benefit of the governing authority of the county and the  
184 supervising organization within the special district imposing the tax. Such administration  
185 and collection shall be accomplished in the same manner and subject to the same applicable  
186 provisions, procedures, and penalties provided in Article 1 of this chapter; provided,  
187 however, that all moneys collected from each taxpayer by the commissioner shall be  
188 applied first to such taxpayer's liability for taxes owed the state; and provided, further, that  
189 the commissioner may rely upon a representation by or on behalf of the governing  
190 authority of the county within the special district or the Secretary of State that such a tax  
191 has been validly imposed, and the commissioner and the commissioner's agents shall not  
192 be liable to any person for collecting any such tax which was not validly imposed. Dealers  
193 shall be allowed a percentage of the amount of the tax due and accounted for and shall be  
194 reimbursed in the form of a deduction in submitting, reporting, and paying the amount due  
195 if such amount is not delinquent at the time of payment. The deduction shall be at the rate  
196 and subject to the requirements specified under subsections (b) through (f) of Code  
197 Section 48-8-50.

198 48-8-246.

199 Each sales tax return remitting taxes collected under this article shall separately identify  
 200 the location of each retail establishment at which any of the taxes remitted were collected  
 201 and shall specify the amount of sales and the amount of taxes collected at each  
 202 establishment for the period covered by the return in order to facilitate the determination  
 203 by the commissioner that all taxes imposed by this article are collected and distributed  
 204 according to situs of sale.

205 48-8-247.

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

208 (1) One and one-half percent of the amount collected shall be paid into the general fund  
 209 of the state treasury in order to defray the costs of administration; and

210 (2) Except for the percentage provided in paragraph (1) of this Code section, the  
 211 remaining proceeds of the tax shall be distributed to the governing authority of the county  
 212 within the special district for distribution as provided in Code Section 48-8-248.

213 48-8-248.

214 (a) The remaining proceeds of the tax imposed under this article shall be distributed by the  
 215 governing authority of the county in the special district to the supervising organization of  
 216 the district. The supervising organization shall distribute such proceeds quarterly pursuant  
 217 to the allocation plan as follows:

218 (1) In special districts in which are located one or more qualified local cultural  
 219 organizations having combined annual gross revenues in excess of \$100 million:

220 (A) A sum equal to 1 percent of the first three-tenths of 1 percent levied shall be  
 221 distributed to the supervising organization for competitive awards of project funding  
 222 to artist and support organizations on the basis of criteria and guidelines issued by the  
 223 supervising organization; and

224 (B) A sum equal to 55 percent of the first three-tenths of 1 percent levied shall be  
 225 distributed by the supervising organization to qualified local cultural organizations  
 226 within such district as follows:

227 (i) To the largest 10 percent of qualified local cultural organizations, excluding artist  
 228 and support organizations, a total annual sum equal to 15 percent of their combined  
 229 average annual gross revenues for their past three fiscal years;

230 (ii) To the next largest 30 percent of qualified local cultural organizations, excluding  
 231 artist and support organizations, a total annual sum equal to 17 percent of their  
 232 combined average annual gross revenues for their past three fiscal years; and

233 (iii) To the remaining 60 percent of qualified local cultural organizations, excluding  
 234 artist and support organizations, a total annual sum equal to 19 percent of their  
 235 combined average annual gross revenues for their past three fiscal years;

236 (2) In special districts in which are located one or more qualified local cultural  
 237 organizations having combined annual gross revenues equal to or less than \$100 million,  
 238 a sum equal to 55 percent of the first one-tenth of 1 percent levied shall be distributed by  
 239 the supervising organization to qualified local cultural organizations in accordance with  
 240 locally created and uniformly applied rules and guidelines;

241 (3) A sum equal to 1 percent of the sums received by the supervising organization shall  
 242 be retained by the supervising organization to carry out the functions of the supervising  
 243 organization; and

244 (4) The balance of such remaining proceeds shall be distributed to qualified local  
 245 initiatives to perform the specified public service and public functions and projects  
 246 pursuant to paragraph (2) of subsection (a) of Code Section 48-8-243.

247 (b) Each such qualified local cultural organization funded under this Code section shall  
 248 receive a sum equal to 80 percent of the specified percentage of their average annual gross  
 249 revenues for their past three fiscal years subject only to meeting uniform guidelines for  
 250 financial reporting and stability established by the supervising organization. Each such  
 251 qualified local cultural organization may compete with other such organizations in their  
 252 size group for single or multiyear grants of the remaining 20 percent allocated to their  
 253 group on the basis of criteria and guidelines issued by the supervising organization. If the  
 254 collected amounts of incremental sales tax revenues available for distribution are  
 255 insufficient to fund the total amount each qualified local cultural organization would  
 256 receive under this article, then each qualified local cultural organization shall receive a  
 257 pro-rata share of the funds each would have received if sufficient funding were available.

258 48-8-249.

259 The management, supervision, and distribution of funds of a district under Code Section  
 260 48-2-248 shall be vested in a supervising organization created by, appointed by, or  
 261 contracted with by the governing authority of the county within the special district. Each  
 262 supervising organization shall have a governing board or committee empowered to exercise  
 263 the responsibilities of the supervising organization under this article. Fifty percent of the  
 264 governing board or committee shall be composed of representatives of qualified local  
 265 cultural organizations, and all members of the governing board or committee shall recuse  
 266 themselves from participating in issues presenting a direct conflict of personal interests.  
 267 The supervising organization shall elect its own chairperson and establish its own bylaws  
 268 in conformance with the obligations imposed by this article and shall report annually on

269 all expenditures and distributions to the governing authority of the county within the  
 270 special district. Supervising organizations shall have the following duties and  
 271 responsibilities:

272 (1) To administer the funding of qualified local cultural organizations and qualified local  
 273 initiatives in accordance with this article and as approved by the voters;

274 (2) To receive in trust and administer the distribution of all funds received from the tax  
 275 imposed under this article;

276 (3) To properly determine and uniformly calculate the amounts to be received by each  
 277 qualified local cultural organization under this article;

278 (4) To institute and administer competitive grant programs for the support of cultural  
 279 organizations and artists in accordance with this article;

280 (5) To determine and distribute the portion of the funds received from the tax imposed  
 281 under this article to the qualified local initiatives as provided under this article;

282 (6) To ensure that determinations on funding of any recipients shall be based not on  
 283 political expediency but rather on the organization's contribution to the general welfare  
 284 of its intended audience and the demonstration of its relative ability to provide benefits  
 285 to the citizens of the district and the state;

286 (7) To receive and review annual financial information from each qualified local cultural  
 287 organization and qualified local initiative and prepare an annual report to the public and  
 288 the governing authority of the county within the special district on all expenditures and  
 289 distributions; and

290 (8) To employ such staff and consultants as deemed necessary to fulfill its  
 291 responsibilities under this article and to perform such other tasks as may be appropriate  
 292 to fulfill its purposes under this article which are not inconsistent with this article.

293 48-8-250.

294 Where a local sales or use tax has been paid with respect to tangible personal property by  
 295 the purchaser either in another local tax jurisdiction within the state or in a tax jurisdiction  
 296 outside the state, the tax may be credited against the tax authorized to be imposed by this  
 297 article upon the same property. If the amount of sales or use tax so paid is less than the  
 298 amount of the use tax due under this article, the purchaser shall pay an amount equal to the  
 299 difference between the amount paid in the other tax jurisdiction and the amount due under  
 300 this article. The commissioner may require such proof of payment in another local tax  
 301 jurisdiction as he or she deems necessary and proper. No credit shall be granted, however,  
 302 against the tax imposed under this article for tax paid in another jurisdiction if the tax paid  
 303 in such other jurisdiction is used to obtain a credit against any other local sales and use tax

304 levied in the county or municipality or in a special district which includes the county or  
305 municipality.

306 48-8-251.

307 No tax provided for in this article shall be imposed upon the sale of tangible personal  
308 property which is ordered by and delivered to the purchaser at a point outside the  
309 geographical area of the county in which the tax is imposed regardless of the point at which  
310 title passes if the delivery is made by the seller's vehicle, United States mail, or common  
311 carrier or by private or contract carrier licensed by the Interstate Commerce Commission  
312 or the Georgia Public Service Commission.

313 48-8-252.

314 No tax provided for in this article shall be imposed upon the sale or use of building and  
315 construction materials when the contract pursuant to which the materials are purchased or  
316 used was advertised for bid prior to the voters' approval of the levy of the tax and the  
317 contract was entered into as a result of a bid actually submitted in response to the  
318 advertisement prior to approval of the levy of the tax.

319 48-8-253.

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

323 48-8-254.

324 The tax authorized by this article shall be in addition to any other local sales and use tax.  
325 The imposition of any other local sales and use tax within a county, municipality, or special  
326 district shall not affect the authority of the governing authority of the county within the  
327 special district to impose the tax authorized by this article and the imposition of the tax  
328 authorized by this article shall not affect the imposition of any otherwise authorized local  
329 sales and use tax within the county, municipality, or special district.

330 48-8-255.

331 (a) The proceeds received from the tax authorized by this article shall be used by the  
332 authorized recipients within the special district exclusively for the purposes specified in the  
333 resolution calling for imposition of the tax. Such proceeds shall be kept in a separate  
334 account from other funds and shall not in any manner be commingled with other funds  
335 prior to the expenditure.

336 (b) The authorized recipient receiving any proceeds from the tax shall maintain a record  
 337 of each and every purpose for which the proceeds of the tax are used. A schedule shall be  
 338 included in each annual audit which shows for each purpose in the resolution calling for  
 339 imposition of the tax the original estimated cost of any capital item, the current estimated  
 340 cost if it is not the original estimated cost, amounts expended in prior years, and amounts  
 341 expended in the current year. The auditor shall verify and test expenditures sufficient to  
 342 provide assurances that the schedule is fairly presented in relation to the financial  
 343 statements. The auditor's report on the financial statements shall include an opinion, or  
 344 disclaimer of opinion, as to whether the schedule is presented fairly in all material respects  
 345 in relation to the financial statements taken as a whole.

346 48-8-256.

347 The governing authority of the county within the special district receiving any proceeds  
 348 from the tax under this article shall maintain a record of each and every purpose for which  
 349 the proceeds of the tax are used. Not later than December 31 of each year, the governing  
 350 authority of the county within the special district receiving any proceeds from the tax under  
 351 this article shall publish annually, in a newspaper of general circulation in the boundaries  
 352 of such special district, a simple, nontechnical report which shows for each purpose in the  
 353 resolution calling for imposition of the tax the original estimated cost for any capital item,  
 354 the current estimated cost if it is not the original estimated cost, amounts expended in prior  
 355 years, and amounts expended in the current year."

356 **SECTION 2.**

357 Said title is further amended in Code Section 48-8-6, relating to a ceiling on local sales and  
 358 use taxes, by revising subsections (b) and (c.1) as follows:

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

- 366 (1) A sales and use tax for educational purposes exempted from such limitation under  
 367 Article VIII, Section VI, Paragraph IV of the Constitution;  
 368 (2) Any tax levied for purposes of a metropolitan area system of public transportation,  
 369 as authorized by the amendment to the Constitution set out at Georgia Laws, 1964, page  
 370 1008; the continuation of such amendment under Article XI, Section I, Paragraph IV(d)

371 of the Constitution; and the laws enacted pursuant to such constitutional amendment;  
 372 provided, however, that the exception provided for under this paragraph shall only apply  
 373 in a county in which a tax is being imposed under subparagraph (a)(1)(D) of Code  
 374 Section 48-8-111 in whole or in part for the purpose or purposes of a water capital outlay  
 375 project or projects, a sewer capital outlay project or projects, a water and sewer capital  
 376 outlay project or projects, water and sewer projects and costs as defined under  
 377 paragraph ~~(3)~~ (4) of Code Section 48-8-200, or any combination thereof and with respect  
 378 to which the county has entered into an intergovernmental contract with a municipality,  
 379 in which the average waste-water system flow of such municipality is not less than 85  
 380 million gallons per day, allocating proceeds to such municipality to be used solely for  
 381 water and sewer projects and costs as defined under paragraph ~~(3)~~ (4) of Code Section  
 382 48-8-200. The exception provided for under this paragraph shall apply only during the  
 383 period the tax under said subparagraph (a)(1)(D) is in effect. The exception provided for  
 384 under this paragraph shall not apply in any county in which a tax is being imposed under  
 385 Article 2A of this chapter;

386 (3) In the event of a rate increase imposed pursuant to Code Section 48-8-96, only the  
 387 amount in excess of the initial 1 percent sales and use tax and in the event of a newly  
 388 imposed tax pursuant to Code Section 48-8-96, only the amount in excess of a 1 percent  
 389 sales and use tax; ~~and~~

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

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

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

395 (c.1) Where the exception specified in paragraph (2) of subsection (b) of this Code section  
 396 applies, on and after July 1, 2007, the aggregate amount of all excise taxes imposed under  
 397 paragraph (5) of subsection (a) of Code Section 48-13-51 and all sales and use taxes shall  
 398 not exceed 14 percent. The aggregate amount limitation of this subsection shall not count  
 399 toward or include a sales and use tax levied under Article 5 of this chapter."

### 400 SECTION 3.

401 Said title is further amended by revising Code Section 48-8-201, relating to distribution of  
 402 proceeds of the water and sewer projects and costs tax as follows:

403 "(d) On and after July 1, 2007, the aggregate amount of all excise taxes imposed under  
 404 paragraph (5) of subsection (a) of Code Section 48-13-51 and all sales and use taxes shall  
 405 not exceed 14 percent. The aggregate amount limitation of this subsection shall not count  
 406 toward or include a sales and use tax levied under Article 5 of this chapter."

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**SECTION 4.**

Said title is further amended in subsection (a) of Code Section 48-13-51, relating to county and municipal excise taxes on public accommodations, by revising paragraphs (3.1) and (4.1) as follows:

"(3.1) Notwithstanding any other provision of this subsection, a county (within the territorial limits of the special district located within the county) and the municipalities within a county in which a trade and convention center authority has been created by intergovernmental contract between a county and one or more municipalities located therein, and which trade and convention center authority is in existence on or before March 21, 1988, and which trade and convention center authority has not constructed or operated any facility before March 21, 1988, may levy a tax under this Code section at a rate of 6 percent. A county or municipality levying a tax pursuant to this paragraph shall expend (in each fiscal year during which the tax is collected under this paragraph (3.1)) an amount equal to at least 62 1/2 percent of the total taxes collected at the rate of 6 percent for the purpose of: (A) promoting tourism, conventions, and trade shows; (B) funding, supporting, acquiring, constructing, renovating, improving, and equipping buildings, structures, and facilities, including, but not limited to, a trade and convention center, exhibit hall, conference center, performing arts center, accommodations facilities including food service, or any combination thereof, for convention, trade show, athletic, musical, theatrical, cultural, civic, and performing arts purposes and other events and activities for similar and related purposes, acquiring the necessary property therefor, both real and personal, and funding all expenses incident thereto, and supporting, maintaining, and promoting such facilities owned, operated, or leased by or to the local trade and convention center authority; or (C) for some combination of such purposes; provided, however, that at least 50 percent of the total taxes collected at the rate of 6 percent shall be expended for the purposes specified in subparagraph (B) of this paragraph (3.1). Amounts so expended shall be expended only through a contract or contracts with the state, a department of state government, a state authority, a convention and visitors bureau authority created by local Act of the General Assembly for a municipality, a local building authority created by local constitutional amendment, and a trade and convention center authority created by intergovernmental contract between a county and one or more municipalities located therein, or a private sector nonprofit organization or through a contract or contracts with some combination of such entities. The aggregate amount of all excise taxes imposed under this paragraph (3.1) and all sales and use taxes, and other taxes imposed by a county or municipality, or both, shall not exceed 13 percent; provided, however, that such aggregate amount limitation shall not count toward or include a sales and use tax under Article 5 of Chapter 8 of this title. Any tax levied

444 pursuant to this paragraph (3.1) shall terminate not later than December 31, 2029,  
445 provided that during any period during which there remains outstanding any obligation  
446 issued to fund a facility as contemplated by this paragraph (3.1), secured in whole or in  
447 part by a pledge of a tax authorized under this Code section, the powers of the counties  
448 and municipalities to impose and distribute the tax imposed by this paragraph (3.1) shall  
449 not be diminished or impaired by the state and no county or municipality levying the tax  
450 imposed by this paragraph (3.1) shall cease to levy the tax in any manner that will impair  
451 the interests and rights of the holder of any such obligation. This proviso shall be for the  
452 benefit of the holder of any such obligation and, upon the issuance of any such obligation  
453 by a building authority created by local constitutional amendment, shall constitute a  
454 contract with the holder of such obligation. Notwithstanding any other provision of this  
455 Code section to the contrary, as used in this paragraph (3.1), the term: 'fund' or 'funding'  
456 shall include the cost and expense of all things deemed necessary by a building authority  
457 created by local constitutional amendment for the construction and operation of a facility  
458 or facilities including but not limited to the study, operation, marketing, acquisition,  
459 construction, financing, including the payment of principal and interest on any obligation  
460 of the building authority created by local constitutional amendment and any obligation  
461 of the building authority created by local constitutional amendment to refund any prior  
462 obligation of the building authority created by local constitutional amendment,  
463 development, extension, enlargement, or improvement of land, waters, property, streets,  
464 highways, buildings, structures, equipment, or facilities and the repayment of any  
465 obligation incurred by an authority in connection therewith; 'obligation' shall include  
466 bonds, notes, or any instrument creating an obligation to pay or reserve moneys and  
467 having an initial term of not more than 37 years; and 'facility' or 'facilities' shall mean any  
468 of the buildings, structures, and facilities described in subparagraph (B) of this paragraph  
469 (3.1) and any associated parking areas or improvements originally owned or operated  
470 incident to the ownership or operation of such facility used for any purpose or purposes  
471 specified in subparagraph (B) of this paragraph (3.1) by a building authority created by  
472 local constitutional amendment."

473 "(4.1) Notwithstanding any other provision of this subsection, a county (within the  
474 territorial limits of the special district located within the county) or municipality within  
475 a county in which a coliseum authority has been created by local Act of the General  
476 Assembly and which authority is in existence on or before July 1, 1963, for the purpose  
477 of owning or operating a facility, may levy a tax under this Code section at a rate of 7  
478 percent. A county or municipality levying a tax pursuant to this paragraph shall expend  
479 (in each fiscal year during which the tax is collected under this paragraph (4.1)) an  
480 amount equal to at least 62 1/2 percent of the total taxes collected at the rate of 7 percent

481 for the purpose of: (A) promoting tourism, conventions, and trade shows; (B) funding and  
482 supporting a facility owned or operated by such coliseum authority; or (C) for some  
483 combination of such purposes. Amounts so expended shall be expended only through a  
484 contract or contracts with the state, a department of state government, a state authority,  
485 a convention and visitors bureau authority created by local Act of the General Assembly  
486 for a municipality, a local coliseum authority, or a private sector nonprofit organization,  
487 or through a contract or contracts with some combination of such entities, except that  
488 amounts expended for purpose (B) may be so expended in any otherwise lawful manner  
489 without the necessity of a contract. The aggregate amount of all excise taxes imposed  
490 under this paragraph (4.1) and all sales and use taxes, and other taxes imposed by a  
491 county or municipality, or both, shall not exceed 12 percent; provided, however, that such  
492 aggregate amount limitation shall not count toward or include a sales and use tax under  
493 Article 5 of Chapter 8 of this title. Any tax levied pursuant to this paragraph (4.1) shall  
494 terminate not later than December 31, 2028, provided that during any period during  
495 which there remains outstanding any obligation which is incurred prior to January 1,  
496 1995, issued to fund a facility as contemplated by this paragraph (4.1), and secured in  
497 whole or in part by a pledge of a tax authorized under this Code section, the powers of  
498 the counties and municipalities to impose and distribute the tax imposed by this  
499 paragraph (4.1) shall not be diminished or impaired by the state and no county or  
500 municipality levying the tax imposed by this paragraph (4.1) shall cease to levy the tax  
501 in any manner that will impair the interest and rights of the holders of any such  
502 obligation. This proviso shall be for the benefit of the holder of any such obligation and,  
503 upon the issuance of any such obligation by a coliseum and exhibit hall authority, shall  
504 constitute a contract with the holder of such obligations. Notwithstanding any other  
505 provision of this Code section to the contrary, as used in this paragraph (4.1), the term:  
506 'fund' and 'funding' shall include the cost and expense of all things deemed necessary by  
507 a local coliseum authority for the construction, renovation, and operation of a facility  
508 including but not limited to the study, operation, marketing, acquisition, construction,  
509 finance, development, extension, enlargement, or improvement of land, waters, property,  
510 streets, highways, buildings, structures, equipment, or facilities, and the repayment of any  
511 obligation incurred by a local coliseum authority in connection therewith; 'obligation'  
512 shall include bonds, notes, or any instrument creating an obligation to pay or reserve  
513 moneys incurred prior to January 1, 1995, and having an initial term of not more than 30  
514 years; and 'facility' shall mean a coliseum or other facility and any associated parking  
515 areas or improvements originally owned or operated incident to the ownership or  
516 operation of a facility used for convention and trade show purposes or amusement

517 purposes, educational purposes, or a combination thereof and for fairs, expositions, or  
518 exhibitions in connection therewith by a local coliseum authority."

519 **SECTION 5.**  
520 All laws and parts of laws in conflict with this Act are repealed.