

The House Committee on Education offers the following substitute to SR 153:

A RESOLUTION

1 Proposing an amendment to the Constitution so as to authorize the General Assembly to
 2 provide by local law for the creation and comprehensive regulation of education
 3 improvement districts for the provision of facilities or land for one or more public or special
 4 schools; to provide for the submission of this amendment for ratification or rejection; and for
 5 other purposes.

6 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Article VIII of the Constitution is amended by adding a new section to read as follows:

9 **"SECTION VIII.**

10 **EDUCATION IMPROVEMENT DISTRICTS**

11 Paragraph I. *Creation.* The General Assembly may by local law create one or more
 12 education improvement districts to provide for facilities or land for one or more schools as
 13 provided in this section, which education improvement districts shall be considered public
 14 entities.

15 Paragraph II. *Purposes.* The purpose of an education improvement district shall be the
 16 provision of facilities or purchase of land for one or more public schools established by a
 17 board of education under Article VIII, Section V, Paragraph I of this Constitution, one or
 18 more special schools established under Article VIII, Section V, Paragraph VII of this
 19 Constitution, or a combination of such public schools and special schools. Facilities may
 20 include construction of new school facilities, capital improvements to existing school
 21 facilities, leasing of school facilities, or a combination thereof. Facilities may also include
 22 pre-kindergarten programs within a public school or special school.

23 Paragraph III. *Boundaries.* Any education improvement district shall be composed of a
 24 single, contiguous geographical area containing at least 500 acres and containing a

25 population of at least 2,000 persons and may include portions of one or more school
 26 systems.

27 Paragraph IV. *Local law.* (a) The local law creating an education improvement district
 28 shall include the following:

29 (1) A description of the facility or facilities for which the district is created, the land
 30 to be purchased for the public or special school or schools, or both;

31 (2) A description of the geographical area which comprises the district;

32 (3) The establishment of the administrative body for the education improvement
 33 district and the number of members of the administrative body. The membership shall
 34 include representation from each local board of education included within the education
 35 improvement district, if one or more public schools are to be benefitted, and
 36 representation from the governing board of each special school if such special school is
 37 to be benefitted, and the method of selection of all members shall be specified in the local
 38 law;

39 (4) The duties and powers of the administrative body, which may include:

40 (A) The power to contract;

41 (B) The power to enter into cooperative agreements with local governments in
 42 accordance with Paragraph VI of this section and to act on such agreements;

43 (C) The acceptance of bequests, donations, assistance with or guarantees of any loans
 44 or other instruments of indebtedness, and grants and transfers of land, buildings, and
 45 other property from individuals, private entities, counties, municipalities, local boards
 46 of education, the State Board of Education, the Board of Regents, or other entities of
 47 the State of Georgia;

48 (D) The incurrence of debt, without regard to the requirements of Article IX,
 49 Section V of this Constitution, which debt shall be backed by the full faith, credit, and
 50 taxing power of the education improvement district and which debt may be backed by
 51 the full faith, credit, and taxing power of the applicable local board of education, in the
 52 case of a public school or schools, or the state, in the case of a special school or schools
 53 as specified in the local law;

54 (E) The retention of an administrative fee, which shall not exceed any maximum
 55 amount set out in the local law, to cover actual costs, which may include per diem
 56 amounts for administrative body members and necessary expenses; and

57 (F) The authority to levy ad valorem taxes within the education improvement district
 58 in accordance with Paragraph V of this section and the maximum tax rate which may
 59 be levied.

60 (5) The duration of the education improvement district, which shall be the later of:

61 (A)(i) For construction or capital improvements of the facility or facilities for
 62 which the education improvement district is established, the completion of such
 63 construction or capital improvements;

64 (ii) For the purchase of land, the completion of such purchase; or

65 (iii) For the lease of a facility, the end of the initial lease, which duration may be
 66 specifically limited in the local law;

67 (B) Upon the completion of payment of all debt incurred for the construction or
 68 capital improvements, purchase of land, or lease of the facility or facilities for which
 69 the education improvement district is established; or

70 (C) Upon the date or the occurrence of an event as set out in the local law;

71 (6) The estimated maximum costs relating to the construction, capital improvements,
 72 or lease of the facility or facilities, the purchase of land, or both;

73 (7) Provision for lowering the tax, ceasing to collect the tax at an earlier date, refunds
 74 to taxpayers, or any other appropriate mechanism, in the event that actual costs for the
 75 facility or facilities, the purchase of land, or both is less than the estimated maximum
 76 costs presented in the referendum; and

77 (8) The right, title, interest, and ownership of any new facility or facilities or land
 78 purchased, which may be vested in the administrative body of the education improvement
 79 district, the applicable local board of education in the case of public schools, or in the
 80 state, in the case of special schools as specified in the local law; provided, however, that
 81 if ownership is vested in an education improvement district, the local law shall provide
 82 for the transfer of ownership to the applicable local board or boards of education or, for
 83 a special school, for the transfer of ownership to a local board of education or the state
 84 or for the sale to a public or private entity, upon dissolution of the education improvement
 85 district. If a facility or facilities or land is sold by an education improvement district to
 86 a public or private entity, the local law shall provide for distribution or use of proceeds
 87 from such sale, which may include refunds or credits to taxpayers. The design and
 88 construction of a new facility or of capital improvements to an existing facility may be
 89 conducted by the local board of education, the governing body of a special school, the
 90 education improvement district, or some other entity, as designated in the local law. The
 91 local law may address occurrences such as closure and sale of a facility provided for
 92 under the district.

93 (b) Any local law creating an education improvement district shall be signed by every
 94 member of the House of Representatives and the Senate whose districts are wholly or
 95 partially located within the education improvement district and shall be conditioned upon:

96 (1) The adoption of a resolution consenting to the creation of the education
 97 improvement district by:

98 (A) Each local board of education which is included within the education
 99 improvement district if such district is to be established for the benefit of one or more
 100 public schools of the local board of education; and

101 (B) The governing board of each special school which is included within the
 102 education improvement district if such district is to be established for the benefit of any
 103 such special school; and

104 (2) Approval by a majority of the qualified electors residing within the limits of the
 105 education improvement district voting in a referendum thereon. Such referendum shall
 106 identify the tax rate to be levied, the specific facility or facilities or land for which the ad
 107 valorem taxes collected under Paragraph V of this section will be used, and the estimated
 108 maximum costs relating to the facility or facilities. Any referendum held pursuant to this
 109 subparagraph shall be conducted only on the Tuesday after the first Monday in November
 110 in odd-numbered years or on the date of the presidential preference primary, general
 111 primary, or general election in even-numbered years.

112 Paragraph V. *Levy.* The administrative body of each education improvement district may
 113 be authorized to levy ad valorem taxes within the education improvement district only on
 114 real property and specifically excluding tangible personal property and intangible property.
 115 The tax rate charged by the education improvement district may not exceed the rate
 116 specified in the referendum. Any such ad valorem tax shall not apply to the homestead
 117 property of any person residing within the education improvement district who is 62 years
 118 of age or older. Any such tax shall be collected by the county or counties in which the
 119 education improvement district is located in the same manner as ad valorem taxes levied
 120 by such county or counties. The proceeds of such taxes so levied, less such fee to cover
 121 the costs of collection as may be specified by law, shall be transmitted by the collecting
 122 county or counties to the administrative body of the education improvement district and
 123 shall be expended by such administrative body for the purpose authorized by this section.
 124 The administrative body of the education improvement district may not use such ad
 125 valorem taxes to fund any facility or land purchase other than the specific facility or
 126 facilities or land purchase specified in the referendum.

127 Paragraph VI. *Cooperation with local governments.* The facilities and land purchases
 128 provided pursuant to this section shall be provided for in a cooperative agreement executed
 129 jointly by the administrative body and one or more applicable local boards of education or,
 130 in the case of a special school or special schools, the governing body or bodies thereof.
 131 The provisions of this section shall in no way limit the authority of any local board of
 132 education or governing body of a special school to provide facilities or land within any
 133 education improvement district. An education improvement district shall have no control
 134 or management over a local school system.

135 Paragraph VII. *Regulation by general law.* The General Assembly by general law may
 136 regulate, restrict, and limit the creation of education improvement districts and the exercise
 137 of the powers of administrative bodies of education improvement districts."

138

SECTION 2.

139 The above proposed amendment to the Constitution shall be published and submitted as
 140 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the
 141 above proposed amendment shall have written or printed thereon the following:

142 "() YES Shall the Constitution of Georgia be amended so as to authorize the General
 143 Assembly to provide by local law for the creation and comprehensive
 144 () NO regulation of education improvement districts for the provision of facilities
 145 or land for one or more public or special schools?"

146 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

147 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
 148 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
 149 become a part of the Constitution of this state.