

The House Committee on Transportation offers the following substitute to SB 120:

A BILL TO BE ENTITLED
AN ACT

1 To amend an Act known as the "Metropolitan Atlanta Rapid Transit Authority Act of 1965,"
2 approved March 10, 1965 (Ga. L. 1965, p. 2243), as amended, so as to change the allocation
3 regarding the use of sales tax proceeds; to provide for an effective date; to repeal conflicting
4 laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

7 An Act known as the "Metropolitan Atlanta Rapid Transit Authority Act of 1965," approved
8 March 10, 1965 (Ga. L. 1965, p. 2243), as amended, is amended by revising subsections (i)
9 and (l) of Section 25 as follows:

10 "(i) Use of Proceeds. The proceeds of the tax levied pursuant to this Act shall be used
11 solely by each local government to fulfill the obligations incurred in the contracts entered
12 into with the Metropolitan Atlanta Rapid Transit Authority as contemplated in the
13 Metropolitan Atlanta Rapid Transit Authority Act of 1965, as amended; provided,
14 however, that no more than fifty percent (50%) of the annual proceeds of the tax shall be
15 used to subsidize the operating costs of the system, exclusive of depreciation, amortization,
16 and other costs and charges as provided in this subsection, until January 1, 2002. For the
17 period beginning January 1, 2002, and ending June 30, 2002; and for each fiscal year
18 commencing thereafter until December 31, 2008, no more than fifty-five percent (55%) of
19 the proceeds of the tax shall be used to subsidize the operating costs of the system,
20 exclusive of depreciation, amortization, and other costs and charges as provided in this
21 subsection; ~~and for. For the period beginning January 1, 2009, and ending June 30, 2009~~
22 ~~2011, and each fiscal year commencing thereafter until July 1, 2032,~~ no more than fifty
23 ~~sixty~~ percent ~~(50%)~~ (60%) of the proceeds of the tax shall be used to subsidize the
24 operating costs of the system, exclusive of depreciation, amortization, and other costs and
25 charges as provided in this subsection; ~~except that if the~~ The Board of the Metropolitan
26 Atlanta Rapid Transit Authority shall ~~fail to~~ file with the Metropolitan Atlanta Rapid

27 Transit Overview Committee annually, the original and 14 copies of a report of the
28 findings of a completed management performance audit of the Authority's current
29 operations, which audit was performed under contract with and at the expense of the
30 Authority, along with any auditor's recommendations based thereon and the auditor's
31 signed written verification that the Metropolitan Atlanta Rapid Transit Authority fully
32 cooperated with such audit and allowed access to all its books, records, and documents to
33 the extent the auditor deemed necessary, ~~then for the period beginning January 1, 2003,~~
34 ~~and ending June 30, 2003, and each fiscal year commencing thereafter until July 1, 2032,~~
35 ~~no more than fifty percent (50%) of the proceeds of the tax shall be used to subsidize the~~
36 ~~operating costs of the system, exclusive of depreciation, amortization, and other costs and~~
37 ~~charges as provided in this subsection. For each fiscal year commencing on or after July~~
38 ~~1, 2032, no more than sixty percent (60%) of the annual proceeds of the tax shall be used~~
39 ~~to subsidize the operating costs of the system, exclusive of depreciation, amortization, and~~
40 ~~other costs and charges as provided in this subsection, and commencing with July 1, 2032,~~
41 ~~and for every year thereafter, the proceeds of the tax shall not be used to subsidize~~
42 ~~operations of the transportation system to an extent greater than fifty percent (50%) of the~~
43 ~~operating costs of the system, exclusive of depreciation, amortization, and other costs and~~
44 ~~charges as provided in this subsection. In adopting its annual budget, the Board of the~~
45 ~~Metropolitan Atlanta Rapid Transit Authority shall be authorized to rely upon estimates of~~
46 ~~all revenues, operating costs, patronage, and other factors which may affect the amount of~~
47 ~~the fare required to limit the operating subsidy herein provided for. If the results of any~~
48 ~~year's operations reflect that the proceeds of the tax were used to subsidize operations to~~
49 ~~an extent greater than herein provided, the Board shall adjust fares in order to make up the~~
50 ~~deficit in operations during a period of not to exceed three (3) succeeding years. If the~~
51 ~~results of operations in the Authority's fiscal year commencing July 1, 1980, or in any~~
52 ~~subsequent fiscal year reflect that the proceeds of the tax were not used to subsidize~~
53 ~~operations to the maximum extent herein provided, the Board shall reserve any amounts~~
54 ~~that could have been used to subsidize operations in that fiscal year and later use said~~
55 ~~reserved amounts and any interest earned on said reserved amounts to provide an additional~~
56 ~~subsidy for operations in any future fiscal year or years. The words 'operating costs of the~~
57 ~~system' for purposes of this subsection 25(i) are defined to include all of the costs of that~~
58 ~~division of the Authority directly involved and that portion of the nonoperating~~
59 ~~administrative costs of those divisions of the Authority indirectly involved, through the~~
60 ~~provision of support services, in providing mass transportation services for the~~
61 ~~metropolitan area, but exclusive of the costs of the division or divisions directly involved~~
62 ~~and that portion of the nonoperating administrative costs of those divisions indirectly~~
63 ~~involved, in the planning, design, acquisition, construction, and improvement of the rapid~~

64 ~~transit system, according to accepted principles of accounting, and also exclusive of the~~
 65 ~~following costs:~~

66 ~~(1) Nonrecurring costs and charges incurred in order to comply with any statute or~~
 67 ~~regulation concerning either the protection or cleaning up of the environment, or~~
 68 ~~accessibility by handicapped or disabled persons, or occupational health or safety, or~~
 69 ~~compliance with any national or state emergencies, or with any judgment, decree, or~~
 70 ~~order of any court or regulatory agency in implementation of any such statute or~~
 71 ~~regulation; and~~

72 ~~(2) In the case of leases of equipment or facilities that, according to generally accepted~~
 73 ~~principles of accounting, would not be classified as capital leases, payments of rent, and~~
 74 ~~other payments for the property subject to such leases or for the use thereof; provided that~~
 75 ~~any costs for regular maintenance or repair of such equipment or facilities shall not be~~
 76 ~~excluded.~~

77 ~~If any proceeds of the tax levied pursuant to this Act are held for the purpose of planning,~~
 78 ~~designing, acquiring, or constructing additional facilities or equipment for or improvements~~
 79 ~~to the rapid transit system and are invested, then all interest earned from such investments~~
 80 ~~shall be used only for such purposes or for paying the principal of or interest on bonds or~~
 81 ~~certificates issued for such purposes. Commencing July 1, 1988, and until June 30, 2008,~~
 82 ~~and only if expressly authorized by the board, interest earned on reserve funds set aside for~~
 83 ~~rebuilding, repairing, or renovating facilities of the rapid transit system; for replacing,~~
 84 ~~repairing, or renovating equipment or other capital assets thereof; or from the sale or other~~
 85 ~~disposition of real property; may, without regard to the original source of the funds so~~
 86 ~~reserved, be used to pay the operating costs of the system as such costs are defined in this~~
 87 ~~subsection."~~

88 "(1) Any limitation contained in this Act to the contrary notwithstanding, the Board may,
 89 in its sole discretion, and for any fiscal year commencing July 1, 1980, or thereafter, use
 90 any interest earned on any self-insurance reserve established pursuant to Section 22 of this
 91 Act to pay the operating costs of the system as defined by subsection (i) of Section 25 of
 92 this Act.

93 (2) No revenue from public funds shall be used for speculative investments. No revenue
 94 from public funds shall be used for real estate acquisition or development for a purpose
 95 other than transportation or the direct facilitation thereof."

96 **SECTION 2.**

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

99

SECTION 3.

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