

Senate Bill 232

By: Senators Fort of the 39th, James of the 35th, Jones of the 10th and Tate of the 38th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 9 of Title 32 of the Official Code of Georgia Annotated, relating to mass
2 transportation, so as to remove the suspension period for the use of proceeds from the sales
3 and use tax by a public transit system; to amend Chapter 8 of Title 48 of the Official Code
4 of Georgia Annotated, relating to sales and use taxes, so as to exempt certain counties and
5 municipalities from payment of the tax for a specified period; to remove restrictions on the
6 local share of proceeds for districts that are conterminous with a metropolitan planning
7 organization; to provide for related matters; to provide for an effective date; to repeal
8 conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

11 Chapter 9 of Title 32 of the Official Code of Georgia Annotated, relating to mass
12 transportation, is amended by revising Code Section 32-9-13, relating to the suspension on
13 use of tax proceeds by public transit authorities, as follows:

14 "32-9-13.

15 Provisions in all laws, whether general or local, including but not limited to the
16 Metropolitan Atlanta Rapid Transit Authority Act of 1965 approved March 10, 1965 (Ga.
17 L. 1965, p. 2243), as amended, that set forth restrictions on the use by public transit
18 authorities of annual proceeds from local sales and use taxes shall be suspended ~~for the~~
19 ~~period beginning June 2, 2010, and continuing for three years.~~ The greater discretion over
20 such funds shall not abrogate the obligation of the public transit authority to comply with
21 federal and state safety regulations and guidelines. ~~Newly unrestricted funds shall be~~
22 ~~utilized, subject to total funding, to maintain the level of service for the transit system as~~
23 ~~it existed on January 1, 2010.~~ Furthermore, except as had been previously contracted to
24 by the public transit authority prior to January 1, 2010, no funds newly unrestricted ~~during~~
25 ~~this suspended period~~ shall be used by a public transit authority to benefit any person or
26 other entity for any of the following: annual cost-of-living or merit based salary raises or

27 increases in hourly wages; increased overtime due to such wage increases; payment of
 28 bonuses; or to increase the level of benefits of any kind."

29 **SECTION 2.**

30 Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales and use
 31 taxes, is amended by revising subsection (c) and adding a new subsection in Code Section
 32 48-8-241, relating to the creation of special districts for purposes of levying a regional
 33 transportation tax, as follows:

34 "(c) Nothing in this article shall be construed as limiting the establishment of a fund or
 35 funds which would provide at least 20 years of maintenance and operation costs from
 36 proceeds of the special district transportation sales and use tax used to construct, finance,
 37 or otherwise develop transit capital projects; ~~provided, however, that the Metropolitan~~
 38 ~~Atlanta Rapid Transit Authority, created by an Act approved March 10, 1965 (Ga. L. 1965,~~
 39 ~~p. 2243), as amended, shall not be authorized to use any proceeds from the special district~~
 40 ~~transportation sales and use tax for expenses of maintenance and operation of such portions~~
 41 ~~of the transportation system of such authority in existence on January 1, 2011."~~

42 "(e) Any county or municipality that levies a tax for purposes of a metropolitan area
 43 system of public transportation, as authorized by the amendment to the Constitution set out
 44 at Georgia Laws 1964, page 1008; the continuation of such amendment under Article XI,
 45 Section I, Paragraph IV(d) of the Constitution; and the laws enacted pursuant to such
 46 constitutional amendment, including an Act approved March 10, 1965 (Ga. L. 1965, p.
 47 2243), as amended, shall be exempt from any tax levied under this article for a period of
 48 time equal to the period of time such county or municipality was subject to the tax for
 49 purposes of a metropolitan system of public transportation."

50 **SECTION 3.**

51 Said chapter is further amended by revising subsection (e) of Code Section 48-8-249, relating
 52 to use of tax proceeds within district for projects on the investment list, as follows:

53 "(e) Twenty-five percent of the proceeds received from the tax authorized by this article
 54 shall be ~~distributed~~ allocated to the local governments within the special district in which
 55 the tax is imposed ~~if such special district's boundaries are not coterminous with an MPO.~~
 56 ~~Fifteen percent of the proceeds received from the tax authorized by this article shall be~~
 57 ~~distributed to the local governments within the special district in which the tax is imposed~~
 58 ~~if such special district's boundaries are wholly contained within a single MPO. Such~~
 59 ~~percentages shall be allocated to each local government by multiplying the LARP factor~~
 60 ~~of each local government by the total amount of funds to be distributed to all the local~~
 61 ~~governments in the special district. Proceeds described in this subsection shall be~~

62 distributed to the local governments on an ongoing basis as they are received by the
63 commission. Such proceeds shall be used by the local governments only for transportation
64 projects as defined in paragraph (10) of Code Section 48-8-242 and may also serve as the
65 local match as required for state transportation projects and grants. If a special district
66 receives from the tax net proceeds in excess of the investment list approved by the
67 roundtable for the imposition of the tax or in excess of the actual cost of the project or
68 projects on such investment list, then such excess proceeds shall be distributed among the
69 local governments within the special district in accordance with this subsection."

70 **SECTION 4.**

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

73 **SECTION 5.**

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