

House Bill 442 (AS PASSED HOUSE AND SENATE)

By: Representatives Mills of the 25th, Rogers of the 26th, Collins of the 27th, Benton of the 31st, and Clark of the 98th

A BILL TO BE ENTITLED
AN ACT

1 To provide for the continuation of an alternative method of distribution of the net proceeds
2 of the sales and use tax for educational purposes authorized under Article VIII, Section VI,
3 Paragraph IV of the Constitution among the Hall County School District, City of Gainesville
4 School District, and City of Buford Independent School District; to provide an effective date;
5 to provide for applicability; to provide for automatic repeal; to repeal conflicting laws; and
6 for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 (a) As used in this Act, the term:

10 (1) "ESPLOST IV" means the sales and use tax for educational purposes authorized
11 under Article VIII, Section VI, Paragraph IV of the Constitution and which may be
12 imposed as a result of the referendum to be held on March 15, 2011.

13 (2) "ESPLOST III" means the sales and use tax for educational purposes authorized
14 under Article VIII, Section VI, Paragraph IV of the Constitution imposed as a result of
15 the referendum held on July 18, 2006, and the net proceeds of which are distributed
16 pursuant to an Act approved May 3, 2006 (Ga. L. 2006, p. 1046).

17 (b) The net proceeds of ESPLOST IV, shall be distributed among the Hall County School
18 District, City of Gainesville Independent School District and City of Buford Independent
19 School District in accordance with the method set forth below:

20 (1) From the gross receipts of the sales and use tax, \$63,333.33 per month for 60
21 consecutive months shall be distributed to the City of Buford Independent School
22 District; provided, however, that in no event shall the City of Buford Independent School
23 District receive less than \$3,800,000.00;

24 (2) After the monthly remittance to the City of Buford Independent School District, the
25 remaining proceeds of the sales and use tax shall be distributed between the Hall County
26 School District and the City of Gainesville Independent School District according to the

27 ratio the student enrollment in each of the two districts bears to the total student
 28 enrollment in said districts based upon the most recent FTE count prior to the
 29 referendum;

30 (3) Upon the sixtieth month, a comparison shall be made between the total collection for
 31 ESPLOST IV and ESPLOST III to determine if City of Buford Independent School
 32 District shall receive an additional, one-time distribution calculated as follows:

33 (A) If total ESPLOST IV collections are equal to or less than total ESPLOST III
 34 collections, no additional distribution will be made to the City of Buford Independent
 35 School District;

36 (B) If total ESPLOST IV collections are between 100.1% - 110% of total ESPLOST
 37 III collections, the City of Buford Independent School District shall receive an
 38 additional distribution of \$100,000.00 for a total distribution not to exceed
 39 \$3,900,000.00 for ESPLOST IV;

40 (C) If total ESPLOST IV collections are between 110.1% - 120% of total ESPLOST
 41 III collections, City of Buford Independent School District shall receive an additional
 42 distribution of \$200,000.00 for a total distribution not to exceed \$4,000,000.00 for
 43 ESPLOST IV; and

44 (D) If total ESPLOST IV collections are greater than the 120.1% of total ESPLOST
 45 III collections, City of Buford Independent School District shall receive an additional
 46 distribution of \$300,000.00 for a total distribution not to exceed \$4,100,000.00 for
 47 ESPLOST IV.

48 **SECTION 2.**

49 This Act is enacted pursuant to the specific authority provided for in Article VIII, Section VI,
 50 Paragraph IV(g) of the Constitution.

51 **SECTION 3.**

52 This Act shall become effective upon its approval by the Governor or upon its becoming law
 53 without such approval and shall apply with respect to all distributions made by the Georgia
 54 Department of Revenue on or after such effective date pursuant to the filing of the proper
 55 distribution certificate.

56 **SECTION 4.**

57 This Act shall stand repealed in its entirety at the completion of the distribution of
 58 ESPLOST IV; provided, however, that if ESPLOST IV is not approved at the referendum
 59 on March 15, 2011, or such referendum is not conducted, this Act shall stand repealed in its
 60 entirety on April 1, 2011.

61

SECTION 5.

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