

House Bill 1052

By: Representatives Jacobs of the 80<sup>th</sup>, Riley of the 50<sup>th</sup>, Lindsey of the 54<sup>th</sup>, Geisinger of the 48<sup>th</sup>, Taylor of the 79<sup>th</sup>, and others

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 reconstitute the board  
3 of directors; to provide for staggered terms for board members; provide for a limit on  
4 re-appointment of board members; to provide for a method for nonparticipating counties to  
5 join the Authority; to prohibit the Authority from entering into certain transactions; to  
6 provide for a suspension of restrictions on the use of sales and use tax proceeds; to provide  
7 for related matters; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 An Act known as the "Metropolitan Atlanta Rapid Transit Authority Act of 1965," approved  
11 March 10, 1965 (Ga. L. 1965, p. 2243), as amended, is amended by revising subsections (a)  
12 through (h) of Section 6 as follows:

13 "(a) The Board of Directors of the Authority shall be composed of ~~18~~ 11 members. ~~Four~~  
14 Three members shall be residents of the City of Atlanta to be nominated by the Mayor and  
15 elected by the City Council; ~~five~~ four members shall be residents of DeKalb County with  
16 three of the four appointees to be appointed by the local governing body thereof and at least  
17 one of such appointees shall be a resident of that portion of DeKalb County lying south of  
18 the southernmost corporate boundaries of the City of Decatur and at least one of such  
19 appointees shall be a resident of that portion of DeKalb County lying north of the  
20 southernmost corporate boundaries of the City of Decatur and the other appointee to be  
21 appointed by a majority vote of a caucus of mayors of DeKalb County; three members shall  
22 be residents of Fulton County ~~to be appointed by the local governing body thereof, and at~~  
23 ~~least~~ and one of such ~~appointees~~ members shall be a resident of that portion of Fulton  
24 County lying south of the corporate limits of the City of Atlanta to be appointed by the  
25 local governing body of Fulton County and two of such members shall be residents of that  
26 portion of Fulton County lying north of the corporate limits of the City of Atlanta to be

27 appointed by a majority vote of a caucus of mayors of the municipalities lying north of the  
 28 City of Atlanta; and one member shall be the executive director of the Georgia Regional  
 29 Transportation Authority. Those board members appointed by a local governing authority  
 30 as described in this section in office as of January 1, 2013, shall serve initial terms of office  
 31 as follows: two of the three appointees of the DeKalb County Board of Commissioners,  
 32 two of the three appointees of the mayor and city council of Atlanta, and one of the two  
 33 appointees of the caucus of mayors from municipalities lying north of the City of Atlanta  
 34 shall serve a term of two years, and the remaining appointees shall serve for terms of four  
 35 years. Each local governing authority or caucus shall designate which board members shall  
 36 serve an initial term of two years no later than November 1, 2012. and that membership  
 37 position held by a Fulton County resident, appointed by the local governing body of that  
 38 county, the term of which position expires December 31, 1988, shall, beginning on and  
 39 after January 1, 1989, be filled by the local governing body of Fulton County appointing  
 40 a person who is a resident of that portion of Fulton County lying north of the corporate  
 41 limits of the City of Atlanta; one member shall be a resident of Clayton County to be  
 42 appointed by the local governing body thereof; and one member shall be a resident of  
 43 Gwinnett County to be appointed by the local governing body thereof. Four members,  
 44 representing the State, shall be as follows: the Commissioner of the Department of  
 45 Transportation who shall be an ex officio member; the State Revenue Commissioner who  
 46 shall be an ex officio member; the Executive Director of the State Properties Commission  
 47 who shall be an ex officio member; and the Executive Director of the Georgia Regional  
 48 Transportation Authority who shall be an ex officio member. The first member who must  
 49 be a resident of that portion of Fulton County lying south of the corporate limits of the City  
 50 of Atlanta shall be appointed by the governing body of Fulton County to take office on July  
 51 1, 1985, for an initial term ending December 31, 1986. The two members who are DeKalb  
 52 County residents and appointed by the governing authority thereof and who are added by  
 53 this paragraph shall each be appointed by the governing body of DeKalb County to take  
 54 office on July 1, 1985, for an initial term ending December 31, 1986. After the initial terms  
 55 of those three members added to the Board in 1985, After the initial two-year terms of  
 56 those four board members described in this subsection, that governing body which  
 57 appointed the member for that initial term to that office shall appoint successors thereto for  
 58 terms of office of four years in the same manner that such governing body makes its other  
 59 appointments to the Board.

60 ~~The initial terms of the four members added in 1976 by the above paragraph shall be as~~  
 61 ~~follows: the member from DeKalb County to be appointed by the local governing body of~~  
 62 ~~DeKalb County shall be appointed no later than sixty days after the effective date of this~~  
 63 ~~subsection for a term ending December 31, 1978, and shall take office immediately upon~~

64 ~~appointment, the Commissioner of the Department of Transportation, the State Revenue~~  
 65 ~~Commissioner and the Executive Director of the State Properties Commission shall become~~  
 66 ~~members of the Board on the effective date of this subsection and shall serve while holding~~  
 67 ~~their State offices.~~

68 The Executive Director of the Georgia Regional Transportation Authority shall become a  
 69 member of the Board on the effective date of this sentence and shall serve while holding his  
 70 or her State office.

71 Except as provided above, all appointments shall be for terms of four years except that a  
 72 vacancy caused otherwise than by expiration shall be filled for the unexpired portion thereof  
 73 by the local governing body which made the original appointment to the vacant position, or  
 74 its successor in office. A member of the Board may be appointed to succeed himself or  
 75 herself for one four-year term. Appointments to fill expiring terms shall be made by the local  
 76 governing body prior to the expiration of the term, but such appointments shall not be made  
 77 more than thirty days prior to the expiration of the term. Members appointed to the Board  
 78 shall serve for the terms of office specified in this section and until their respective  
 79 successors are appointed and qualified.

80 ~~(b) Having initially declined membership on the Board and further participation in the~~  
 81 ~~Authority, Cobb County may at any time reclaim its membership on the Board and~~  
 82 ~~participate further in the Authority as provided in this subsection (b).~~ The local governing  
 83 ~~body~~ bodies of Clayton, Cobb, and Gwinnett County counties may, any other provision of  
 84 this Act to the contrary notwithstanding, negotiate, enter into, and submit to the qualified  
 85 voters of their respective counties ~~Cobb County~~ the question of approval of a rapid transit  
 86 contract between ~~Cobb County~~ the county submitting the question and the Authority, all in  
 87 accordance with the provisions of Section 24 of this Act. The local governing ~~body~~ bodies  
 88 of ~~Cobb County~~ these counties shall be authorized to execute such rapid transit contract prior  
 89 to the holding of the referendum provided for in said Section 24; provided, however, that  
 90 such rapid transit contract shall not become valid and binding unless the same is approved  
 91 by a majority of those voting in said referendum, which approval shall also be deemed  
 92 approval of further participation in the Authority. Upon approval of such rapid transit  
 93 contract, ~~Cobb County~~ the county entering into such contract shall be a participant in the  
 94 Authority, and its rights and responsibilities shall, insofar as possible, be the same as if it had  
 95 participated in the Authority from its beginning, and the local governing body of ~~Cobb~~  
 96 ~~County~~ the county may then appoint two residents of ~~Cobb County~~ the county to the Board  
 97 of Directors of the Authority, to serve a term ending on the 31st day of December in the  
 98 fourth full year after the year in which the referendum approving said rapid transit contract  
 99 was held, in which event the Board of Directors of the Authority shall, subsection (a) of this  
 100 Section 6 to the contrary notwithstanding, be composed of ~~16~~ such additional members.

101 (c) Reserved.

102 (d) ~~Except for the ex officio members of the Board, no~~ Except for the Executive Director of  
 103 the Georgia Regional Transportation Authority, no person shall be appointed as a member  
 104 of the Board who holds any other public office or public employment except an office in the  
 105 reserves of the armed forces of the United States or the National Guard; any member who  
 106 accepts or enters upon any other public office or public employment shall be disqualified  
 107 thereby to serve as a member.

108 (e) A local governing body may remove any member of the Board appointed by it for cause.  
 109 No member shall be thus removed unless he or she has been given a copy of the charges  
 110 against him or her and an opportunity to be publicly heard in his or her own defense in  
 111 person or by counsel with at least ten days' written notice to the member. A member thus  
 112 removed from office shall have the right to a judicial review of ~~his~~ the member's removal by  
 113 an appeal to the superior court of the county of the local governing body which appointed  
 114 ~~him~~ the member, but only on the ground of error of law or abuse of discretion. In case of  
 115 abandonment of ~~his~~ the member's office, conviction of a crime involving moral turpitude or  
 116 a plea of nolo contendere thereto, removal from office, or disqualification under subsection  
 117 (d) hereof, the office of a member shall be vacant upon the declaration of the Board. A  
 118 member shall be deemed to have abandoned ~~his~~ the member's office upon failure to attend  
 119 any regular or special meeting of the Board for a period of four months without excuse  
 120 approved by a resolution of the Board, or upon removal of ~~his~~ the member's residence from  
 121 the territory of the local governing body which appointed ~~him~~ the member.

122 (f) Each appointed member of the Board, except the ~~Chairman~~ Chairperson, shall be paid  
 123 by the Authority a per diem allowance, in an amount equal to that provided by Code Section  
 124 45-7-21 of the Official Code of Georgia Annotated, as now in effect or as it may hereafter  
 125 be amended, for each day on which that member attends an official meeting of the Board, of  
 126 any committee of the Board, or of the Authority's Pension Committee, Board of Ethics, or  
 127 Arts Council; provided, however, that said per diem allowance shall not be paid to any such  
 128 member for more than 130 days in any one calendar year. If the ~~Chairman~~ Chairperson of  
 129 the Board is an appointed member of the Board, the ~~Chairman~~ Chairperson shall be paid by  
 130 the Authority a per diem allowance in the same amount for each day in which the ~~Chairman~~  
 131 Chairperson engages in official business of the Authority, including but not limited to  
 132 attendance of any of the aforesaid meetings. A member of the Board shall also be  
 133 reimbursed for actual expenses incurred by that member in the performance of that ~~members~~  
 134 member's duties as authorized by the Board. A Board member shall not be allowed  
 135 employee benefits authorized under Section 8(b).

136 (g) The Board shall elect one of its members as ~~chairman~~ chairperson and another as  
 137 ~~vice-chairman~~ vice-chairperson for terms to expire on December 31 of each year to preside

138 at meetings and perform such other duties as the Board may prescribe. The presiding officer  
 139 of the Board may continue to vote as any other member, notwithstanding ~~his~~ the member's  
 140 duties as presiding officer, if he or she so desires. The Board shall also elect from its  
 141 membership a secretary and a treasurer who shall serve terms expiring on December 31 of  
 142 each year. A member of the Board may hold only one office on the Board at any one time.  
 143 (h) The Board shall hold at least one meeting each month. The Secretary of the Board shall  
 144 give written notice to each member of the Board at least two days prior to any called meeting  
 145 that may be scheduled, and said Secretary shall be informed of the call of such meeting  
 146 sufficiently in advance so as to provide for ~~his~~ giving notice as above. A majority of the total  
 147 membership of the Board, as it may exist at the time, shall constitute a quorum. On any  
 148 question presented, the number of members present shall be recorded. By affirmative vote  
 149 of a majority of the members present, the Board may exercise all the powers and perform all  
 150 the duties of the Board, except as otherwise hereinafter provided or as limited by its bylaws,  
 151 and no vacancy on the original membership of the Board, or thereafter, shall impair the  
 152 power of the Board to act. All meetings of the Board, its Executive Committee, or any  
 153 committee appointed by the Board shall be subject to ~~all provisions, except for Section 2(a),~~  
 154 ~~of an Act providing that all meetings of certain public bodies shall be open to the public,~~  
 155 ~~approved March 28, 1972 (Ga. L. 1972, p. 575), as now or hereafter amended~~ Chapter 14 of  
 156 Title 50 of the Official Code of Georgia Annotated."

157 **SECTION 2.**

158 Said Act is further amended by revising subsection (c) of Section 8 as follows:

159 "(c) The power to acquire, lease (as lessee), purchase, hold, own, and use any franchise,  
 160 property, real or personal, tangible or intangible, or any interest therein, and to sell, lease  
 161 (as lessor), transfer, or dispose thereof whenever same is no longer required for purposes  
 162 of the Authority, or exchange same for other property or rights which are useful for its  
 163 purposes. On and after January 1, 2013, the Authority shall not enter into or renew any  
 164 contracts related to structured lease transactions with financial institutions concerning any  
 165 capital assets of the Authority."

166 **SECTION 3.**

167 Said Act is further amended by revising subsections (a) and (k) of Section 14 as follows:

168 "(a) Except in the acquisition of unique property which for any reason is unobtainable in  
 169 the open market, and except as hereinafter otherwise provided, competitive bids shall be  
 170 secured before any acquisition or disposition of properties by contract or otherwise is made  
 171 by the Authority, or before any contract is awarded for construction, alterations, supplies,  
 172 equipment, repairs or maintenance, or for rendering any services to the Authority,

173 acquisitions shall be made from, and contracts awarded to, the lowest responsible bidder,  
 174 and dispositions of property shall be made to the highest responsible bidder. No  
 175 acquisition of any unique property unobtainable in the open market shall be made without  
 176 the express approval of the Board where the amount involved is \$25,000.00 or more.  
 177 Nothing in this Section shall apply to contracts for professional services of accountants,  
 178 attorneys, or auditors ~~or to contracts for services of individuals or organizations not~~  
 179 ~~employed full time by the Authority but who are engaged primarily in the rendition of~~  
 180 ~~personal services and not the sale of goods and merchandise, such as but not limited to the~~  
 181 ~~services of attorneys, accountants, engineers, architects, consultants and advisors."~~  
 182 ~~"(k) If the Authority issues an invitation to bid pursuant to this Section, and if the~~  
 183 ~~Authority then fails to receive at least one bid that conforms to the terms of its invitation~~  
 184 ~~for bids and which is also reasonable in price, then the Authority may negotiate an~~  
 185 ~~acquisition, disposition or contract where the amount involved is \$5,000 or more. No such~~  
 186 ~~negotiated acquisition, disposition or contract shall be made without the express approval~~  
 187 ~~of the Board and unless the negotiated price is reasonable. Reserved."~~

#### 188 SECTION 4.

189 Said Act is further amended by revising subsection (a) of Section 16 as follows:

190 "(a) The Board shall make provision for a system of financial accounting and controls,  
 191 audits and reports. All accounting systems and records, auditing procedures and standards,  
 192 and financial reporting shall conform to generally accepted principles of governmental  
 193 accounting. Copies of each financial report required under this Section shall be furnished  
 194 posted on the website of the Authority and notice of such publication shall be delivered by  
 195 electronic format to each local governing body of each participating local government in  
 196 the metropolitan area as described in Section 6. All financial records, reports and  
 197 documents of the Authority shall be public records and open to public inspection under  
 198 reasonable regulations prescribed by the Board."

#### 199 SECTION 5.

200 Said Act is further amended by revising subsection (c) of Section 17 as follows:

201 "(c) At the time and in the manner prescribed in subsection (b), insofar as applicable, the  
 202 Board shall propose and adopt an annual capital improvements budget. The proposed  
 203 capital improvements budget shall show all capital improvement projects in process of  
 204 completion, those to be undertaken during the ensuing fiscal year and those anticipated to  
 205 be undertaken during the ensuing ten years. The proposed capital improvements budget  
 206 shall show all capital improvement projects completed during the preceding ten years as  
 207 compared to those capital improvement projects that were planned and budgeted for in the

208 capital improvement budgets from the preceding ten years. The proposed budget shall also  
 209 show the proposed method of financing each proposed project and the effect thereof on the  
 210 debt structure of the Authority. After a public hearing the Board shall review its proposed  
 211 budget and on or before the last day of the fiscal year it shall adopt an annual capital  
 212 improvements budget for the ensuing fiscal year. No contract for the purchase or  
 213 construction of any capital improvement project shall be authorized, except to meet a  
 214 public emergency certified as such by the Board, unless it is included in the annual capital  
 215 improvements budget; however, the Board may propose and adopt an amendment to the  
 216 annual capital improvements budget by following the procedure herein prescribed for  
 217 adopting the original budget."

218

### SECTION 6.

219 Said Act is further amended by revising subsection (a) of Section 21 as follows:

220 "(a) The property of the Authority, both real and personal, its acts, activities and income  
 221 shall be exempt from any tax or tax obligation. In the event of any lease of Authority  
 222 property, or any other arrangement which amounts to a leasehold interest, to a private  
 223 party, this exemption shall not apply to the value of such leasehold interest, nor shall it  
 224 apply to the income of the lessee. Otherwise, however, and for purposes of taxation, when  
 225 property of the Authority is leased to private parties to be employed solely for purposes of  
 226 the Authority, the acts and activities of the lessee shall be considered as the acts and  
 227 activities of the Authority and the exemption hereunder shall apply to such acts and  
 228 activities. On and after January 1, 2013, the Authority shall not enter into or renew any  
 229 contracts related to structured lease transactions with financial institutions concerning any  
 230 capital assets of the Authority."

231

### SECTION 7.

232 Said Act is further amended by revising subsection (a) of Section 24A as follows:

233 "(a) Notwithstanding the provisions of Section 24 of this Act or any other provision of this  
 234 Act, the Authority may execute a transportation services contract with any county,  
 235 municipality, special tax or community improvement district, political subdivision of this  
 236 state, or any combination thereof being or lying within the counties of Clayton, Cobb,  
 237 DeKalb, Fulton, or Gwinnett, to provide public transportation services, facilities, or both,  
 238 for, to, or within such county, municipality, district, subdivision, or combination thereof.  
 239 A transportation services contract executed pursuant to this Section:  
 240 (1) Shall not be a rapid transit contract subject to the conditions established therefor in  
 241 Section 24 of this Act;

- 242 (2) May not utilize a method of financing those public transportation services or facilities  
 243 provided under the contract which involves:
- 244 (A) The issuance of bonds under subsection (c) of Section 24 of this Act;
  - 245 (B) The levy of the special retail sales and use tax described and authorized in Section  
 246 25 of this Act; or
  - 247 (C) Both methods described in subparagraphs (A) and (B) of this paragraph; and
- 248 (3) May ~~not~~ only authorize the construction of any extension of or addition to the  
 249 Authority's existing rapid rail system in a county in which the question of approval of a  
 250 rapid transit contract between such county and the authority has been approved by a  
 251 majority of the qualified voters voting on such question in a referendum; and
- 252 (4) Shall require that the costs of any transportation services and facilities contracted for,  
 253 as determined by the Board of Directors on the basis of reasonable estimates, allocations  
 254 of costs and capital, and projections shall be borne by one or more of the following:
- 255 (A) Fares;
  - 256 (B) Other revenues generated by such services or facilities; and
  - 257 (C) Any subsidy provided, directly or indirectly, by or on behalf of the public entity  
 258 with which the Authority contracted for the services and facilities."

259

**SECTION 8.**

260 Said Act is further amended by revising subsection (i) of Section 25 as follows:

261 "(i) Use of Proceeds. The proceeds of the tax levied pursuant to this Act shall be used  
 262 solely by each local government to fulfill the obligations incurred in the contracts entered  
 263 into with the Metropolitan Atlanta Rapid Transit Authority as contemplated in the  
 264 Metropolitan Atlanta Rapid Transit Authority Act of 1965, as amended; provided,  
 265 however, that no more than fifty percent (50%) of the annual proceeds of the tax shall be  
 266 used to subsidize the operating costs of the system, exclusive of depreciation, amortization,  
 267 and other costs and charges as provided in this subsection, until January 1, 2002. For the  
 268 period beginning January 1, 2002, and ending June 30, 2002; and for each fiscal year  
 269 commencing thereafter until December 31, 2008, no more than fifty-five percent (55%)  
 270 of the proceeds of the tax shall be used to subsidize the operating costs of the system,  
 271 exclusive of depreciation, amortization, and other costs and charges as provided in this  
 272 subsection; and for the period beginning January 1, 2009, and ending June 30, 2009, and  
 273 each fiscal year commencing thereafter until July 1, 2032, no more than fifty percent (50%)  
 274 of the proceeds of the tax shall be used to subsidize the operating costs of the system,  
 275 exclusive of depreciation, amortization, and other costs and charges as provided in this  
 276 subsection; Such restrictions on the use of annual proceeds from local sales and use taxes  
 277 shall be suspended beginning June 2, 2010, for a period of three years. Further extensions

278 of suspensions on restrictions described in this subsection may be granted as provided by  
 279 general law. Newly unrestricted funds shall be utilized, subject to total funding, to  
 280 maintain the level of service for the transit system as it existed on January 1, 2010.  
 281 Furthermore, except as had been previously contracted to by the Authority prior to January  
 282 1, 2010, no funds newly unrestricted during this suspended period shall be used by the  
 283 Authority to benefit any person or other entity for any of the following: annual  
 284 cost-of-living or merit based salary raises or increases in hourly wages; increased overtime  
 285 due to such wage increases; payment of bonuses; or to increase the level of benefits of any  
 286 kind. ~~except that if~~ If the Board of the Metropolitan Atlanta Rapid Transit Authority shall  
 287 fail to file with the Metropolitan Atlanta Rapid Transit Overview Committee annually; the  
 288 original and 14 copies of a report of the findings of a completed management performance  
 289 audit of the Authority's current operations, which audit that was performed under contract  
 290 with and at the expense of the Authority, along with any auditor's recommendations based  
 291 thereon and the auditor's signed written verification that the Metropolitan Atlanta Rapid  
 292 Transit Authority fully cooperated with such audit and allowed access to all its books,  
 293 records, and documents to the extent the auditor deemed necessary, then for the period  
 294 beginning January 1, 2003, and ending June 30, 2003, and each fiscal year commencing  
 295 thereafter until July 1, 2032, no more than fifty percent (50%) of the proceeds of the tax  
 296 shall be used to subsidize the operating costs of the system, exclusive of depreciation,  
 297 amortization, and other costs and charges as provided in this subsection. For each fiscal  
 298 year commencing on or after July 1, 2032, no more than sixty percent (60%) of the annual  
 299 proceeds of the tax shall be used to subsidize the operating costs of the system, exclusive  
 300 of depreciation, amortization, and other costs and charges as provided in this subsection;  
 301 and commencing with July 1, 2032, and for every year thereafter, the proceeds of the tax  
 302 shall not be used to subsidize operations of the transportation system to an extent greater  
 303 than fifty percent (50%) of the operating costs of the system, exclusive of depreciation,  
 304 amortization, and other costs and charges as provided in this subsection. In adopting its  
 305 annual budget, the Board of the Metropolitan Atlanta Rapid Transit Authority shall be  
 306 authorized to rely upon estimates of all revenues, operating costs, patronage, and other  
 307 factors which may affect the amount of the fare required to limit the operating subsidy  
 308 herein provided for. If the results of any year's operations reflect that the proceeds of the  
 309 tax were used to subsidize operations to an extent greater than herein provided, the Board  
 310 shall adjust fares in order to make up the deficit in operations during a period of not to  
 311 exceed three (3) succeeding years. If the results of operations in the Authority's fiscal year  
 312 commencing July 1, 1980, or in any subsequent fiscal year reflect that the proceeds of the  
 313 tax were not used to subsidize operations to the maximum extent herein provided, the  
 314 Board shall reserve any amounts that could have been used to subsidize operations in that

315 fiscal year and later use said reserved amounts and any interest earned on said reserved  
316 amounts to provide an additional subsidy for operations in any future fiscal year or years.  
317 The words 'operating costs of the system' for purposes of this subsection 25(i) are defined  
318 to include all of the costs of that division of the Authority directly involved and that portion  
319 of the nonoperating administrative costs of those divisions of the Authority indirectly  
320 involved, through the provision of support services, in providing mass transportation  
321 services for the metropolitan area, but exclusive of the costs of the division or divisions  
322 directly involved and that portion of the nonoperating administrative costs of those  
323 divisions indirectly involved, in the planning, design, acquisition, construction, and  
324 improvement of the rapid transit system, according to accepted principles of accounting,  
325 and also exclusive of the following costs:

326 (1) Nonrecurring costs and charges incurred in order to comply with any statute or  
327 regulation concerning either the protection or cleaning up of the environment, or  
328 accessibility by handicapped or disabled persons, or occupational health or safety, or  
329 compliance with any national or state emergencies, or with any judgment, decree, or  
330 order of any court or regulatory agency in implementation of any such statute or  
331 regulation; and

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

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

348 **SECTION 9.**

349 This Act shall become effective on January 1, 2013.

350

**SECTION 10.**

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