

The House Committee on Education offers the following substitute to HB 802:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,  
2 relating to county sales and use taxes, so as to provide for the comprehensive revision of the  
3 sales and use tax for educational purposes; to provide for definitions, procedures, conditions,  
4 and limitations for the imposition, collection, disbursement, and termination of the tax; to  
5 provide for powers, duties, and authority of the state revenue commissioner; to amend Code  
6 Section 20-2-165 of the Official Code of Georgia Annotated, relating to equalization grants  
7 for local school systems, so as to revise a definition relating to local tax revenues; to amend  
8 Code Section 50-6-32 of the Official Code of Georgia Annotated, relating to transparency  
9 in government, so as to conform a cross-reference; to provide for related matters; to provide  
10 for a contingent effective date; to provide for applicability; to provide for automatic repeal  
11 under certain circumstances; to repeal conflicting laws; and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

14 Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to  
15 county sales and use taxes, is amended by revising Part 2, relating to the sales tax for  
16 educational purposes, as follows:

17 style="text-align:center">"Part 2

18 48-8-140.

19 (a) This part is enacted pursuant to the authority of Article VIII, Section VI, Paragraph IV  
20 of the Constitution of Georgia and it is the intent of the General Assembly in the enactment  
21 of this part to further define and implement such provision of the Constitution.

22 (b) Any school system levying a sales tax for educational purposes on January 1, 2015,  
23 shall have until January 1, 2017, to amend such existing tax to include educational  
24 programs and materials in the authorized purposes for expenditure of funds collected under

25 the existing tax. Such amendment shall be contingent upon approval of a referendum  
 26 submitted to the voters.

27 48-8-141.

28 ~~Except as otherwise expressly provided in Article VIII, Section VI, Paragraph IV of the~~  
 29 ~~Constitution of Georgia, the sales tax for educational purposes which may be levied by a~~  
 30 ~~board of education of a county school district or concurrently by the board of education of~~  
 31 ~~a county school district and the board of education of each independent school district~~  
 32 ~~located within such county shall be imposed and levied by such board or boards of~~  
 33 ~~education and collected by the commissioner on behalf of such board or boards of~~  
 34 ~~education in the same manner as provided for under Part 1 of this article and the provisions~~  
 35 ~~of Part 1 of this article in particular, but without limitation, the provisions regarding the~~  
 36 ~~authority of the commissioner to administer and collect this tax, retain the 1 percent~~  
 37 ~~administrative fee, and promulgate rules and regulations governing this tax shall apply~~  
 38 ~~equally to such board or boards of education. The report required pursuant to Code Section~~  
 39 ~~48-8-122 shall be applicable; provided, however, that in addition to posting such report in~~  
 40 ~~a newspaper of general circulation as required by such Code section, such report may be~~  
 41 ~~posted on the searchable website provided for under Code Section 50-6-32.~~

42 48-8-142.

43 ~~If general obligation debt is to be issued in conjunction with the imposition of the sales tax~~  
 44 ~~for educational purposes authorized by Article VIII, Section VI, Paragraph IV of the~~  
 45 ~~Constitution, the resolution or concurrent resolutions imposing such tax shall specify the~~  
 46 ~~principal amount of the debt to be issued, the purpose for which the debt is to be issued, the~~  
 47 ~~interest rate or rates or the maximum interest rate or rates which such debt is to bear, and~~  
 48 ~~the amount of principal to be paid in each year during the life of the debt. If such general~~  
 49 ~~obligation debt is to be issued, the ballot shall have written or printed thereon, in addition~~  
 50 ~~to the descriptions required by Article VIII, Section VI, Paragraph IV(c) of the~~  
 51 ~~Constitution, the following:~~

52 ~~If imposition of the tax is approved by the voters, such vote shall also constitute approval~~  
 53 ~~of the issuance of general obligation debt of \_\_\_\_\_ in the principal~~  
 54 ~~amount of \$\_\_\_\_\_ for the above purpose.'~~

55 48-8-143.

56 ~~The net proceeds of the sales tax for educational purposes shall be distributed in the manner~~  
 57 ~~provided under Article VIII, Section VI, Paragraph IV(g) of the Constitution unless another~~  
 58 ~~distribution formula is provided for by the enactment of a local Act. Any such local Act~~

59 ~~providing for an alternate distribution formula shall not be amended during the time period~~  
 60 ~~for which the tax was imposed.~~

61 ~~48-8-144.~~

62 ~~(a) As used in this Code section, the term:~~

63 ~~(1) 'Local charter school' means a local charter school as defined in paragraph (7) of~~  
 64 ~~Code Section 20-2-2062.~~

65 ~~(2) 'State chartered special school' means a state chartered special school as defined in~~  
 66 ~~paragraph (16) of Code Section 20-2-2062 and with respect to which the referendum~~  
 67 ~~required under Article VIII, Section V, Paragraph VII of the Constitution has been~~  
 68 ~~conducted and approved.~~

69 ~~(b) A county or independent board of education shall be authorized to include local charter~~  
 70 ~~schools, state chartered special schools, or both as capital outlay projects in projects~~  
 71 ~~specified in the ballot language for a proposed tax under Article VIII, Section VI,~~  
 72 ~~Paragraph IV of the Constitution and this part.~~

73 ~~48-8-141.~~

74 ~~As used in this part, the term:~~

75 ~~(1) 'Educational programs and materials' means:~~

76 ~~(A) Security personnel, supplies, and equipment;~~

77 ~~(B) Technology personnel, supplies, equipment, and infrastructure;~~

78 ~~(C) Educational software, digital learning modules, and instructional online content;~~

79 ~~(D) Arts and music education personnel, supplies, and equipment;~~

80 ~~(E) Foreign language education personnel, supplies, and equipment;~~

81 ~~(F) Remedial education personnel, supplies, and equipment;~~

82 ~~(G) Counseling personnel, supplies, and equipment;~~

83 ~~(H) Career, Technical, and Agricultural Education personnel, supplies, and equipment;~~

84 ~~(I) Summer school personnel, supplies, and equipment;~~

85 ~~(J) Medical personnel, supplies, and equipment;~~

86 ~~(K) Library or media center personnel, supplies, and equipment;~~

87 ~~(L) After school programs personnel, supplies, and equipment;~~

88 ~~(M) Physical education equipment;~~

89 ~~(N) Textbooks;~~

90 ~~(O) Laboratory equipment; or~~

91 ~~(P) Any combination of the foregoing.~~

92 ~~Educational programs and materials shall not include general maintenance and operations~~  
 93 ~~costs.~~

94 (2) 'Local charter school' means a local charter school as defined in paragraph (7) of  
 95 Code Section 20-2-2062.

96 (3) 'State charter school' means a state charter school as defined in paragraph (5) of Code  
 97 Section 20-2-2081 and with respect to which the referendum required under Article VIII,  
 98 Section V, Paragraph VII of the Constitution has been conducted and approved.

99 (4) 'State chartered special school' means a state chartered special school as defined in  
 100 paragraph (16) of Code Section 20-2-2062 and with respect to which the referendum  
 101 required under Article VIII, Section V, Paragraph VII of the Constitution has been  
 102 conducted and approved.

103 48-8-142.

104 (a) Pursuant to the authority granted by Article VIII, Section VI, Paragraph IV of the  
 105 Constitution of this state, a sales tax for educational purposes may be imposed and levied  
 106 according to the procedures provided in this part by a board of education of a county school  
 107 system in which no independent school system is located or concurrently by the board of  
 108 education of a county school system and the board of education of each independent school  
 109 system located within such county and collected by the commissioner on behalf of such  
 110 board or boards of education.

111 (b) Any tax imposed under this part shall be at the rate of 1 percent. Except as to rate, a  
 112 tax imposed under this part shall correspond to the tax imposed by Article 3 of this chapter.

113 48-8-143.

114 A local board of education shall be authorized to include local charter schools, state  
 115 chartered special schools, state charter schools, or any combination of such as capital  
 116 outlay projects in projects specified in the ballot language for a proposed tax under Article  
 117 VIII, Section VI, Paragraph IV of the Constitution and this part.

118 48-8-144.

119 (a) A local board of education voting to impose the tax authorized by this part shall notify  
 120 the appropriate county or municipal election superintendent or superintendents by  
 121 forwarding to such superintendent or superintendents a copy of the resolution or concurrent  
 122 resolutions calling for the imposition of the tax. Such resolution or concurrent resolutions  
 123 shall specify:

124 (1) The maximum period of time the tax shall be imposed, to be stated in calendar years  
 125 or calendar quarters and not to exceed five years;

126 (2) The capital outlay projects for educational purposes which will be funded from the  
 127 proceeds of the tax and the maximum cost of such projects;

128 (3) If general obligation debt is to be issued in conjunction with the imposition of the tax,  
 129 the principal amount of the debt to be issued, the purpose for which the debt is to be  
 130 issued, the interest rate or rates or the maximum interest rate or rates which such debt is  
 131 to bear, and the amount of principal to be paid in each year during the life of the debt; and

132 (4) The educational programs and materials which will be funded from the proceeds of  
 133 the tax and the maximum amount of net proceeds to be expended on educational  
 134 programs and materials, if applicable, which shall in no event exceed 50 percent of such  
 135 net proceeds.

136 (b) Upon receipt of the resolution or concurrent resolutions, the election superintendent  
 137 shall issue the call for an election for the purpose of submitting the question of the  
 138 imposition of the tax to the voters of the county. The election superintendent shall issue  
 139 the call and shall conduct the election on a date and in the manner authorized under Code  
 140 Section 21-2-540. The election superintendent shall cause the date and purpose of the  
 141 election to be published once per week for four weeks immediately preceding the date of  
 142 the election in the official organ of the county. If general obligation debt is to be issued in  
 143 conjunction with the imposition of the tax, the notice published by the election  
 144 superintendent shall also include, in such form as may be specified by the board of  
 145 education, the principal amount of the debt, the purpose for which the debt is to be issued,  
 146 the rate or rates of interest or the maximum rate or rates of interest the debt will bear, and  
 147 the amount of principal to be paid in each year during the life of the debt; and such  
 148 publication of notice by the election superintendent shall be in lieu of the notice otherwise  
 149 required by Code Section 36-80-11 or by subsection (b) of Code Section 36-82-1.

150 (c) If a sales tax for educational purposes authorized by Article VIII, Section VI,  
 151 Paragraph IV of the Constitution is to be imposed:

152 (1) The ballot shall have written or printed thereon the following:

153 ( ) YES Shall a 1 percent sales and use tax for educational purposes in the  
 154 \_\_\_\_\_ school system be imposed for \_\_\_\_\_ for a period

155 ( ) NO of time not to exceed \_\_\_\_\_ and for the raising of not more than  
 156 \$ \_\_\_\_\_ for capital outlay projects (and for the raising of not more  
 157 than \$ \_\_\_\_\_ for the following educational programs and  
 158 materials \_\_\_\_\_)?'; and

159 (2) If general obligation debt is to be issued in conjunction with the imposition of the  
 160 sales tax for educational purposes under paragraph (1) of this subsection, the resolution  
 161 or concurrent resolutions imposing such tax shall specify the principal amount of the debt  
 162 to be issued, the purpose for which the debt is to be issued, the interest rate or rates or the  
 163 maximum interest rate or rates which such debt is to bear, and the amount of principal to

164 be paid in each year during the life of the debt. If such general obligation debt is to be  
 165 issued, the ballot shall also have written or printed thereon the following:

166 'If imposition of the tax is approved by the voters, such vote shall also constitute  
 167 approval of the issuance of general obligation debt of \_\_\_\_\_ in  
 168 the principal amount of \$ \_\_\_\_\_ for the above purpose.'

169 (d) All persons desiring to vote in favor of imposing the tax shall vote 'Yes,' and all  
 170 persons opposed to levying the tax shall vote 'No.' If more than one-half of the votes cast  
 171 are in favor of imposing the tax, then the tax shall be imposed as provided in this part;  
 172 otherwise, the tax shall not be imposed, and the question of imposing the tax shall not again  
 173 be submitted to the voters until after 12 months immediately following the month in which  
 174 the election was held. The election superintendent shall hold and conduct the election  
 175 under the same rules and regulations as govern special elections. The superintendent shall  
 176 canvass the returns, declare the result of the election, and certify the result to the Secretary  
 177 of State and to the commissioner. The expense of the election shall be paid from board of  
 178 education funds.

179 (e)(1) If the proposal includes the authority to issue general obligation debt and if more  
 180 than one-half of the votes cast are in favor of the proposal, then the authority to issue such  
 181 debt in accordance with Article IX, Section V, Paragraph I of the Constitution is given  
 182 to the proper officers of the board of education; otherwise, such debt shall not be issued.  
 183 If the authority to issue such debt is so approved by the voters, then such debt may be  
 184 issued without further approval by the voters.

185 (2) If the issuance of general obligation debt is included and approved as provided in this  
 186 Code section, then the board of education may incur such debt either through the issuance  
 187 and validation of general obligation bonds or through the execution of a promissory note  
 188 or notes or other instrument or instruments. If such debt is incurred through the issuance  
 189 of general obligation bonds, such bonds and their issuance and validation shall be subject  
 190 to Articles 1 and 2 of Chapter 82 of Title 36 except as specifically provided otherwise in  
 191 this part. If such debt is incurred through the execution of a promissory note or notes or  
 192 other instrument or instruments, no validation proceedings shall be necessary and such  
 193 debt shall be subject to Code Sections 36-80-10 through 36-80-14 except as specifically  
 194 provided otherwise in this part. In either event, such general obligation debt shall be  
 195 payable first from the separate account in which are placed the proceeds received by the  
 196 county from the tax authorized by this part. Such general obligation debt shall, however,  
 197 constitute a pledge of the full faith, credit, and taxing power of the board of education;  
 198 and any liability on such debt which is not satisfied from the proceeds of the tax  
 199 authorized by this part shall be satisfied from the general funds of the board of education.

200 48-8-145.

201 (a) If the imposition of the tax authorized by this part is approved at the special election,  
202 the tax shall be imposed on the first day of the next succeeding calendar quarter which  
203 begins more than 80 days after the date of the election at which the tax was approved by  
204 the voters; provided, however, that for services which are regularly billed on a monthly  
205 basis, the resolution shall become effective with respect to and the tax shall apply to  
206 services billed on or after such effective date.

207 (b) The tax authorized by this part shall cease to be imposed on the earliest of the  
208 following dates:

209 (1) If the resolution calling for the imposition of the tax provided for the issuance of  
210 general obligation debt and such debt is the subject of validation proceedings, as of the  
211 end of the first calendar quarter ending more than 80 days after the date on which a court  
212 of competent jurisdiction enters a final order denying validation of such debt;

213 (2) On the final day of the maximum period of time specified for the imposition of the  
214 tax; or

215 (3) As of the end of the calendar quarter during which the commissioner determines that  
216 the tax will have raised revenues sufficient to provide to the board of education net  
217 proceeds equal to or greater than the amount specified as the maximum amount of net  
218 proceeds to be raised by the tax.

219 (c)(1) At any time, no more than a single 1 percent tax authorized by this part may be  
220 imposed within a school system.

221 (2) The board of education in which a tax authorized by this part is in effect may, while  
222 the tax is in effect, adopt a resolution calling for the reimposition of a tax authorized by  
223 this part upon the termination of the tax then in effect; and a special election may be held  
224 for this purpose while the tax is in effect. Proceedings for the reimposition of a tax shall  
225 be in the same manner as proceedings for the initial imposition of the tax, but the newly  
226 authorized tax shall not be imposed until the expiration of the tax then in effect; provided,  
227 however, that in the event of emergency conditions under which a board of education is  
228 unable to conduct a referendum so as to continue the tax then in effect without  
229 interruption, the commissioner may, if feasible administratively, waive the limitations of  
230 subsection (a) of this Code section to the minimum extent necessary so as to permit the  
231 reimposition of a tax, if otherwise approved as required under this Code section, without  
232 interruption, upon the expiration of the tax then in effect.

233 (3) Following the expiration of a tax authorized by this part, a board of education may  
234 initiate proceedings for the reimposition of such tax in the same manner as provided in  
235 this part for initial imposition of such tax.

236 48-8-146.

237 (a) A tax levied pursuant to this part shall be exclusively administered and collected by the  
 238 commissioner for the use and benefit of the local board or boards of education imposing  
 239 the tax. Such administration and collection shall be accomplished in the same manner and  
 240 subject to the same applicable provisions, procedures, and penalties provided in Article 1  
 241 of this chapter; provided, however, that all moneys collected from each taxpayer by the  
 242 commissioner shall be applied first to such taxpayer's liability for taxes owed the state; and  
 243 provided, further, that the commissioner may rely upon a representation by or on behalf of  
 244 the board of education or the Secretary of State that such a tax has been validly imposed,  
 245 and the commissioner and the commissioner's agents shall not be liable to any person for  
 246 collecting any such tax which was not validly imposed.

247 (b) As used in this subsection, the term 'dealer' means a dealer as defined in Code Section  
 248 48-8-2. Dealers shall be allowed a percentage of the amount of the tax due and accounted  
 249 for and shall be reimbursed in the form of a deduction in submitting, reporting, and paying  
 250 the amount due if such amount is not delinquent at the time of payment. The deduction  
 251 shall be at the rate and subject to the requirements specified under subsections (b) through  
 252 (f) of Code Section 48-8-50.

253 48-8-147.

254 Each sales tax return remitting taxes collected under this part shall separately identify the  
 255 location of each retail establishment at which any of the taxes remitted were collected and  
 256 shall specify the amount of sales and the amount of taxes collected at each establishment  
 257 for the period covered by the return in order to facilitate the determination by the  
 258 commissioner that all taxes imposed by this part are collected and distributed according to  
 259 situs of sale.

260 48-8-148.

261 The proceeds of the tax collected by the commissioner under this part shall be disbursed  
 262 as soon as practicable after collection as follows:

263 (1) One percent of the amount collected shall be paid into the general fund of the state  
 264 treasury in order to defray the costs of administration; and

265 (2) Except for the percentage provided in paragraph (1) of this Code section, the  
 266 remaining proceeds of the tax shall be distributed in accordance with Code Section  
 267 48-8-154.



268 48-8-149.

269 Where a local sales or use tax has been paid with respect to tangible personal property by  
270 the purchaser either in another local tax jurisdiction within the state or in a tax jurisdiction  
271 outside the state, the tax may be credited against the tax authorized to be imposed by this  
272 part upon the same property. If the amount of sales or use tax so paid is less than the  
273 amount of the use tax due under this part, the purchaser shall pay an amount equal to the  
274 difference between the amount paid in the other tax jurisdiction and the amount due under  
275 this part. The commissioner may require such proof of payment in another local tax  
276 jurisdiction as he or she deems necessary and proper. No credit shall be granted, however,  
277 against the tax imposed under this part for tax paid in another jurisdiction if the tax paid  
278 in such other jurisdiction is used to obtain a credit against any other local sales and use tax  
279 levied in the county or municipality which includes the county or independent school  
280 system.

281 48-8-150.

282 No tax provided for in this part shall be imposed upon the sale of tangible personal  
283 property which is ordered by and delivered to the purchaser at a point outside the  
284 geographical area of the county in which the tax is imposed regardless of the point at which  
285 title passes, if the delivery is made by the seller's vehicle, United States mail, or common  
286 carrier or by private or contract carrier licensed by the Federal Motor Carrier Safety  
287 Administration or the Georgia Department of Public Safety.

288 48-8-151.

289 (a) As used in this Code section, the term 'building and construction materials' means all  
290 building and construction materials, supplies, fixtures, or equipment, any combination of  
291 such items, and any other leased or purchased articles when the materials, supplies,  
292 fixtures, equipment, or articles are to be utilized or consumed during construction or are  
293 to be incorporated into construction work pursuant to a bona fide written construction  
294 contract.

295 (b) No tax provided for in this part shall be imposed upon the sale or use of building and  
296 construction materials when the contract pursuant to which the materials are purchased or  
297 used was advertised for bid prior to the voters' approval of the levy of the tax and the  
298 contract was entered into as a result of a bid actually submitted in response to the  
299 advertisement prior to approval of the levy of the tax.

300 48-8-152.

301 The commissioner shall have the power and authority to promulgate such rules and  
302 regulations as shall be necessary for the effective and efficient administration and  
303 enforcement of the collection of the tax authorized to be imposed by this part.

304 48-8-153.

305 The tax authorized by this part shall be in addition to any other local sales and use tax. The  
306 imposition of any other local sales and use tax within a county, municipality, or special  
307 district shall not affect the authority of a board of education to impose the tax authorized  
308 by this part, and the imposition of the tax authorized by this part shall not affect the  
309 imposition of any otherwise authorized local sales and use tax within the county,  
310 municipality, or special district.

311 48-8-154.

312 The net proceeds of the sales tax for educational purposes shall be distributed in the manner  
313 provided under Article VIII, Section VI, Paragraph IV(g) of the Constitution unless another  
314 distribution formula is provided for by the enactment of a local Act. Any such local Act  
315 providing for an alternate distribution formula shall not be amended during the time period  
316 for which the tax was imposed.

317 48-8-155.

318 (a)(1) The proceeds received from the tax authorized by this part shall be used by the  
319 local board or boards of education exclusively for the purposes specified in the resolution  
320 calling for imposition of the tax. Such proceeds shall be kept in a separate account from  
321 other funds of the local board or boards of education receiving proceeds of the tax and  
322 shall not in any manner be commingled with other funds of such board or boards of  
323 education prior to the expenditure.

324 (2) The local board or boards of education receiving any proceeds from the tax shall  
325 maintain a record of each and every purpose for which the proceeds of the tax are used.  
326 A schedule shall be included in each annual audit which shows for each purpose in the  
327 resolution calling for imposition of the tax the original estimated cost, the current  
328 estimated cost if it is not the original estimated cost, amounts expended in prior years,  
329 and amounts expended in the current year. The auditor shall verify and test expenditures  
330 sufficient to provide assurances that the schedule is fairly presented in relation to the  
331 financial statements. The auditor's report on the financial statements shall include an  
332 opinion, or disclaimer of opinion, as to whether the schedule is presented fairly in all  
333 material respects in relation to the financial statements taken as a whole.

334 (b) No general obligation debt shall be issued in conjunction with the imposition of the tax  
 335 authorized by this part unless the local board of education determines that, and if the debt  
 336 is to be validated it is demonstrated in the validation proceedings that, during each year in  
 337 which any payment of principal or interest on the debt comes due, the local board of  
 338 education will receive from the tax authorized by this part net proceeds sufficient to fully  
 339 satisfy such liability. General obligation debt issued under this part shall be payable first  
 340 from the separate account in which are placed the proceeds received by the board of  
 341 education from the tax authorized by this part. Such debt, however, shall constitute a  
 342 pledge of the full faith, credit, and taxing power of the local board of education; and any  
 343 liability on said debt which is not satisfied from the proceeds of the tax authorized by this  
 344 part shall be satisfied from the general funds of the board of education.

345 (c) The resolution calling for the imposition of the tax authorized by this part may specify  
 346 that a part of the proceeds of the tax will be used for payment of general obligation debt  
 347 issued in conjunction with the imposition of the tax. If the resolution so provides, it shall  
 348 specifically state the other purposes for which such proceeds will be used. In such a case  
 349 no part of the net proceeds from the tax received in any year shall be used for such other  
 350 purposes until all debt service requirements of the general obligation debt for that year have  
 351 first been satisfied from the account in which the proceeds of the tax are placed.

352 (d) The resolution calling for the imposition of the tax may specify that no general  
 353 obligation debt is to be issued in conjunction with the imposition of the tax. If the  
 354 resolution so provides, it shall specifically state the purpose or purposes for which the  
 355 proceeds will be used.

356 (e)(1)(A) If the proceeds of the tax are specified to be used solely for the purpose of  
 357 payment of general obligation debt issued in conjunction with the imposition of the tax,  
 358 then any net proceeds of the tax in excess of the amount required for final payment of  
 359 such debt shall be subject to and applied as provided in paragraph (2) of this subsection.

360 (B) If the local board of education receives from the tax net proceeds in excess of the  
 361 maximum cost of the capital outlay projects for educational purposes or educational  
 362 programs and materials stated in the resolution calling for the imposition of the tax or  
 363 in excess of the actual cost of such purpose or purposes, then such excess proceeds shall  
 364 be subject to and applied as provided in paragraph (2) of this subsection.

365 (C) If the tax is terminated under paragraph (1) of subsection (b) of Code Section  
 366 48-8-145 by reason of denial of validation of debt, then all net proceeds received by the  
 367 local board of education from the tax shall be excess proceeds subject to paragraph (2)  
 368 of this subsection.

369 (2) Excess proceeds subject to this subsection shall be used solely for the purpose of  
 370 reducing any indebtedness of the local board or boards of education other than

371 indebtedness incurred pursuant to this part. If there is no such other indebtedness or, if  
 372 the excess proceeds exceed the amount of any such other indebtedness, then the excess  
 373 proceeds shall next be paid into the general fund of the local board or boards of  
 374 education, it being the intent that any funds so paid into the general fund of the local  
 375 board or boards of education be used for the purpose of reducing ad valorem taxes.

376 48-8-156.

377 The local board or boards of education receiving any proceeds from the tax under this part  
 378 shall maintain a record of each and every purpose for which the proceeds of the tax are  
 379 used. Not later than December 31 of each year, the local board or boards of education  
 380 receiving any proceeds from the tax under this part shall publish annually, in a newspaper  
 381 of general circulation in the boundaries of their respective school system, a simple,  
 382 nontechnical report which shows for each purpose in the resolution calling for imposition  
 383 of the tax the original estimated cost, the current estimated cost if it is not the original  
 384 estimated cost, amounts expended in prior years, and amounts expended in the current year.  
 385 The report shall also include a statement of what corrective action the local board of  
 386 education intends to implement with respect to each purpose which is underfunded or  
 387 behind schedule and a statement of any surplus funds which have not been expended for  
 388 a purpose."

389 **SECTION 2.**

390 Code Section 20-2-165 of the Official Code of Georgia Annotated, relating to equalization  
 391 grants for local school systems, is amended by revising paragraph (7) of subsection (a) as  
 392 follows:

393 "(7) 'Local tax revenues' is defined as the sum of tax revenues for a local school system  
 394 as furnished to the Department of Education by the school system in its annual financial  
 395 report, reduced by the total amount of general funds expended for capital outlay or  
 396 transferred into an escrow account for capital outlay purposes for the most recent fiscal  
 397 year such data are available and increased by any federal funds designed to replace local  
 398 tax revenues provided to the said system; provided, however, that the local school system  
 399 has furnished the state board with acceptable documentation which clearly identifies the  
 400 source or sources of such federal funds. Local tax revenues shall not include any  
 401 revenues derived from a special purpose local option sales tax levied pursuant to Part 2  
 402 of Article 3 of Chapter 8 of Title 48."

403

**SECTION 3.**

404 Code Section 50-6-32 of the Official Code of Georgia Annotated, relating to transparency  
405 in government, is amended by revising subsection (g) as follows:

406 "(g) Each local board of education subject to Code Section ~~48-8-141~~ 48-8-156 shall  
407 provide the information required under that Code section to the department for posting on  
408 the searchable website."

409

**SECTION 4.**

410 (a) This Act shall become effective on January 1, 2015; provided, however, that this Act  
411 shall only become effective on January 1, 2015, upon the ratification of a resolution at the  
412 November, 2014, state-wide general election which amends the Constitution of the State of  
413 Georgia so as to provide that the sales and use tax for educational purposes may be imposed  
414 by any local school system and may be imposed in part for educational programs and  
415 materials. If such resolution is not ratified, this Act shall not become effective and shall  
416 stand repealed in its entirety on January 1, 2015.

417 (b) This Act shall apply to taxes imposed or to be imposed under any resolution adopted by  
418 a board of education on or after January 1, 2015; and this Act shall not apply to taxes  
419 imposed or to be imposed under such resolutions adopted prior to January 1, 2015, unless  
420 they have been amended in accordance with this Act.

421

**SECTION 5.**

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