

House Bill 265 (AS PASSED HOUSE AND SENATE)

By: Representatives Jacobs of the 80<sup>th</sup>, Lindsey of the 54<sup>th</sup>, Riley of the 50<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 Chapter 9 of Title 32 of the Official Code of Georgia Annotated, relating to mass  
2 transportation, so as to repeal provisions relating to the suspension of restrictions on the use  
3 of annual proceeds from sales and use taxes by public transit authorities; to repeal provisions  
4 relating to the board of directors of the Metropolitan Atlanta Rapid Transit Authority; to  
5 amend Part 1 of Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,  
6 relating to state sales and use taxes in general, so as to extend the date for the applicability  
7 of an exemption to the local sales and use tax cap for a county that levied a tax for the  
8 purposes of a metropolitan area system of public transportation; to provide for related  
9 matters; to provide for an effective date; to provide for contingent repeal; to repeal  
10 conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

13 Chapter 9 of Title 32 of the Official Code of Georgia Annotated, relating to mass  
14 transportation, is amended by repealing in their entirety Code Sections 32-9-13 and 32-9-14,  
15 relating to the suspension of restrictions on the use of annual proceeds from sales and use  
16 taxes by public transit authorities and the board of directors of the Metropolitan Atlanta  
17 Rapid Transit Authority, respectively.

18 style="text-align:center">**SECTION 2.**

19 Part 1 of Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,  
20 relating to state sales and use taxes in general, is amended by revising subsection (a) of Code  
21 Section 48-8-6, relating to limitations upon the authority of local governments to levy sales  
22 and use taxes and other similar taxes, as follows:

23 "(a) There shall not be imposed in any jurisdiction in this state or on any transaction in this  
24 state local sales taxes, local use taxes, or local sales and use taxes in excess of 2 percent.  
25 For purposes of this prohibition, the taxes affected are any sales tax, use tax, or sales and

26 use tax which is levied in an area consisting of less than the entire state, however  
27 authorized, including such taxes authorized by or pursuant to constitutional amendment,  
28 except that the following taxes shall not count toward or be subject to such 2 percent  
29 limitation:

30 (1) A sales and use tax for educational purposes exempted from such limitation under  
31 Article VIII, Section VI, Paragraph IV of the Constitution;

32 (2) Any tax levied for purposes of a metropolitan area system of public transportation,  
33 as authorized by the amendment to the Constitution set out at Georgia Laws, 1964, page  
34 1008; the continuation of such amendment under Article XI, Section I, Paragraph IV(d)  
35 of the Constitution; and the laws enacted pursuant to such constitutional amendment;  
36 provided, however, that the exception provided for under this paragraph shall only apply:

37 (A) In a county in which a tax is being imposed under subparagraph (a)(1)(D) of Code  
38 Section 48-8-111 in whole or in part for the purpose or purposes of a water capital  
39 outlay project or projects, a sewer capital outlay project or projects, a water and sewer  
40 capital outlay project or projects, water and sewer projects and costs as defined under  
41 paragraph (4) of Code Section 48-8-200, or any combination thereof and with respect  
42 to which the county has entered into an intergovernmental contract with a municipality,  
43 in which the average waste-water system flow of such municipality is not less than 85  
44 million gallons per day, allocating proceeds to such municipality to be used solely for  
45 water and sewer projects and costs as defined under paragraph (4) of Code Section  
46 48-8-200. The exception provided for under this subparagraph shall apply only during  
47 the period the tax under said subparagraph (a)(1)(D) is in effect. The exception  
48 provided for under this subparagraph shall not apply in any county in which a tax is  
49 being imposed under Article 2A of this chapter; or

50 (B) In a county in which the tax levied for purposes of a metropolitan area system of  
51 public transportation is first levied after January 1, 2010, and before November 1, ~~2012~~  
52 2016. Such tax shall not apply to the following:

53 (i) The sale or use of jet fuel to or by a qualifying airline at a qualifying airport. For  
54 purposes of this division, a 'qualifying airline' means any person which is authorized  
55 by the Federal Aviation Administration or another appropriate agency of the United  
56 States to operate as an air carrier under an air carrier operating certificate and which  
57 provides regularly scheduled flights for the transportation of passengers or cargo for  
58 hire. For purposes of this division, a 'qualifying airport' means any airport in the state  
59 that has had more than 750,000 takeoffs and landings during a calendar year; and

60 (ii) The sale of motor vehicles;

61 (3) In the event of a rate increase imposed pursuant to Code Section 48-8-96, only the  
62 amount in excess of the initial 1 percent sales and use tax and in the event of a newly

63 imposed tax pursuant to Code Section 48-8-96, only the amount in excess of a 1 percent  
64 sales and use tax;  
65 (4) A sales and use tax levied under Article 4 of this chapter; and  
66 (5) A sales and use tax levied under Article 5 of this chapter.  
67 If the imposition of any otherwise authorized local sales tax, local use tax, or local sales  
68 and use tax would result in a tax rate in excess of that authorized by this subsection, then  
69 such otherwise authorized tax may not be imposed."

70 **SECTION 3.**

71 This Act shall become effective on June 1, 2014, only if an Act providing for the suspension  
72 of restrictions on the use of annual proceeds from sales and use taxes by the Metropolitan  
73 Atlanta Rapid Transit Authority and reconstituting the board of directors of the Metropolitan  
74 Atlanta Rapid Transit Authority is enacted at the 2014 regular session of the General  
75 Assembly. Otherwise, all provisions of this Act shall not become effective and shall stand  
76 repealed on June 1, 2014.

77 **SECTION 4.**

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